



Bank Financial Group



SUPPLEMENTAL FINANCIAL INFORMATION

For the Quarter Ended
July 31, 2004

For the Quarter Ended July 31, 2004
Index

How the Bank Reports

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Highlights	1	The supplemental information contained in this package is designed to improve the readers' understanding of the TD Bank Financial Group's financial performance. This information should be used in conjunction with the quarterly financial statement to shareholders, which is prepared in accordance with Canadian generally accepted accounting principles (GAAP). The Bank refers to results prepared in accordance with GAAP as the "reported basis".
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Performance Measures by Business Segment:		
- Total Bank	4	The Bank also utilizes earnings before the amortization of intangibles to assess each of its businesses and to measure overall Bank performance. To arrive at this measure, the Bank removes special items and the amortization of intangibles from reported basis earnings. The Bank views special items as transactions that are not part of the normal daily business operations and are therefore not indicative of underlying trends. Previously, the Bank reported operating cash basis earnings. Since the only distinction between operating cash basis and reported basis earnings in 2003 and 2004 was the amortization of intangibles (as there were no special items), the Bank now refers to earnings before amortization of intangibles as it is a better description of this measure.
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Analysis of Change in Gross Impaired Loans and Allowance for Credit Losses	18	The Bank reports economic profit and return on invested capital for the total Bank and for each of its major business segments. Economic profit/(loss) is earnings/(loss) before amortization of intangibles applicable to common shares after providing a charge for invested capital. Invested capital is equal to common equity plus the cumulative amount of goodwill and intangible assets amortized as of the reporting date.

Certain comparative amounts have been reclassified to conform with current period presentation.

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FOR THE PERIOD ENDED

LINE #	2004			2003			2002		Year to Date		Full Year		
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	2004	2003	2003	2002
Income Statement (\$millions)													
1	\$ 565	\$ 490	\$ 582	\$ 480	\$ 480	\$ (295)	\$ 324	\$ (219)	\$ (428)	\$ 1,637	\$ 509	\$ 989	\$ (160)
2	99	107	179	112	119	127	133	156	154	385	379	491	634
3	-	-	-	-	-	-	-	-	(18)	-	-	-	(32)
4	664	597	761	592	599	(168)	457	(63)	(292)	2,022	888	1,480	442
5	19	21	21	21	21	22	23	23	23	61	66	87	93
6	\$ 683	\$ 618	\$ 782	\$ 613	\$ 620	\$ (146)	\$ 480	\$ (40)	\$ (269)	\$ 2,083	\$ 954	\$ 1,567	\$ 535
Per common share and average number of shares													
7	\$.87	\$.74	\$.89	\$.74	\$.74	\$ (.46)	\$.50	\$ (.34)	\$ (.67)	\$ 2.50	\$.78	\$ 1.52	\$ (.25)
8	1.02	.91	1.16	.91	.92	(.26)	.71	(.10)	(.46)	3.09	1.37	2.28	.69
9	.86	.74	.88	.73	.73	(.46)	.50	(.34)	(.67)	2.48	.78	1.51	(.25)
10	1.01	.90	1.15	.90	.91	(.26)	.70	(.10)	(.46)	3.06	1.36	2.26	.68
11	653.1	656.8	654.8	653.8	651.3	648.5	645.6	643.3	641.5	654.9	648.5	649.8	641.0
12	657.4	662.0	660.0	658.3	655.3	652.2	649.7	647.3	646.6	659.7	652.4	653.9	646.9
Balance sheet (\$billions)													
13	\$ 309.2	\$ 312.3	\$ 316.2	\$ 273.5	\$ 302.2	\$ 321.7	\$ 311.4	\$ 278.0	\$ 309.6	\$ 309.2	\$ 302.2	\$ 273.5	\$ 278.0
14	12.4	12.2	12.0	11.6	11.4	11.1	11.7	11.6	12.0	12.4	11.4	11.6	11.6
15	321	405	412	369	298	196	131	224	246	321	298	369	224
Capital and Risk Metrics (\$billions)													
16	\$ 99.7	\$ 102.3	\$ 110.1	\$ 108.2	\$ 114.0	\$ 118.3	\$ 121.1	\$ 120.6	\$ 129.9	\$ 99.7	\$ 114.0	\$ 108.2	\$ 120.6
17	12.3	12.2	11.9	11.3	11.1	10.4	10.3	9.8	10.0	12.3	11.1	11.3	9.8
18	8.5	8.2	8.0	7.4	7.2	6.7	6.5	6.2	6.5	8.5	7.2	7.4	6.2
19	12.3 %	11.9 %	10.9 %	10.5 %	9.7 %	8.8 %	8.5 %	8.1 %	7.7 %	12.3 %	9.7 %	10.5 %	8.1 %
20	16.8	16.4	15.5	15.6	13.9	12.4	11.8	11.6	10.6	16.8	13.9	15.6	11.6
21	8.5	8.0	7.3	6.9	6.3	5.7	5.4	5.1	5.0	8.5	6.3	6.9	5.1
22	\$ (120)	\$ (40)	\$ (32)	\$ (13)	\$ (45)	\$ (40)	\$ (27)	\$ (40)	\$ (48)	\$ (120)	\$ (45)	\$ (13)	\$ (40)
23	(14)	(4)	(9)	4	(10)	(10)	(1)	(5)	2	(14)	(10)	4	(5)
24	(617)	(567)	(584)	(641)	(643)	(742)	(661)	(975)	(799)	(617)	(643)	(641)	(975)
25	(.5)%	(.4)%	(.5)%	(.5)%	(.5)%	(.6)%	(.5)%	(.7)%	(.6)%	(.5)%	(.5)%	(.5)%	(.7)%
26	(.05)	(.62)	(.33)	(.27)	.19	.31	.34	2.84	3.81	(.33)	.28	.15	2.24
27	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3
28	A+	A+	A+	A+	A+	A+	A+	AA-	AA-	A+	A+	A+	AA-

¹ Excludes gain on sale of mutual fund record keeping and custody business

² Excludes debt security positions which are used as part of the Bank's Asset and Liability Management hedging activities and preferred shares that are hedged

³ Tangible common equity is common shareholders' equity plus contributed surplus less net intangibles and goodwill

FOR THE PERIOD ENDED	LINE #	2004				2003			2002		Year to Date		Full Year	
		Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	2004	2003	2003	2002
Business performance (\$millions)														
Net income applicable to common shareholders - reported basis	1	\$ 565	\$ 490	\$ 582	\$ 480	\$ 480	\$ (295)	\$ 324	\$ (219)	\$ (428)	\$ 1,637	\$ 509	\$ 989	\$ (160)
Economic profit ^{1,2}	2	259	207	376	210	227	(563)	76	(457)	(692)	842	(260)	(50)	(1,132)
Total revenue ³	3	2,675	2,769	2,789	2,473	2,595	2,413	2,559	2,442	2,420	8,233	7,567	10,040	10,189
Net interest income	4	1,487	1,486	1,477	1,379	1,402	1,445	1,390	1,388	1,404	4,450	4,237	5,616	5,300
Average common equity	5	12,195	12,058	11,665	11,396	11,107	11,484	11,607	11,817	12,227	11,944	11,397	11,396	12,144
Average invested capital ⁴	6	15,089	14,849	14,331	13,900	13,536	13,875	13,868	13,934	14,189	14,726	13,760	13,792	14,025
Return on Equity - reported basis	7	18.4 %	16.5 %	19.8 %	16.7 %	17.1 %	(10.5)%	11.1 %	(7.4)%	(13.9)%	18.3 %	6.0 %	8.7 %	(1.3)%
- before amortization of intangibles ⁵	8	21.7	20.1	26.0	20.6	21.4	(6.0)	15.6	(2.1)	(9.5)	22.6	10.4	13.0	3.6
Return on invested capital - before amortization of intangibles ^{2,4,5}	9	17.5	16.4	21.1	16.9	17.6	(5.7)	13.1	(1.8)	(8.2)	18.3	8.4	10.5	3.2
Return on risk-weighted assets - before amortization of intangibles ⁵	10	2.68	2.36	2.84	2.19	2.12	(0.50)	1.58	(0.13)	(0.83)	2.64	1.08	1.35	0.42
Efficiency ratio - reported basis	11	71.3	82.0	69.0	79.3	72.6	106.3	76.5	76.2	77.1	74.1	84.6	83.3	75.8
- before amortization of intangibles ³	12	65.6	76.2	62.9	72.2	65.4	98.0	68.2	67.0	67.8	68.2	76.7	75.6	66.3
Net interest margin	13	2.29	2.34	2.37	2.26	2.15	2.29	2.22	2.20	2.17	2.33	2.22	2.23	2.07
Number of full-time equivalent staff at period end	14	42,932	41,918	41,950	41,934	42,786	42,805	43,239	43,208	44,890	42,932	42,786	41,934	43,208
Number of domestic retail outlets at period end	15	1,033	1,026	1,031	1,093	1,162	1,165	1,172	1,178	1,182	1,033	1,162	1,093	1,178
Number of retail brokerage offices at period end	16	265	265	268	270	272	285	283	283	283	265	272	270	283
Common share performance														
Closing market price	17	\$ 44.30	\$ 44.48	\$ 43.38	\$ 43.86	\$ 37.49	\$ 33.94	\$ 32.18	\$ 29.35	\$ 33.00	\$ 44.30	\$ 37.49	\$ 43.86	\$ 29.35
Book value per common share	18	18.94	18.63	18.27	17.64	17.47	17.04	18.10	17.91	18.62	18.94	17.47	17.64	17.91
Closing market price to book value	19	2.34	2.39	2.37	2.49	2.15	1.99	1.78	1.64	1.77	2.34	2.15	2.49	1.64
Price earnings ratio - before amortization of intangibles ^{5,6}	20	11.2	11.5	16.1	19.5	30.0	-	54.5	43.8	21.3	11.2	30.0	19.5	43.8
Total market return on common shareholders' investment ⁷	21	21.7 %	34.8 %	38.5 %	53.4 %	17.0 %	(16.3)%	(21.8)%	(15.2)%	(13.3)%	21.7 %	17.0 %	53.4 %	(15.2)%
Number of common shares outstanding (millions)	22	653.0	655.3	657.6	656.3	653.4	651.1	647.9	645.4	643.2	653.0	653.4	656.3	645.4
Total market capitalization (\$billions)	23	\$ 28.9	\$ 29.1	\$ 28.5	\$ 28.8	\$ 24.5	\$ 22.1	\$ 20.8	\$ 18.9	\$ 21.2	\$ 28.9	\$ 24.5	\$ 28.8	\$ 18.9
Dividend Performance														
Dividend per common share	24	\$ 0.34	\$ 0.34	\$ 0.32	\$ 0.32	\$ 0.28	\$ 0.28	\$ 0.28	\$ 0.28	\$ 0.28	\$ 1.00	\$ 0.84	\$ 1.16	\$ 1.12
Dividend yield ⁸	25	3.0 %	2.7 %	2.8 %	2.9 %	3.1 %	3.4 %	3.5 %	3.7 %	3.2 %	3.0 %	3.4 %	3.2 %	3.2 %
Common dividend payout ratio - before amortization of intangibles ⁵	26	33.4	37.5	27.5	35.3	30.6	-	39.6	-	-	32.4	61.4	50.9	162.4

¹ Economic profit is net income applicable to common shareholders, before the amortization of purchased intangibles, less a charge for the cost of Invested Capital. The rate charged for Invested Capital is 10.7% for 2004, 10.9% for 2003 and 11.2% for 2002.

² Q2/03 includes a charge of \$26 million after-tax for the past amortization of goodwill that became impaired during the period

³ Excludes the gain on sale of mutual fund record keeping and custody business (Q3/02 - \$22 million pre-tax, Q1/02 - \$18 million pre-tax)

⁴ Invested capital is common shareholders' equity plus the cumulative after-tax amount of purchased intangible assets amortized as of the reporting date

⁵ Excludes the gain on sale of mutual fund record keeping and custody business (Q3/02 - \$18 million after-tax, Q1/02 - \$14 million after-tax)

⁶ Closing common share price divided by diluted net income per common share for trailing 4 quarters

⁷ Change in market price plus dividends paid in trailing 4 quarters as a percentage of the prior year's closing market price per common share

⁸ Dividends per common share for trailing 4 quarters divided by average of high and low common share prices for the period

Net Income



<i>(\$MILLIONS)</i>													
<i>FOR THE PERIOD ENDED</i>													
LINE #	2004			2003				2002		Year to Date		Full Year	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	2004	2003	2003	2002
Interest income	\$ 2,744	\$ 2,722	\$ 2,846	\$ 2,659	\$ 2,840	\$ 2,874	\$ 2,829	\$ 2,920	\$ 2,941	\$ 8,312	\$ 8,543	\$ 11,202	\$ 11,606
Interest expense	1,257	1,236	1,369	1,280	1,438	1,429	1,439	1,532	1,537	3,862	4,306	5,586	6,306
Net interest income	1,487	1,486	1,477	1,379	1,402	1,445	1,390	1,388	1,404	4,450	4,237	5,616	5,300
Provision for credit losses	(17)	(192)	(104)	(83)	59	98	112	950	1,250	(313)	269	186	2,925
Net interest income after credit loss provision	1,504	1,678	1,581	1,462	1,343	1,347	1,278	438	154	4,763	3,968	5,430	2,375
Other income													
TD Waterhouse Fees and commissions	209	293	288	270	253	202	232	209	228	790	687	957	922
Full service brokerage and other securities services	164	215	185	164	199	160	144	124	163	564	503	667	641
Mutual fund management	147	146	138	133	127	120	128	127	131	431	375	508	522
Credit fees	96	76	91	84	113	100	118	78	100	263	331	415	415
Net investment securities gains/(losses)	44	59	45	23	18	(23)	5	(14)	(8)	148	-	23	26
Trading income	(75)	(55)	52	(22)	(19)	15	130	64	(73)	(78)	126	104	529
Service charges	170	168	165	165	168	153	155	157	151	503	476	641	596
Loan securitizations	90	107	111	89	60	54	47	53	63	308	161	250	218
Card services	51	52	49	47	74	65	66	66	64	152	205	252	249
Insurance revenue (net of claims)	164	143	111	119	112	97	92	100	95	418	301	420	375
Trust fees	20	23	17	15	19	19	17	18	18	60	55	70	76
Writedown of investment in JVs	-	-	-	-	-	(39)	-	-	-	-	(39)	(39)	-
Foreign exchange - non-trading	29	28	27	(31)	26	28	25	25	29	84	79	48	110
Gains/(Losses) on derivatives & loan sales (non-core) not booked to sectoral	40	15	(3)	(19)	(13)	(31)	(50)	-	-	52	(94)	(113)	-
Gain on sale of mutual fund record keeping and custody business	-	-	-	-	-	-	-	-	22	-	-	-	40
Other	39	13	36	57	56	48	60	47	55	88	164	221	210
Total other income	1,188	1,283	1,312	1,094	1,193	968	1,169	1,054	1,038	3,783	3,330	4,424	4,929
Net interest and other income	2,692	2,961	2,893	2,556	2,536	2,315	2,447	1,492	1,192	8,546	7,298	9,854	7,304
Non-interest expenses													
Salaries and employee benefits	957	971	943	941	959	893	965	802	868	2,871	2,817	3,758	3,566
Occupancy including depreciation	158	150	147	173	178	153	152	154	154	455	483	656	605
Equipment including depreciation	144	137	120	177	150	156	167	171	172	401	473	650	661
Restructuring costs	-	(7)	-	-	5	87	-	-	-	(7)	92	92	-
Goodwill impairment	-	-	-	-	-	624	-	-	-	-	624	624	-
Other	496	858	545	494	405	452	461	508	447	1,899	1,318	1,812	1,922
Total non-interest expenses excluding amortization of intangibles	1,755	2,109	1,755	1,785	1,697	2,365	1,745	1,635	1,641	5,619	5,807	7,592	6,754
Income before provision for income taxes	937	852	1,138	771	839	(50)	702	(143)	(449)	2,927	1,491	2,262	550
Provision for income taxes	231	211	333	135	196	73	199	(119)	(211)	775	468	603	(81)
Net income before non-controlling interest	706	641	805	636	643	(123)	503	(24)	(238)	2,152	1,023	1,659	631
Non-controlling interest	23	23	23	23	23	23	23	16	13	69	69	92	64
Net income - before amortization of intangibles	683	618	782	613	620	(146)	480	(40)	(251)	2,083	954	1,567	567
Preferred dividends	19	21	21	21	21	22	23	23	23	61	66	87	93
Net income applicable to common shareholders - before amortization of intangibles	664	597	761	592	599	(168)	457	(63)	(274)	2,022	888	1,480	474
Amortization of intangibles, net of tax	99	107	179	112	119	127	133	156	154	385	379	491	634
Net income applicable to common shareholders - reported basis	\$ 565	\$ 490	\$ 582	\$ 480	\$ 480	\$ (295)	\$ 324	\$ (219)	\$ (428)	\$ 1,637	\$ 509	\$ 989	\$ (160)

Performance Measures Summary - Total Bank



RESULTS OF OPERATIONS - before amortization of intangibles¹

(\$millions)

FOR THE PERIOD ENDED	LINE #	2004			2003			2002		Year to Date		Full Year		
		Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	2004	2003	2003	2002
Net income														
Personal and Commercial Banking	1	\$ 381	\$ 357	\$ 359	\$ 327	\$ 335	\$ 306	\$ 309	\$ 287	\$ 282	\$ 1,097	\$ 950	\$ 1,277	\$ 1,114
Wealth Management	2	80	106	115	104	82	(299)	38	21	18	301	(179)	(75)	125
Total Retail	3	461	463	474	431	417	7	347	308	300	1,398	771	1,202	1,239
Wholesale Banking	4	133	167	181	126	110	(133)	157	(356)	(542)	481	134	260	(657)
Corporate	5	89	(12)	127	56	93	(20)	(24)	8	(27)	204	49	105	(47)
Total Bank	6	\$ 683	\$ 618	\$ 782	\$ 613	\$ 620	\$ (146)	\$ 480	\$ (40)	\$ (269)	\$ 2,083	\$ 954	\$ 1,567	\$ 535
Return on Invested Capital														
Personal and Commercial Banking	7	20.6 %	20.0 %	19.8 %	18.8 %	19.3 %	18.2 %	17.8 %	16.9 %	16.7 %	20.2 %	18.4 %	18.5 %	16.8 %
Wealth Management	8	11.0	15.3	16.2	14.2	11.1	(41.5)	4.4	2.5	2.1	14.2	(9.0)	(3.6)	3.7
Wholesale Banking	9	22.1	27.5	27.9	19.2	16.1	(19.2)	18.9	(31.2)	(51.8)	25.9	5.4	8.6	(16.1)
Total Bank	10	17.5 %	16.4 %	21.1 %	16.9 %	17.6 %	(5.7)%	13.1 %	(1.8)%	(8.2)%	18.3 %	8.4 %	10.5 %	3.2 %
Percentage net income mix²														
Total Retail	11	78 %	73 %	72 %	77 %	79 %	100 %	69 %	100 %	100 %	74 %	85 %	82 %	100 %
Wholesale Banking	12	22	27	28	23	21	-	31	-	-	26	15	18	-
Total Bank	13	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %
Percentage geographic contribution to total revenue³														
Canada	14	71 %	74 %	73 %	76 %	71 %	75 %	72 %	73 %	74 %	73 %	73 %	73 %	74 %
United States of America	15	15	15	16	16	15	14	19	15	13	15	16	16	15
Other	16	14	11	11	8	14	11	9	12	13	12	11	11	11
Total Bank	17	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

¹ Excludes gain on sale of mutual fund record keeping and custody business (Q3/02 - \$18 million after-tax, and 2002 - \$32 million after-tax)

² Percentages exclude Corporate segment results

³ The taxable equivalent amounts (TEB) are not included in geographic contribution to total revenue.

BASIS OF PRESENTATION OF RESULTS: Results of each Segment reflect revenue, expenses, assets and liabilities generated by the businesses in that segment. Transfer pricing of funds sold or purchased, and of commissions for services provided are generally at market rates. The Bank measures and evaluates the performance of each Segment based on Net Income before amortization of intangibles, Economic Profit, and Return on Invested Capital. A Segment's Invested Capital represents the capital required for economic risks, including credit, market, and operational risks, plus the purchased amounts of goodwill and intangible assets net of impairment writedowns. Economic Profit is determined as the Net Income applicable to common shareholders before the amortization of purchased intangibles, less a charge for the cost of Invested Capital.

CORPORATE: Includes the Non-Core Lending Portfolio, non-controlling interests in subsidiaries, the effects of asset securitization programs, treasury management, general provisions for credit losses, the elimination of taxable equivalent revenue and income tax, corporate level tax benefits, and residual unallocated revenues, expenses and taxes.

Performance Measures - Personal and Commercial Banking Segment



RESULTS OF OPERATIONS - before amortization of intangibles (\$millions)

FOR THE PERIOD ENDED	LINE #	2004			2003			2002		Year to Date		Full Year		
		Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	2004	2003	2003	2002
Net interest income (TEB)	1	\$ 1,042	\$ 1,011	\$ 1,038	\$ 1,024	\$ 1,031	\$ 999	\$ 1,032	\$ 1,032	\$ 1,020	\$ 3,091	\$ 3,062	\$ 4,086	\$ 4,058
Other income	2	537	520	486	475	466	429	433	433	438	1,543	1,328	1,803	1,710
Total revenue	3	1,579	1,531	1,524	1,499	1,497	1,428	1,465	1,465	1,458	4,634	4,390	5,889	5,768
Provision for credit losses	4	92	87	106	128	105	104	123	120	132	285	332	460	505
Non-interest expenses	5	913	909	884	873	873	852	865	886	879	2,706	2,590	3,463	3,501
Net income before taxes	6	574	535	534	498	519	472	477	459	447	1,643	1,468	1,966	1,762
Income taxes (TEB)	7	193	178	175	171	184	166	168	172	165	546	518	689	648
Net income	8	\$ 381	\$ 357	\$ 359	\$ 327	\$ 335	\$ 306	\$ 309	\$ 287	\$ 282	\$ 1,097	\$ 950	\$ 1,277	\$ 1,114
Economic profit ¹	9	\$ 210	\$ 190	\$ 191	\$ 166	\$ 174	\$ 151	\$ 148	\$ 114	\$ 111	\$ 591	\$ 473	\$ 639	\$ 438
Average Invested Capital (\$billions)	10	7.2	7.1	7.0	6.7	6.7	6.7	6.7	6.5	6.5	7.1	6.7	6.7	6.5
Return on Invested Capital	11	20.6 %	20.0 %	19.8 %	18.8 %	19.3 %	18.2 %	17.8 %	16.9 %	16.7 %	20.2 %	18.4 %	18.5 %	16.8 %

Key performance indicators (\$billions)

Risk-weighted assets	12	\$ 58	\$ 56	\$ 56	\$ 56	\$ 54	\$ 54	\$ 53	\$ 52	\$ 56	\$ 58	\$ 54	\$ 56	\$ 52
Average loans - personal	13	94	93	93	88	88	87	85	84	81	93	87	87	80
Average loans and acceptances - business	14	16	16	16	17	17	17	18	18	18	16	17	17	18
Average securitized loans	15	29	27	26	26	23	22	22	22	23	27	22	23	23
Average deposits - personal	16	89	87	87	85	84	83	83	82	81	88	83	84	80
Average deposits - business	17	29	27	27	27	26	25	25	24	23	28	25	26	23
Margin on avg. earning assets incl. securitized assets	18	3.03%	3.08%	3.14%	3.18%	3.26%	3.34%	3.36%	3.38%	3.40%	3.08%	3.32%	3.28%	3.42%
Efficiency ratio	19	57.8%	59.4%	58.0%	58.2%	58.3%	59.7%	59.0%	60.5%	60.3%	58.4%	59.0%	58.8%	60.7%

¹ The rate charged for Invested Capital is 9% for 2004, 9% for 2003, and 10% for 2002

The Personal and Commercial Banking segment provides financial services to approximately 10 million personal, small business, insurance and commercial customers. Under the TD Canada Trust brand, the retail operations provide a full range of financial products and services to our personal and small business customers through the telephone, the Internet, automated banking machines, and branches. TD Commercial Banking provides lending, deposit, savings and investment products to Canadian businesses, plus a full range of day-to-day banking, cash management, trade and treasury services.

RESULTS OF OPERATIONS - before amortization of intangibles
 (\$millions)

FOR THE PERIOD ENDED	LINE #	2004			2003			2002		Year to date		Full Year		
		Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	2004	2003	2003	2002
Net interest income (TEB)	1	\$ 131	\$ 125	\$ 118	\$ 117	\$ 113	\$ 95	\$ 106	\$ 107	\$ 106	\$ 374	\$ 314	\$ 431	\$ 426
Brokerage commissions & other income ¹	2	489	583	557	516	501	388	468	431	459	1,629	1,357	1,873	1,895
Total revenue	3	620	708	675	633	614	483	574	538	565	2,003	1,671	2,304	2,321
Restructuring costs	4	-	-	-	-	5	21	-	-	-	-	26	26	-
Goodwill impairment	5	-	-	-	-	-	274	-	-	-	-	274	274	-
Other non-interest expenses	6	502	544	499	473	490	466	505	494	521	1,545	1,461	1,934	2,080
Total non-interest expenses	7	502	544	499	473	495	761	505	494	521	1,545	1,761	2,234	2,080
Net income before taxes	8	118	164	176	160	119	(278)	69	44	44	458	(90)	70	241
Income taxes (TEB)	9	38	58	61	56	37	21	31	23	26	157	89	145	116
Net income (loss) ²	10	\$ 80	\$ 106	\$ 115	\$ 104	\$ 82	\$ (299)	\$ 38	\$ 21	\$ 18	\$ 301	\$ (179)	\$ (75)	\$ 125
Economic profit (loss) ^{3,4}	11	\$ (7)	\$ 21	\$ 29	\$ 16	\$ (6)	\$ (421)	\$ (65)	\$ (85)	\$ (87)	\$ 43	\$ (492)	\$ (476)	\$ (298)
Average Invested Capital (\$billions)	12	2.7	2.7	2.7	2.8	2.8	3.2	3.4	3.3	3.2	2.7	3.1	3.0	3.3
Return on Invested Capital ⁴	13	11.0 %	15.3 %	16.2 %	14.2 %	11.1 %	(41.5)%	4.4 %	2.5 %	2.1 %	14.2 %	(9.0)%	(3.6)%	3.7 %

Key performance indicators (\$billions)

Risk-weighted assets	14	\$ 6	\$ 7	\$ 6	\$ 6	\$ 6	\$ 5	\$ 5	\$ 6	\$ 6	\$ 6	\$ 6	\$ 6	\$ 6
Assets under administration	15	283	287	284	259	251	233	230	226	230	283	251	259	226
Assets under management	16	126	121	119	113	113	110	112	112	122	126	113	113	112
Personal margin loans	17	6	7	6	5	5	5	5	4	5	6	5	5	4
Discount brokerage average trades per day (000's)	18	87	126	135	111	110	78	94	82	96	116	94	98	99
Efficiency ratio	19	81.0 %	76.8 %	74.0 %	74.7 %	80.6 %	157.6 %	88.0 %	91.8 %	92.2 %	77.1 %	105.4 %	97.0 %	89.6 %

¹ Includes write downs of \$39 million in Q2/03 as a result of other than temporary impairments in certain international joint ventures.

² Q2/03 restructuring and goodwill impairment charges and write downs amounted to \$328 million after-tax.

³ The rates charged for Invested Capital for the domestic Wealth Management, Canada Discount Brokerage, and US and International businesses are 10%, 10% and 14% for 2004, 10%, 13% and 13% for 2003 and 10%, 14% and 14% for 2002 respectively.

⁴ Q2/03 includes a charge of \$26 million after-tax for the past amortization of goodwill that became impaired during the period.

The Wealth Management segment offers investors a wide array of investment products and services. It is one of Canada's largest asset managers, advisors and distributors of investment products; providing mutual funds, pooled funds, segregated account management, full service brokerage services and self-directed investing to retail, mass affluent and private client segments. In addition, investment management services are provided to pension funds, corporations, institutions, endowments, and foundations.

Performance Measures - Wholesale Banking Segment



RESULTS OF OPERATIONS - before amortization of intangibles (\$millions)

FOR THE PERIOD ENDED	LINE #	2004			2003			2002		Year to Date		Full Year		
		Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	2004	2003	2003	2002
Net interest income (TEB)	1	\$ 422	\$ 431	\$ 394	\$ 351	\$ 343	\$ 368	\$ 293	\$ 444	\$ 433	\$ 1,247	\$ 1,004	\$ 1,355	\$ 1,505
Trading and fee income	2	118	156	226	150	139	115	297	124	98	500	551	701	1,163
Total revenue	3	540	587	620	501	482	483	590	568	531	1,747	1,555	2,056	2,668
Provision for credit losses ¹	4	12	10	7	8	3	2	2	841	1,132	29	7	15	2,490
Restructuring costs	5	-	(7)	-	-	-	66	-	-	-	(7)	66	66	-
Goodwill impairment	6	-	-	-	-	-	350	-	-	-	-	350	350	-
Other non-interest expenses	7	340	343	352	323	307	300	343	276	248	1,035	950	1,273	1,235
Total non-interest expenses	8	340	336	352	323	307	716	343	276	248	1,028	1,366	1,689	1,235
Net income before taxes	9	188	241	261	170	172	(235)	245	(549)	(849)	690	182	352	(1,057)
Income taxes (TEB)	10	55	74	80	44	62	(102)	88	(193)	(307)	209	48	92	(400)
Net income (loss) ²	11	\$ 133	\$ 167	\$ 181	\$ 126	\$ 110	\$ (133)	\$ 157	\$ (356)	\$ (542)	\$ 481	\$ 134	\$ 260	\$ (657)
Economic profit (loss) ³	12	\$ 53	\$ 85	\$ 94	\$ 39	\$ 20	\$ (231)	\$ 47	\$ (503)	\$ (674)	\$ 232	\$ (164)	\$ (125)	\$ (1,192)
Average Invested Capital (\$billions)	13	2.3	2.4	2.5	2.5	2.6	2.9	3.3	4.6	4.2	2.4	2.9	2.8	4.2
Return on Invested Capital	14	22.1 %	27.5 %	27.9 %	19.2 %	16.1 %	(19.2)%	18.9 %	(31.2)%	(51.8)%	25.9 %	5.4 %	8.6 %	(16.1)%
Key performance indicators (\$billions)														
Risk-weighted assets	15	\$ 32	\$ 35	\$ 41	\$ 40	\$ 46	\$ 48	\$ 49	\$ 62	\$ 65	\$ 32	\$ 46	\$ 40	\$ 62
Trading securities	16	68	66	72	55	65	64	65	53	67	68	65	55	53
Short sales of securities	17	19	17	20	15	20	19	20	17	23	19	20	15	17
Average loans and customers' liabilities under acceptances	18	7	7	7	8	9	9	10	23	24	7	9	9	25
Efficiency ratio	19	63.0 %	57.2 %	56.8 %	64.4 %	63.6 %	148.3 %	58.2 %	48.6 %	46.7 %	58.8 %	87.8 %	82.1 %	46.3 %
Trading related income (TEB)⁴														
Interest rate and credit portfolios	20	\$ 136	\$ 176	\$ 171	\$ 91	\$ 124	\$ 184	\$ 182	\$ 110	\$ 60	\$ 483	\$ 490	\$ 581	\$ 741
Foreign exchange portfolios	21	55	61	65	61	57	65	65	45	62	181	187	248	217
Equity and other portfolios	22	11	7	82	50	(35)	49	100	122	54	100	114	164	243
TEB adjustment	23	62	61	46	44	58	36	27	53	42	169	121	165	152
Total trading related income	24	\$ 264	\$ 305	\$ 364	\$ 246	\$ 204	\$ 334	\$ 374	\$ 330	\$ 218	\$ 933	\$ 912	\$ 1,158	\$ 1,353

¹ Provision for credit losses includes the cost of credit protection incurred in hedging the lending portfolio. From Q1 2003 onwards, the amounts are exclusively the cost of credit protection incurred in hedging the lending portfolio.

² Q2/03 Restructuring and goodwill impairment charges amounted to \$289 million after-tax

³ The rate charged for Invested Capital is 13% for 2004, 13% for 2003, and 12% for 2002

⁴ Includes trading-related income reported in net interest income (line 1) and trading and fee income (line 2).

The Wholesale Banking segment serves a diverse base of corporate, government, and institutional clients in key financial markets around the world. Under the TD Securities brand, the Wholesale Bank provides a full range of capital markets and investment banking products and services that include; advice on corporate strategy and mergers and acquisitions; underwriting and distributing loan, debt and equity products; structuring tailored risk management solutions; and executing financial transactions.

Performance Measures - Corporate Segment¹



RESULTS OF OPERATIONS - before amortization of intangibles (\$millions)

FOR THE PERIOD ENDED	LINE #	2004				2003				Year to Date		Full Year
		Q3	Q2	Q1	Q4	Q3	Q2	Q1	2004	2003	2003	
Net interest income ^{2,3}	1	\$ (108)	\$ (81)	\$ (73)	\$ (113)	\$ (85)	\$ (17)	\$ (41)	\$ (262)	\$ (143)	\$ (256)	
Other Income ³	2	44	24	43	(47)	87	36	(29)	111	94	47	
Total revenue	3	(64)	(57)	(30)	(160)	2	19	(70)	(151)	(49)	(209)	
General allowance release	4	-	(67)	-	(157)	-	-	-	(67)	-	(157)	
Sectoral allowance release	5	(100)	(200)	(200)	(40)	(40)	-	-	(500)	(40)	(80)	
Other provision for credit losses ³	6	(21)	(22)	(17)	(22)	(9)	(8)	(13)	(60)	(30)	(52)	
Total provision for credit losses	7	(121)	(289)	(217)	(219)	(49)	(8)	(13)	(627)	(70)	(289)	
Non-interest expenses	8	-	320	20	116	22	36	32	340	90	206	
Net income before taxes	9	57	(88)	167	(57)	29	(9)	(89)	136	(69)	(126)	
Income taxes ²	10	(55)	(99)	17	(136)	(87)	(12)	(88)	(137)	(187)	(323)	
Non-controlling interest	11	23	23	23	23	23	23	23	69	69	92	
Net income (loss)	12	\$ 89	\$ (12)	\$ 127	\$ 56	\$ 93	\$ (20)	\$ (24)	\$ 204	\$ 49	\$ 105	

Decomposition of material items in net income (\$millions)

Interest on income tax refunds	13	\$ 12	\$ 20	\$ -	\$ -	\$ 35	\$ -	\$ -	\$ 32	\$ 35	\$ 35
Visa foreign exchange loss	14	-	-	-	(39)	-	-	-	-	-	(39)
Impact of Hedging Relationships Guideline (AcG-13) ⁴	15	4	(17)	(13)	-	-	-	-	(26)	-	-
Securitization Gain/(Loss)	16	(4)	10	3	1	11	-	-	9	11	12
General allowance release	17	-	43	-	100	-	-	-	43	-	100
Unallocated Corporate expenses	18	(7)	(25)	(11)	(51)	(17)	(26)	(17)	(43)	(60)	(111)
Deferred tax charge - commercial lease	19	-	-	-	-	-	(30)	-	-	(30)	(30)
Tax Recovery re: future tax adjustment	20	-	-	17	-	-	-	-	17	-	-
Non-Core Lending Portfolio	21	95	(39)	141	22	62	13	6	197	81	103
Other	22	(11)	(4)	(10)	23	2	23	(13)	(25)	12	35
Total Net Income (loss)	23	\$ 89	\$ (12)	\$ 127	\$ 56	\$ 93	\$ (20)	\$ (24)	\$ 204	\$ 49	\$ 105

¹ Refer to page 9 for a breakout of Non-Core Lending Portfolio results.

² Includes the elimination of the taxable equivalent basis (TEB) adjustments reported in the Operating Segments and Non-Core Lending Portfolio results.

³ The Operating Segments results are presented before the impact of asset securitization programs, which is reclassified in the Corporate segment.

⁴ The impact of the Hedging Relationships accounting guideline (AcG-13) results from the accounting asymmetry that occurs when hedges of interest rate risk, foreign exchange rates or credit exposures are effective for economic purposes but are marked-to-market for accounting purposes.

The Corporate Segment includes Non-Core Lending Portfolio, non-controlling interests in subsidiaries, the effects of asset securitization programs in the Personal & Commercial Banking Segment, treasury management, general provisions for credit losses, the elimination of taxable equivalent revenue and income tax, corporate level tax benefits, and residual unallocated revenues, expenses and taxes.

RESULTS OF OPERATIONS - before amortization of intangibles
(\$millions)

FOR THE PERIOD ENDED	LINE #	2004				2003				Year to Date		Full Year
		Q3	Q2	Q1	Q4	Q3	Q2	Q1	2004	2003	2003	
Net interest income (TEB)	1	\$ 19	\$ 25	\$ 32	\$ 40	\$ 40	\$ 40	\$ 48	\$ 76	\$ 128	\$ 168	
Trading and fee income	2	36	28	13	(26)	28	(9)	(25)	77	(6)	(32)	
Total revenue	3	55	53	45	14	68	31	23	153	122	136	
Provision for credit losses	4	(100)	(200)	(200)	(40)	(40)	-	-	(500)	(40)	(80)	
Non-interest expenses	5	8	313	28	40	10	8	14	349	32	72	
Net income before taxes	6	147	(60)	217	14	98	23	9	304	130	144	
Income taxes (TEB)	7	52	(21)	76	(8)	36	10	3	107	49	41	
Net income ²	8	\$ 95	\$ (39)	\$ 141	\$ 22	\$ 62	\$ 13	\$ 6	\$ 197	\$ 81	\$ 103	
Economic profit (loss) ³	9	\$ 82	\$ (57)	\$ 111	\$ (13)	\$ 17	\$ (31)	\$ (41)	\$ 136	\$ (55)	\$ (68)	
Average Invested Capital (\$billions)	10	.3	.5	.7	1.0	1.3	1.3	1.3	.5	1.3	1.2	

Key performance indicators (\$millions)

Risk-weighted assets (\$billions)	11	\$ 2.3	\$ 3.6	\$ 4.6	\$ 5.8	\$ 8.4	\$ 10.1	\$ 12.7	\$ 2.3	\$ 8.4	\$ 5.8
Total exposure (\$billions) ⁴	12	3.0	5.0	6.5	8.0	10.9	13.8	17.0	3.0	10.9	8.0
Total drawn (\$billions) ⁵	13	1.8	2.6	3.3	4.2	6.2	7.2	9.3	1.8	6.2	4.2
Gains/(losses) on derivatives & loan sales not booked to sectoral	14	40	15	(3)	(19)	(13)	(31)	(50)	52	(94)	(113)
Sectoral Allowance											
Balance as at beginning of period	15	228	316	541	698	813	1,032	1,285	541	1,285	1,285
Transfers (to)/from specific	16	(2)	61	(64)	(76)	(95)	(170)	(236)	(5)	(501)	(577)
Recoveries	17	39	67	32	20	37	-	-	138	37	57
Provision for credit losses	18	(100)	(200)	(200)	(40)	(40)	-	-	(500)	(40)	(80)
Foreign exchange and loss on loan sales	19	(5)	(16)	7	(61)	(17)	(49)	(17)	(14)	(83)	(144)
Balance as at period end	20	\$ 160	\$ 228	\$ 316	\$ 541	\$ 698	\$ 813	\$ 1,032	\$ 160	\$ 698	\$ 541

¹ The Non-Core Lending Portfolio business is included in the Corporate segment results found on page 8.

² Q2/04 includes a general litigation accrual of \$195 million after-tax.

³ The rate charged for Invested Capital is 15% for 2004, and 13% for 2003.

⁴ Exposure is committed authorized plus uncommitted utilized loan facilities and letters of credit and guarantees; net of specific allowances for credit losses, cash collateral and credit protection.

⁵ Drawn (excluding letters of credit and guarantees) is utilized loan facilities net of specific allowances for credit losses, cash collateral, and credit protection.

The Non-Core Lending Portfolio was established at the end of fiscal 2002, representing just over half our total lending portfolio at the time with a majority of the exposures in communications and utilities and almost exclusively outside of Canada. The Non-Core Lending Portfolio represents accounts on which the risk-return relationship is unsatisfactory. The strategy is to manage down the portfolio in a manner which optimizes shareholder returns, leading to the eventual redeployment of capital.

Balance Sheet



AS AT	LINE #	2004			2003			2002		
		Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Cash resources	1	\$ 10,236	\$ 9,434	\$ 8,065	\$ 7,719	\$ 7,813	\$ 6,946	\$ 9,017	\$ 6,538	\$ 7,861
Securities purchased under resale agreements	2	25,401	28,982	27,842	17,475	26,643	42,397	26,447	13,060	28,072
Investment securities										
Issued or guaranteed by Canada or provinces	3	17,906	16,579	17,294	14,023	13,570	14,503	13,504	12,986	14,797
Issued by US federal government	4	3,781	3,896	3,173	1,951	3,585	3,557	2,672	2,853	2,620
Other securities	5	11,966	11,973	10,983	8,801	11,204	12,728	13,389	12,963	14,275
Total	6	33,653	32,448	31,450	24,775	28,359	30,788	29,565	28,802	31,692
Trading securities	7	67,702	66,197	71,713	54,890	65,000	63,516	64,840	53,395	66,994
Total	8	101,355	98,645	103,163	79,665	93,359	94,304	94,405	82,197	98,686
Loans and customers' liability under acceptances										
Residential mortgages	9	51,480	51,956	52,844	52,525	53,667	53,311	52,806	52,784	53,235
Personal	10	49,507	47,955	45,414	42,908	39,869	39,152	37,937	36,332	35,389
Business and government	11	27,936	27,259	27,613	29,270	33,572	36,826	38,753	41,230	44,025
Total	12	128,923	127,170	125,871	124,703	127,108	129,289	129,496	130,346	132,649
Other assets										
Intangible assets	13	2,286	2,438	2,570	2,737	2,786	2,972	3,171	3,383	3,608
Goodwill	14	2,308	2,336	2,272	2,263	2,323	2,360	3,102	3,134	3,065
Other	15	38,684	43,300	46,453	38,970	42,183	43,384	45,800	39,382	35,628
Total	16	43,278	48,074	51,295	43,970	47,292	48,716	52,073	45,899	42,301
Total assets	17	\$ 309,193	\$ 312,305	\$ 316,236	\$ 273,532	\$ 302,215	\$ 321,652	\$ 311,438	\$ 278,040	\$ 309,569
Deposits										
Personal non-term	18	\$ 59,917	\$ 59,045	\$ 55,172	\$ 53,364	\$ 52,983	\$ 51,355	\$ 51,294	\$ 50,775	\$ 51,059
Personal term	19	51,647	51,268	51,602	52,632	51,472	51,825	51,088	50,167	49,102
Banks and deposit taking institutions	20	16,501	17,664	18,185	11,958	19,303	25,892	25,855	16,800	23,796
Business and government	21	83,439	83,563	80,656	64,926	74,870	82,761	78,001	71,448	82,988
Total	22	211,504	211,540	205,615	182,880	198,628	211,833	206,238	189,190	206,945
Customers' liability under acceptances	23	5,701	5,438	5,886	6,645	7,030	6,918	7,048	7,719	8,006
Obligations related to securities sold short	24	19,413	16,568	20,070	15,346	19,683	19,325	20,263	17,058	23,470
Obligations related to securities sold under repurchase agreements	25	10,934	12,916	16,825	7,845	13,820	22,113	14,463	8,655	19,328
Other liabilities	26	41,046	45,128	47,358	40,568	43,714	43,072	44,657	36,784	33,373
Subordinated notes and debentures	27	5,671	5,730	5,696	5,887	5,143	4,261	4,318	4,343	4,080
Non-controlling interest in subsidiaries - TD CaTS	28	900	900	900	900	900	900	900	900	900
- TD CaTS II	29	350	350	350	350	350	350	350	350	-
Shareholders' equity										
Preferred shares	30	1,309	1,526	1,522	1,535	1,535	1,786	1,477	1,485	1,491
Common shares	31	3,245	3,281	3,192	3,179	3,078	3,000	2,917	2,846	2,782
Contributed surplus	32	17	14	12	9	7	5	2	-	-
Retained earnings	33	9,103	8,914	8,810	8,388	8,327	8,089	8,805	8,710	9,194
Total	34	13,674	13,735	13,536	13,111	12,947	12,880	13,201	13,041	13,467
Total liabilities and shareholders' equity	35	\$ 309,193	\$ 312,305	\$ 316,236	\$ 273,532	\$ 302,215	\$ 321,652	\$ 311,438	\$ 278,040	\$ 309,569
Assets under administration										
Personal and Commercial Banking	36	\$ 32,788	\$ 33,374	\$ 35,783	\$ 36,247	\$ 33,688	\$ 29,841	\$ 30,145	\$ 29,951	\$ 30,253
Wealth Management	37	282,998	286,612	283,816	259,182	251,349	233,076	229,770	226,435	229,676
Total	38	\$ 315,786	\$ 319,986	\$ 319,599	\$ 295,429	\$ 285,037	\$ 262,917	\$ 259,915	\$ 256,386	\$ 259,929
Assets under management										
Wealth Management	39	\$ 126,368	\$ 120,855	\$ 118,860	\$ 113,406	\$ 113,208	\$ 110,455	\$ 112,025	\$ 111,920	\$ 121,833

Net Interest Income and Margin



(\$MILLIONS)
FOR THE PERIOD ENDED

LINE #	2004			2003			2002		Year to Date		Full Year			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	2004	2003	2003	2002	
Interest income														
Loans	1	\$ 1,734	\$ 1,693	\$ 1,764	\$ 1,749	\$ 1,962	\$ 1,897	\$ 1,934	\$ 1,998	\$ 2,006	\$ 5,191	\$ 5,793	\$ 7,542	\$ 7,796
Securities	2	910	906	962	839	819	941	849	881	892	2,778	2,609	3,448	3,678
Deposits with banks	3	100	123	120	71	59	36	46	41	43	343	141	212	132
Total interest income	4	2,744	2,722	2,846	2,659	2,840	2,874	2,829	2,920	2,941	8,312	8,543	11,202	11,606
Interest expense														
Deposits	5	934	920	990	962	1,052	1,055	1,133	1,189	1,187	2,844	3,240	4,202	4,754
Subordinated notes and debentures	6	76	78	80	94	59	51	55	56	50	234	165	259	201
Other	7	247	238	299	224	327	323	251	287	300	784	901	1,125	1,351
Total interest expense	8	1,257	1,236	1,369	1,280	1,438	1,429	1,439	1,532	1,537	3,862	4,306	5,586	6,306
Net interest income	9	1,487	1,486	1,477	1,379	1,402	1,445	1,390	1,388	1,404	4,450	4,237	5,616	5,300
TEB Adjustment	10	63	62	64	62	58	56	54	53	48	189	168	230	222
Net interest income (TEB)	11	\$ 1,550	\$ 1,548	\$ 1,541	\$ 1,441	\$ 1,460	\$ 1,501	\$ 1,444	\$ 1,441	\$ 1,452	\$ 4,639	\$ 4,405	\$ 5,846	\$ 5,522
Average total assets (\$billions)	12	\$ 310	\$ 316	\$ 304	\$ 295	\$ 317	\$ 316	\$ 303	\$ 305	\$ 300	\$ 310	\$ 312	\$ 308	\$ 303
Average earning assets (\$billions)	13	258	258	248	242	259	259	248	250	257	255	255	252	257
Net interest margin as a % of average earning assets	14	2.29 %	2.34 %	2.37 %	2.26 %	2.15 %	2.29 %	2.22 %	2.20 %	2.17 %	2.33 %	2.22 %	2.23 %	2.07 %
Net interest margin (TEB) as a % of average earning assets	15	2.39	2.44	2.47	2.36	2.24	2.38	2.31	2.29	2.25	2.43	2.31	2.32	2.15
Impact on NII from impaired loans														
Reduction/(increase) in NII from impaired loans														
Gross	16	\$ 9	\$ 15	\$ 17	\$ 18	\$ 30	\$ 30	\$ 33	\$ 32	\$ 28	\$ 41	\$ 93	\$ 111	\$ 115
Recoveries	17	(1)	(3)	(2)	(3)	(2)	(3)	(3)	(5)	(6)	(6)	(8)	(11)	(20)
Net reduction/(increase)	18	\$ 8	\$ 12	\$ 15	\$ 15	\$ 28	\$ 27	\$ 30	\$ 27	\$ 22	\$ 35	\$ 85	\$ 100	\$ 95
Effective tax rate - reported basis	19	22.7 %	22.6 %	35.3 %	12.1 %	19.8 %	- %	24.5 %	51.2 %	43.2 %	27.7 %	28.0 %	21.6 %	99.3 %
Effective tax rate - before amortization of intangibles ¹	20	24.7	24.8	29.3	17.5	23.4	-	28.3	83.2	44.8	26.5	31.4	26.7	-

¹ Excludes the gain on sale of mutual fund record keeping and custody business (Q3/02 - \$18 million after-tax, Q1/02 - \$14 million after-tax)

Non-Interest Expenses



(\$MILLIONS)
FOR THE PERIOD ENDED

LINE #	2004			2003			2002		Year to Date		Full Year		
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	2004	2003	2003	2002
Salaries and employee benefits													
1	\$ 584	\$ 558	\$ 540	\$ 593	\$ 580	\$ 536	\$ 595	\$ 581	\$ 584	\$ 1,682	\$ 1,711	\$ 2,304	\$ 2,273
2	265	301	280	240	254	241	251	107	173	846	746	986	875
3	108	112	123	108	125	116	119	114	111	343	360	468	418
4	957	971	943	941	959	893	965	802	868	2,871	2,817	3,758	3,566
Occupancy													
5	92	88	85	98	90	86	87	81	84	265	263	361	330
6	33	33	32	37	35	36	35	41	37	98	106	143	148
7	33	29	30	38	53	31	30	32	33	92	114	152	127
8	158	150	147	173	178	153	152	154	154	455	483	656	605
Equipment													
9	46	40	35	49	39	51	46	43	47	121	136	185	170
10	37	40	36	54	44	38	39	43	44	113	121	175	164
11	61	57	49	74	67	67	82	85	81	167	216	290	327
12	144	137	120	177	150	156	167	171	172	401	473	650	661
General													
13	86	114	96	78	77	96	97	89	97	296	270	348	388
14	56	61	62	57	59	55	58	50	57	179	172	229	224
15	114	97	91	123	87	87	75	105	84	302	249	372	366
16	50	53	51	52	51	51	54	56	59	154	156	208	225
17	36	43	31	34	38	32	29	29	32	110	99	133	107
18	25	28	24	23	21	25	22	22	23	77	68	91	96
19	16	16	13	16	13	15	14	20	18	45	42	58	68
20	-	(7)	-	-	5	87	-	-	-	(7)	92	92	-
21	-	-	-	-	-	624	-	-	-	-	624	624	-
22	113	446	177	111	59	91	112	137	77	736	262	373	448
23	496	851	545	494	410	1,163	461	508	447	1,892	2,034	2,528	1,922
24	\$ 1,755	\$ 2,109	\$ 1,755	\$ 1,785	\$ 1,697	\$ 2,365	\$ 1,745	\$ 1,635	\$ 1,641	\$ 5,619	\$ 5,807	\$ 7,592	\$ 6,754
Memo Items													
25	\$ 152	\$ 162	\$ 170	\$ 175	\$ 186	\$ 199	\$ 212	\$ 226	\$ 241	\$ 484	\$ 597	\$ 772	\$ 998
26	53	55	60	63	67	72	79	86	92	168	218	281	385
27	-	-	(69)	-	-	-	-	(16)	(5)	(69)	-	-	(21)
28	\$ 99	\$ 107	\$ 179	\$ 112	\$ 119	\$ 127	\$ 133	\$ 156	\$ 154	\$ 385	\$ 379	\$ 491	\$ 634

Investment Securities, Intangibles and Goodwill, and Restructuring Costs



(\$MILLIONS) AS AT	LINE #	2004				2003			2002		Year to Date		Full Year	
		Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	2004	2003	2003	2002
Investment securities - surplus (deficit) over book¹														
Debt	1	\$ -	\$ -	\$ -	\$ -	\$ 12	\$ 1	\$ (6)	\$ 99	\$ 47	\$ -	\$ 12	\$ -	\$ 99
Common & equivalents	2	308	364	374	329	274	194	136	124	194	308	274	329	124
Preferred shares	3	13	41	38	40	12	1	1	1	5	13	12	40	1
Total	4	\$ 321	\$ 405	\$ 412	\$ 369	\$ 298	\$ 196	\$ 131	\$ 224	\$ 246	\$ 321	\$ 298	\$ 369	\$ 224
Identifiable intangible assets														
Opening balance	5	\$ 2,438	\$ 2,570	\$ 2,737	\$ 2,786	\$ 2,972	\$ 3,171	\$ 3,383	\$ 3,608	\$ 3,870	\$ 2,737	\$ 3,383	\$ 3,383	\$ 4,381
Arising during the period	6	-	30	3	126	-	-	-	1	(21)	33	-	126	-
Amortized in the period	7	(152)	(162)	(170)	(175)	(186)	(199)	(212)	(226)	(241)	(484)	(597)	(772)	(998)
Closing balance	8	\$ 2,286	\$ 2,438	\$ 2,570	\$ 2,737	\$ 2,786	\$ 2,972	\$ 3,171	\$ 3,383	\$ 3,608	\$ 2,286	\$ 2,786	\$ 2,737	\$ 3,383
Future tax liability on intangible assets														
Opening balance	9	\$ (798)	\$ (850)	\$ (841)	\$ (904)	\$ (971)	\$ (1,043)	\$ (1,122)	\$ (1,192)	\$ (1,279)	\$ (841)	\$ (1,122)	\$ (1,122)	\$ (1,486)
Arising during the period - changes in tax rates	10	-	-	(69)	-	-	-	-	(16)	(5)	(69)	-	-	(21)
Recognized in the period	11	50	52	60	63	67	72	79	86	92	162	218	281	385
Closing balance	12	\$ (748)	\$ (798)	\$ (850)	\$ (841)	\$ (904)	\$ (971)	\$ (1,043)	\$ (1,122)	\$ (1,192)	\$ (748)	\$ (904)	\$ (841)	\$ (1,122)
Net intangibles closing balance	13	\$ 1,538	\$ 1,640	\$ 1,720	\$ 1,896	\$ 1,882	\$ 2,001	\$ 2,128	\$ 2,261	\$ 2,416	\$ 1,538	\$ 1,882	\$ 1,896	\$ 2,261
Goodwill														
Opening balance	14	\$ 2,336	\$ 2,272	\$ 2,263	\$ 2,323	\$ 2,360	\$ 3,102	\$ 3,134	\$ 3,065	\$ 2,990	\$ 2,263	\$ 3,134	\$ 3,134	\$ 2,298
Arising during the period	15	6	27	-	-	-	-	-	96	44	33	-	-	849
Impairment during the period	16	-	-	-	-	-	(624)	-	-	-	-	(624)	(624)	-
Foreign exchange and other adjustments	17	(34)	37	9	(60)	(37)	(118)	(32)	(27)	31	12	(187)	(247)	(13)
Closing balance	18	\$ 2,308	\$ 2,336	\$ 2,272	\$ 2,263	\$ 2,323	\$ 2,360	\$ 3,102	\$ 3,134	\$ 3,065	\$ 2,308	\$ 2,323	\$ 2,263	\$ 3,134
Total net intangibles and goodwill closing balance	19	\$ 3,846	\$ 3,976	\$ 3,992	\$ 4,159	\$ 4,205	\$ 4,361	\$ 5,230	\$ 5,395	\$ 5,481	\$ 3,846	\$ 4,205	\$ 4,159	\$ 5,395
Restructuring costs accrual														
Opening balance	20	\$ 8	\$ 16	\$ 19	\$ 53	\$ 74	\$ 27	\$ 36	\$ 81	\$ 137	\$ 19	\$ 36	\$ 36	\$ 337
Expensed during the period	21	-	(7)	-	-	5	93	-	-	-	(7)	98	98	-
Amount utilized during the period														
Personal and Commercial Banking	22	-	-	-	(13)	(4)	(5)	(6)	(32)	(40)	-	(15)	(28)	(165)
TD Waterhouse	23	-	-	-	-	-	-	-	(1)	(3)	-	-	-	(15)
TD Waterhouse International	24	-	-	(1)	(2)	(10)	(13)	-	-	-	(1)	(23)	(25)	-
Wholesale Banking	25	-	-	-	-	(3)	(2)	(3)	(12)	(13)	-	(8)	(8)	(121)
Wholesale Banking - Equity Options	26	-	(1)	(2)	(19)	(9)	(26)	-	-	-	(3)	(35)	(54)	-
Closing balance	27	\$ 8	\$ 8	\$ 16	\$ 19	\$ 53	\$ 74	\$ 27	\$ 36	\$ 81	\$ 8	\$ 53	\$ 19	\$ 36

¹ Excludes debt security positions which are used as part of the Bank's Asset and Liability Management hedging activities and preferred shares that are hedged

Analysis of Change in Shareholders' Equity & Non-Controlling Interest

(\$ MILLIONS) FOR THE PERIOD ENDED		2004		2003			2002			Year to Date		Full Year		
LINE #		Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	2004	2003	2003	2002
Preferred shares														
1	Opening balance	\$ 1,526	\$ 1,522	\$ 1,535	\$ 1,535	\$ 1,786	\$ 1,477	\$ 1,485	\$ 1,491	\$ 1,487	\$ 1,535	\$ 1,485	\$ 1,485	\$ 1,492
2	Issued	-	-	-	-	-	550	-	-	-	-	550	550	-
3	Redeemed	(225)	-	-	-	(251)	(226)	-	-	-	(225)	(477)	(477)	-
4	Impact of shares (acquired) sold for trading purposes ¹	8	4	(13)	n/a	n/a	n/a	n/a	n/a	n/a	(1)	n/a	n/a	n/a
5	Translation adjustment on shares issued in a foreign currency	-	-	-	-	-	(15)	(8)	(6)	4	-	(23)	(23)	(7)
6	Closing balance	1,309	1,526	1,522	1,535	1,535	1,786	1,477	1,485	1,491	1,309	1,535	1,535	1,485
Common shares														
7	Opening balance	3,281	3,192	3,179	3,078	3,000	2,917	2,846	2,782	2,727	3,179	2,846	2,846	2,259
8	Issued - options	11	36	35	19	7	13	8	2	2	82	28	47	13
9	- cash	-	-	-	-	-	-	-	-	-	-	-	-	400
10	- dividend reinvestment plan	9	11	76	82	71	70	63	62	53	96	204	286	174
11	Impact of shares (acquired) sold for trading purposes ¹	(46)	70	(98)	n/a	n/a	n/a	n/a	n/a	n/a	(74)	n/a	n/a	n/a
12	Repurchase of common shares	(10)	(28)	-	-	-	-	-	-	-	(38)	-	-	-
13	Closing balance	3,245	3,281	3,192	3,179	3,078	3,000	2,917	2,846	2,782	3,245	3,078	3,179	2,846
Contributed surplus														
14	Opening balance	14	12	9	7	5	2	-	-	-	9	-	-	-
15	Stock option expense	3	3	3	2	2	3	2	-	-	9	7	9	-
16	Stock option exercised	-	(1)	-	-	-	-	-	-	-	(1)	-	-	-
17	Closing balance	17	14	12	9	7	5	2	-	-	17	7	9	-
Retained earnings														
18	Opening balance	8,914	8,810	8,388	8,327	8,089	8,805	8,710	9,194	9,701	8,388	8,710	8,710	9,653
19	Net income	584	511	603	501	501	(273)	347	(196)	(405)	1,698	575	1,076	(67)
20	Dividends - common	(222)	(224)	(209)	(209)	(183)	(181)	(181)	(180)	(180)	(655)	(545)	(754)	(718)
21	- preferred	(11)	(16)	(15)	(15)	(16)	(15)	(18)	(17)	(17)	(42)	(49)	(64)	(70)
22	- preferred TD MIC	(8)	(5)	(6)	(6)	(5)	(7)	(5)	(6)	(6)	(19)	(17)	(23)	(23)
23	Foreign currency translation adjustments, net of tax	(89)	73	73	(210)	(56)	(234)	(48)	(83)	102	57	(338)	(548)	(32)
24	Share issue expenses, net of tax	-	-	-	-	-	(6)	-	(1)	-	-	(6)	(6)	(8)
25	Stock options settled in cash, tax effected	-	-	-	-	-	-	-	(1)	(1)	-	-	-	(25)
26	Impact of shares (acquired) sold for trading purposes ¹	-	-	-	n/a	n/a	n/a	n/a	n/a	n/a	-	n/a	n/a	n/a
27	Premium paid on common shares repurchased	(77)	(235)	-	-	-	-	-	-	-	(312)	-	-	-
28	Other	12	-	(24)	-	(3)	-	-	-	-	(12)	(3)	(3)	-
29	Closing balance	9,103	8,914	8,810	8,388	8,327	8,089	8,805	8,710	9,194	9,103	8,327	8,388	8,710
30	Total common equity	12,365	12,209	12,014	11,576	11,412	11,094	11,724	11,556	11,976	12,365	11,412	11,576	11,556
31	Total shareholders' equity	\$ 13,674	\$ 13,735	\$ 13,536	\$ 13,111	\$ 12,947	\$ 12,880	\$ 13,201	\$ 13,041	\$ 13,467	\$ 13,674	\$ 12,947	\$ 13,111	\$ 13,041
Non-controlling interest in subsidiaries														
32	Opening balance	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 900	\$ 900	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,272
33	Arising from TD CaTS II issue	-	-	-	-	-	-	-	350	-	-	-	-	350
34	Purchase of TD Waterhouse shares	-	-	-	-	-	-	-	-	-	-	-	-	(372)
35	Closing balance	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 900	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250
NUMBER OF COMMON SHARES (thousands)														
36	Opening balance	655,309	657,601	656,261	653,365	651,075	647,921	645,399	643,229	641,379	656,261	645,399	645,399	628,451
37	Issued - options	377	1,625	1,829	946	359	1,052	543	132	130	3,831	1,954	2,900	818
38	- cash	-	-	-	-	-	-	-	-	-	-	-	-	10,959
39	- dividend reinvestment plan	219	236	1,748	1,950	1,931	2,102	1,979	2,038	1,720	2,203	6,012	7,962	5,171
40	Impact of shares (acquired) sold for trading purposes ¹	(1,005)	1,507	(2,237)	n/a	n/a	n/a	n/a	n/a	n/a	(1,735)	n/a	n/a	n/a
41	Repurchase of common shares	(1,940)	(5,660)	-	-	-	-	-	-	-	(7,600)	-	-	-
42	Closing balance	652,960	655,309	657,601	656,261	653,365	651,075	647,921	645,399	643,229	652,960	653,365	656,261	645,399

¹ Purchased by subsidiaries of the Bank which are regulated securities entities in accordance with Regulation 92-313 of the *Bank Act*. Prospectively reflected change to CICA Handbook s. 1100 effective Q1/04

(\$MILLIONS) AS AT	LINE #	2004			2003			2002		
		Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Balance sheet assets										
Cash resources	1	\$ 1,785	\$ 1,638	\$ 1,395	\$ 1,344	\$ 1,346	\$ 1,205	\$ 1,620	\$ 1,108	\$ 1,370
Securities	2	4,034	4,041	3,759	3,686	4,451	4,635	5,845	6,247	6,708
Loans	3	59,206	57,834	59,810	59,508	59,979	62,804	64,231	64,247	69,971
Customers' liability under acceptances	4	5,607	5,348	5,699	6,400	6,731	6,429	6,460	7,066	7,333
Other assets	5	5,861	6,175	6,055	5,885	5,834	6,189	6,158	6,288	6,479
Total balance sheet assets	6	76,493	75,036	76,718	76,823	78,341	81,262	84,314	84,956	91,861
Off-balance sheet exposures										
Credit instruments	7	9,180	9,908	10,929	10,937	12,407	13,151	14,200	14,559	15,404
Derivative financial instruments	8	5,467	6,413	6,343	5,987	5,853	6,104	6,554	6,259	6,567
Total off-balance sheet exposures	9	14,647	16,321	17,272	16,924	18,260	19,255	20,754	20,818	21,971
Total risk-weighted asset equivalent - Credit risk	10	91,140	91,357	93,990	93,747	96,601	100,517	105,068	105,774	113,832
Total risk-weighted asset equivalent - Market risk	11	8,521	10,992	16,094	14,470	17,390	17,758	16,043	14,859	16,037
Total risk-weighted assets	12	\$ 99,661	\$ 102,349	\$ 110,084	\$ 108,217	\$ 113,991	\$ 118,275	\$ 121,111	\$ 120,633	\$ 129,869
CAPITAL										
TIER 1										
Common shareholders' equity	13	\$ 12,348	\$ 12,195	\$ 12,002	\$ 11,567	\$ 11,405	\$ 11,089	\$ 11,722	\$ 11,556	\$ 11,976
Qualifying preferred shares	14	1,309	1,526	1,522	1,535	1,525	1,394	1,375	1,328	1,491
Contributed surplus	15	17	14	12	9	7	5	2	-	-
Non-controlling interest in subsidiaries - TD CaTS	16	1,250	1,250	1,250	1,250	1,250	1,216	1,188	1,119	900
Less: goodwill and intangible assets in excess of 5% limit	17	(2,650)	(2,778)	(2,840)	(3,035)	(3,089)	(3,264)	(4,033)	(4,213)	(4,345)
Total Tier 1 capital	18	12,274	12,207	11,946	11,326	11,098	10,440	10,254	9,790	10,022
TIER 2										
Subordinated notes and debentures	19	5,671	5,730	5,696	5,887	5,143	4,261	4,318	4,343	4,080
Qualifying preferred shares	20	-	-	-	-	10	392	102	157	-
Less: amortization of subordinated notes and debentures	21	(153)	(161)	(156)	(241)	(370)	(373)	(381)	(357)	(561)
General allowance for credit losses included in capital	22	872	895	963	947	997	1,034	1,060	1,056	1,136
Total Tier 2 capital	23	6,390	6,464	6,503	6,593	5,780	5,314	5,099	5,199	4,655
Investment in unconsolidated subsidiaries/ substantial investments	24	(1,742)	(1,664)	(1,274)	(919)	(900)	(944)	(915)	(870)	(723)
First loss protection	25	(192)	(208)	(139)	(145)	(152)	(182)	(154)	(159)	(180)
Total capital	26	\$ 16,730	\$ 16,799	\$ 17,036	\$ 16,855	\$ 15,826	\$ 14,628	\$ 14,284	\$ 13,960	\$ 13,774
Capital ratios										
Tier 1 capital	27	12.3 %	11.9 %	10.9 %	10.5 %	9.7 %	8.8 %	8.5 %	8.1 %	7.7 %
Total capital	28	16.8	16.4	15.5	15.6	13.9	12.4	11.8	11.6	10.6
Tangible common equity ratio ¹	29	8.5	8.0	7.3	6.9	6.3	5.7	5.4	5.1	5.1

¹ Tangible common equity ratio is common shareholders' equity plus contributed surplus less net intangibles and goodwill as a percentage of risk weighted assets

Loan Securitization



(\$MILLIONS)

FOR THE PERIOD ENDED

LINE #	2004			2003				2002		Year to Date		Full Year	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	2004	2003	2003	2002
Loans securitized and sold to third parties													
Securitized/(repurchased) during the period ¹													
Mortgage	Conventional	1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	MBS Pool	2	1,686	1,066	1,056	2,138	2,338	1,435	1,600	1,203	1,273	3,808	5,373
	Commercial	3	-	81	318	-	302	-	577	(1)	90	399	879
Personal	HELOC	4	-	-	(370)	-	-	-	(300)	(472)	(541)	(370)	(300)
	Credit Card	5	-	-	(39)	(613)	1,146	(20)	(500)	(107)	(219)	(39)	626
Corporate Loans		6	-	-	-	-	-	-	-	-	-	-	-
Total		7	\$ 1,686	\$ 1,147	\$ 965	\$ 1,525	\$ 3,786	\$ 1,415	\$ 1,377	\$ 623	\$ 603	\$ 3,798	\$ 6,578
Outstanding at end of period													
Mortgage	Conventional	8	\$ 36	\$ 382	\$ 515	\$ 626	\$ 788	\$ 1,052	\$ 1,380	\$ 1,600	\$ 1,786	\$ 36	\$ 788
	MBS Pool	9	12,004	11,200	11,031	10,683	9,532	8,302	7,660	6,473	5,928	12,004	9,532
	Commercial	10	1,595	1,606	1,560	1,284	1,328	1,065	1,079	509	511	1,595	1,328
Personal	HELOC	11	4,039	4,077	4,120	4,541	4,590	4,648	4,684	5,032	5,504	4,039	4,590
	Credit Card	12	1,300	1,500	1,500	1,539	2,147	1,002	1,022	1,522	1,628	1,300	2,147
Corporate Loans		13	-	28	42	79	108	187	187	200	200	-	108
Total		14	\$ 18,974	\$ 18,793	\$ 18,768	\$ 18,752	\$ 18,493	\$ 16,256	\$ 16,012	\$ 15,336	\$ 15,557	\$ 18,974	\$ 18,493
Economic Impact													
	Net interest income	15	\$ (105)	\$ (109)	\$ (112)	\$ (100)	\$ (49)	\$ (60)	\$ (58)	\$ (64)	\$ (75)	\$ (326)	\$ (167)
	Other income	16	90	107	111	89	60	54	47	53	63	308	161
	Provision for credit losses	17	9	13	10	13	7	6	11	11	12	32	24
	Total impact	18	\$ (6)	\$ 11	\$ 9	\$ 2	\$ 18	\$ -	\$ -	\$ -	\$ -	\$ 14	\$ 18
Mortgage Backed Securities Retained²													
	Outstanding at end of period	19	\$ 10,522	\$ 9,485	\$ 7,217	\$ 8,091	\$ 5,920	\$ 6,467	\$ 6,661	\$ 6,212	\$ 6,729	\$ 10,522	\$ 5,920

¹ Excludes principal repayments during the period

² Reported as investment securities issued or guaranteed by Canada on the consolidated balance sheet

Impaired Loans by Business Line and General Allowances



(\$MILLIONS)		2004		2003				2002	
AS AT	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
GROSS IMPAIRED LOANS									
Personal and Commercial Banking									
Retail	\$ 156	\$ 165	\$ 204	\$ 215	\$ 206	\$ 216	\$ 239	\$ 250	\$ 258
Commercial	166	173	223	210	209	189	150	164	123
Total Personal and Commercial Banking	322	338	427	425	415	405	389	414	381
Wholesale Banking									
Corporate loans - core	-	-	-	-	-	-	-	2,080	1,611
Investment Banking	-	-	-	-	27	28	31	31	32
Total Wholesale Banking	-	-	-	-	27	28	31	2,111	1,643
Corporate Segment									
Corporate loans - non-core ¹	430	586	739	946	1,463	2,089	2,363	-	-
TOTAL GROSS IMPAIRED LOANS	\$ 752	\$ 924	\$ 1,166	\$ 1,371	\$ 1,905	\$ 2,522	\$ 2,783	\$ 2,525	\$ 2,024
NET IMPAIRED LOANS									
Personal and Commercial Banking									
Retail	\$ 81	\$ 87	\$ 111	\$ 121	\$ 118	\$ 126	\$ 142	\$ 152	\$ 188
Commercial	86	91	136	123	113	102	75	105	68
Total Personal and Commercial Banking	167	178	247	244	231	228	217	257	256
Wholesale Banking									
Corporate loans - core	-	-	-	-	-	-	-	1,163	924
Investment banking	-	-	-	-	27	28	31	31	32
Total Wholesale Banking	-	-	-	-	27	28	31	1,194	956
Corporate Segment									
Corporate loans - non-core ¹	293	400	469	640	938	956	1,264	-	-
Total impaired loans net of specific provisions	460	578	716	884	1,196	1,212	1,512	1,451	1,212
General allowance for credit losses	917	917	984	984	1,141	1,141	1,141	1,141	1,141
Sectoral allowance for credit losses	160	228	316	541	698	813	1,032	1,285	870
TOTAL NET IMPAIRED LOANS	\$ (617)	\$ (567)	\$ (584)	\$ (641)	\$ (643)	\$ (742)	\$ (661)	\$ (975)	\$ (799)
Allowance for credit losses as a % of gross impaired loans	182.0%	161.4%	150.1%	146.8%	133.8%	129.4%	123.8%	138.6%	139.5%
Total Loans (page 10, line 12)	\$ 128,923	\$ 127,170	\$ 125,871	\$ 124,703	\$ 127,108	\$ 129,289	\$ 129,496	\$ 130,346	\$ 132,649
Net impaired loans as a % of net loans	(0.5)%	(0.4)%	(0.5)%	(0.5)%	(0.5)%	(0.6)%	(0.5)%	(0.7)%	(0.6)%
GENERAL ALLOWANCE FOR CREDIT LOSSES									
Loans (line 17 above)	\$ 917	\$ 917	\$ 984	\$ 984	\$ 1,141	\$ 1,141	\$ 1,141	\$ 1,141	\$ 1,141
Derivative financial instruments	30	30	28	28	36	37	40	27	21
Total general allowance	\$ 947	\$ 947	\$ 1,012	\$ 1,012	\$ 1,177	\$ 1,178	\$ 1,181	\$ 1,168	\$ 1,162

¹ Comparative figures have not been provided as the split between core and non-core is a result of a change in business strategy effective Q1/03

Analysis of Change in Gross Impaired Loans & Allowance for Credit Losses



(\$ MILLIONS) AS AT	LINE #	2004				2003			2002		Year to Date		Full Year	
		Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	2004	2003	2003	2002
GROSS IMPAIRED LOANS														
Balance at beginning of period	1	\$ 924	\$ 1,166	\$ 1,371	\$ 1,905	\$ 2,522	\$ 2,783	\$ 2,525	\$ 2,024	\$ 1,693	\$ 1,371	\$ 2,525	\$ 2,525	\$ 1,267
Additions to impaired loans and acceptances														
Personal and Commercial Banking - retail ¹	2	152	152	206	182	174	181	193	191	194	510	548	730	808
- commercial mid-market	3	28	5	22	84	52	40	9	66	7	55	101	185	118
Wholesale Banking - core	4	-	-	-	-	-	-	-	770	472	-	-	-	1,956
Corporate - non-core ²	5	85	-	156	262	292	122	458	-	-	241	872	1,134	-
Total additions to impaired loans and acceptances	6	\$ 265	\$ 157	\$ 384	\$ 528	\$ 518	\$ 343	\$ 660	\$ 1,027	\$ 673	\$ 806	\$ 1,521	\$ 2,049	\$ 2,882
Return to performing status, repaid or sold	7	(256)	(263)	(384)	(555)	(291)	(313)	(199)	(205)	(136)	(903)	(803)	(1,358)	(731)
Net new additions (reductions)	8	\$ 9	\$ (106)	\$ -	\$ (27)	\$ 227	\$ 30	\$ 461	\$ 822	\$ 537	\$ (97)	\$ 718	\$ 691	\$ 2,151
Write-offs	9	(164)	(159)	(232)	(426)	(808)	(202)	(165)	(321)	(206)	(555)	(1,175)	(1,601)	(893)
Foreign exchange and other adjustments	10	(17)	23	27	(81)	(36)	(89)	(38)	-	-	33	(163)	(244)	-
Change during the period	11	(172)	(242)	(205)	(534)	(617)	(261)	258	501	331	(619)	(620)	(1,154)	1,258
Balance at end of period	12	\$ 752	\$ 924	\$ 1,166	\$ 1,371	\$ 1,905	\$ 2,522	\$ 2,783	\$ 2,525	\$ 2,024	\$ 752	\$ 1,905	\$ 1,371	\$ 2,525
GROSS IMPAIRED LOANS BY LOCATION³														
Domestic	13	\$ 324	\$ 344	\$ 467	\$ 506	\$ 562	\$ 683	\$ 680	\$ 712	\$ 711	\$ 324	\$ 562	\$ 506	\$ 712
International - USA	14	313	431	507	678	1,042	1,340	1,520	1,612	1,193	313	1,042	678	1,612
- Offshore	15	115	149	192	187	301	499	583	201	120	115	301	187	201
Balance at end of period	16	\$ 752	\$ 924	\$ 1,166	\$ 1,371	\$ 1,905	\$ 2,522	\$ 2,783	\$ 2,525	\$ 2,024	\$ 752	\$ 1,905	\$ 1,371	\$ 2,525
ALLOWANCE FOR CREDIT LOSSES														
Specific allowance														
Balance at beginning of period	17	\$ 346	\$ 450	\$ 487	\$ 709	\$ 1,310	\$ 1,271	\$ 1,074	\$ 812	\$ 596	\$ 487	\$ 1,074	\$ 1,074	\$ 179
Write-offs	18	(164)	(159)	(232)	(426)	(808)	(202)	(165)	(321)	(206)	(555)	(1,175)	(1,601)	(893)
Recoveries	19	32	35	26	29	33	31	27	28	42	93	91	120	127
Transfer (to)/from sectoral	20	2	(61)	64	76	95	170	236	205	-	5	501	577	205
Provision for credit losses	21	83	75	96	114	99	98	112	350	380	254	309	423	1,455
Foreign exchange and other adjustments	22	(7)	6	9	(15)	(20)	(58)	(13)	-	-	8	(91)	(106)	1
Balance at end of period	23	\$ 292	\$ 346	\$ 450	\$ 487	\$ 709	\$ 1,310	\$ 1,271	\$ 1,074	\$ 812	\$ 292	\$ 709	\$ 487	\$ 1,074
Sectoral allowance														
Balance at beginning of period	24	\$ 228	\$ 316	\$ 541	\$ 698	\$ 813	\$ 1,032	\$ 1,285	\$ 870	\$ -	\$ 541	\$ 1,285	\$ 1,285	\$ -
Transfer (to)/from specific	25	(2)	61	(64)	(76)	(95)	(170)	(236)	(205)	-	(5)	(501)	(577)	(205)
Recoveries	26	39	67	32	20	37	-	-	-	-	138	37	57	-
Provision for credit losses	27	(100)	(200)	(200)	(40)	(40)	-	-	600	870	(500)	(40)	(80)	1,470
Foreign exchange and loss on loan sales booked to sectoral	28	(5)	(16)	7	(61)	(17)	(49)	(17)	20	-	(14)	(83)	(144)	20
Balance at end of period	29	\$ 160	\$ 228	\$ 316	\$ 541	\$ 698	\$ 813	\$ 1,032	\$ 1,285	\$ 870	\$ 160	\$ 698	\$ 541	\$ 1,285
General allowance														
Balance at beginning of period	30	\$ 917	\$ 984	\$ 984	\$ 1,141	\$ 1,141	\$ 1,141	\$ 1,141	\$ 1,141	\$ 1,138	\$ 984	\$ 1,141	\$ 1,141	\$ 1,141
Provision for credit losses	31	-	(67)	-	(157)	-	-	-	-	-	(67)	-	(157)	-
Foreign exchange and other adjustments	32	-	-	-	-	-	-	-	-	3	-	-	-	-
Balance at end of period	33	\$ 917	\$ 917	\$ 984	\$ 984	\$ 1,141	\$ 1,141	\$ 1,141	\$ 1,141	\$ 1,141	\$ 917	\$ 1,141	\$ 984	\$ 1,141
Total allowance for credit losses at end of period	34	\$ 1,369	\$ 1,491	\$ 1,750	\$ 2,012	\$ 2,548	\$ 3,264	\$ 3,444	\$ 3,500	\$ 2,823	\$ 1,369	\$ 2,548	\$ 2,012	\$ 3,500

¹ Including Small Business Banking

² Comparative figures have not been provided as the split between core and non-core is a result of a change in business strategy effective Q1/03

³ Based on geographic location of unit responsible for recording revenue