

Building the  
better bank  
every day



**TD Bank Financial Group**  
Investor Overview Presentation  
December 2009

# Caution regarding forward-looking statements



From time to time, the Bank makes written and oral forward-looking statements, including in this document, in other filings with Canadian regulators or the U.S. Securities and Exchange Commission (SEC), and in other communications, including to analysts, investors, representatives of the media and others. All such statements are made pursuant to the "safe harbour" provisions of the U.S. Private Securities Litigation Reform Act of 1995 and applicable Canadian securities legislation. Forward-looking statements include, among others, statements regarding the Bank's objectives and targets for 2010 and beyond and the strategies to achieve them, the outlook for the Bank's business lines, and the Bank's anticipated financial performance. The forward-looking information contained in this document is presented for the purpose of assisting our shareholders and analysts to understand our financial position as at and for the periods ended on the dates presented and our strategic priorities and objectives, and may not be appropriate for other purposes. The economic assumptions for 2010 for the Bank are set out in the Bank's 2009 Management's Discussion and Analysis (MD&A) under the heading "Economic Summary and Outlook" and for each of our business segments, under the heading "Business Outlook and Focus for 2010." Forward-looking statements are typically identified by words such as "will", "should", "believe", "expect", "anticipate", "intend", "estimate", "plan", "may" and "could". By their very nature, these statements require us to make assumptions and are subject to inherent risks and uncertainties, general and specific. Especially in light of the current financial and economic environment, such risks and uncertainties may cause actual results to differ materially from the expectations expressed in the forward-looking statements. Some of the factors – many of which are beyond our control and the effects of which can be difficult to predict – that could cause such differences include: credit, market (including equity and commodity), liquidity, interest rate, operational, reputational, insurance, strategic, foreign exchange, regulatory, legal and other risks discussed in the Bank's 2009 MD&A and in other regulatory filings made in Canada and with the SEC; general business and economic conditions in Canada, the U.S. and other countries in which the Bank conducts business, as well as the effect of changes in monetary and economic policies and in the foreign exchange rates for currencies of those jurisdictions; competition in markets in which the Bank operates, from established competitors and new entrants; defaults by other financial institutions; the accuracy and completeness of information we receive on customers and counterparties; the development and introduction of new products and services and new distribution channels; the Bank's ability to execute its strategies, including its integration, growth and acquisition strategies, and those of its subsidiaries internationally; changes in accounting policies and methods the Bank uses to report its financial condition, including uncertainties associated with critical accounting assumptions and estimates; changes to our credit ratings; global capital market activity; increased funding costs for credit due to market illiquidity and competition for funding; the Bank's ability to attract, develop and retain key executives; reliance on third parties to provide components of the Bank's business infrastructure and to successfully and reliably deliver our products and services; the failure of third parties to comply with their obligations to the Bank or its affiliates relating to the care and control of information; technological changes; the use of new technologies in unprecedented ways to defraud the Bank or its customers and the organized efforts of increasingly sophisticated parties who direct their attempts to defraud the Bank or its customers through many channels; legislative and regulatory developments including changes in tax laws; unexpected judicial or regulatory proceedings or outcomes; the U.S. securities litigation environment; unexpected changes in consumer spending and saving habits; the adequacy of the Bank's risk management framework, including the risk that the Bank's risk management models do not take into account all relevant factors; international conflicts and terrorism; acts of God, such as earthquakes; the effects of disease, illness or other public health emergencies; and the effects of disruptions to public infrastructure, such as transportation, communication, power or water supply. A substantial amount of the Bank's business involves making loans or otherwise committing resources to specific companies, industries or countries. Unforeseen events affecting such borrowers, industries or countries could have a material adverse effect on the Bank's businesses, financial results, financial condition or liquidity. The preceding list is not exhaustive of all possible risk factors and other factors could also adversely affect the Bank's results. For more information, please see the Risk Factors and Management section of the Bank's 2009 MD&A. All such factors should be considered carefully when making decisions with respect to the Bank and undue reliance should not be placed on the Bank's forward-looking statements. Any forward-looking information or statements contained in this document represent the views of management only as of the date hereof. The Bank does not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by or on our behalf, except as required under applicable securities legislation.

## TD Bank Financial Group

- **Overview**
- Key Businesses
- Credit Portfolio

Canadian Economy and Financial System

Other Information

# Key Takeaways

1

## The first truly North American bank

- Leader in customer service and convenience
- Leveraging North American platform and brand for growth

2

## Lower risk retail focus

- 78% of adjusted earnings from retail businesses<sup>1,2</sup>
- Franchise wholesale bank
- Better return for risk undertaken<sup>3</sup>

3

## Conservative risk management

- Strong credit culture
- Robust capital, liquidity, and risk management

4

## Consistently investing for the future

- Leverage strong earnings base for continued growth

**Simple strategy, consistent focus, superior execution**

1. Based on fiscal 2009 adjusted earnings. For the purpose of calculating contribution by each business segment, adjusted earnings from the Corporate segment is excluded. Fiscal 2009 is defined as the period from November 1, 2008 to October 31, 2009. The Bank's financial results prepared in accordance with GAAP are referred to as "reported" results. The Bank also utilizes non-GAAP financial measures referred to as "adjusted" results (i.e., reported results excluding "items of note", net of income taxes) to assess each of its businesses and measure overall Bank performance. Adjusted net income, adjusted earnings per share (EPS) and related terms used in this presentation are not defined terms under GAAP and may not be comparable to similar terms used by other issuers. See "How the Bank Reports" in Q4 2009 Report to Shareholders (td.com/investor) for further explanation, a list of the items of note and a reconciliation of adjusted earnings to reported basis (GAAP) results.

2. Retail includes Canadian Personal and Commercial Banking, Wealth Management, and U.S. Personal and Commercial Banking segments.

3. Based on return on risk-weighted assets, calculated as adjusted net income available to common shareholders divided by average RWA. See note #1 for definition of adjusted net income.

# TD Bank Financial Group

## A Top 10 Bank in North America



Q4 2009 <sup>1</sup> (In U.S.\$B) <sup>2</sup>	TD	Compared to:	
		Canadian Peers <sup>7</sup>	North American Peers <sup>8</sup>
Total Assets	\$515	2 <sup>nd</sup>	6 <sup>th</sup>
Total Deposits	\$361	2 <sup>nd</sup>	6 <sup>th</sup>
Market Cap <sup>3</sup>	\$54.9	2 <sup>nd</sup>	6 <sup>th</sup>
Adj. Net Income <sup>4</sup> (Trailing 4 Quarters)	\$4.1	2 <sup>nd</sup>	5 <sup>th</sup>
Adj. Retail Earnings <sup>5</sup> (Trailing 4 Quarters)	\$3.4	1 <sup>st</sup>	1 <sup>st</sup>
Tier 1 Capital Ratio	11.3%	4 <sup>th</sup>	6 <sup>th</sup>
Avg. # of Full-Time Equivalent Staff	~66,000	3 <sup>rd</sup>	7 <sup>th</sup>
Moody's Rating <sup>6</sup>	Aaa	n/a	n/a

**TD is top 10 in North America**

1. Q4 2009 is defined as the period from August 1 to October 31, 2009.  
2. Balance sheet metrics are converted to U.S. dollars at an exchange rate of 0.9243 USD/CAD (as at October 30, 2009). Income statement metrics are converted to U.S. dollars at the average quarterly exchange rate of 0.9304 for Q4/09, 0.8829 for Q3/09, 0.8034 for Q2/09, 0.8152 for Q1/09, 0.9100 USD/CAD for Q4/08.  
3. As at November 25, 2009.  
4. Based on adjusted results defined on slide #4.  
5. Based on retail defined on slide #4.  
6. For long term debt, as at October 31, 2009.  
7. Canadian Peers – other big 4 banks (RY, BNS, BMO and CM) adjusted on a comparable basis to exclude identified non-underlying items. Based on Q4/09 results. Canadian Banks Q4/09 results ended October 31, 2009.  
8. North American Peers refer to Canadian Peers and U.S. Peers. U.S. Peers – including Money Center Banks (C, BAC, JPM) and Top 3 Super-Regional Banks (WFC, PNC, USB). Adjusted on a comparable basis to exclude identified non-underlying items. For U.S. Peers, based on their Q3/09 results. U.S. Banks Q3/09 results ended September 30, 2009.

# Financial Results



(C\$MM) <sup>1</sup>	Q4 2009	QoQ	YoY	F2009	YoY
<b>Revenue</b>	\$ 4,718	1%	30%	\$ 17,860	22%
<b>Provision for Credit Losses</b>	521	-6%	81%	2,480	133%
<b>Expenses</b>	3,095	2%	31%	12,211	29%
<b>Adjusted Net Income</b>	\$ 1,307	0%	97%	\$ 4,716	24%
<b>Adjusted EPS (diluted)</b>	\$ 1.46	-1%	85%	\$ 5.35	10%
<b>Tier 1 Capital</b>	11.3%	20bps	150bps	11.3%	150bps

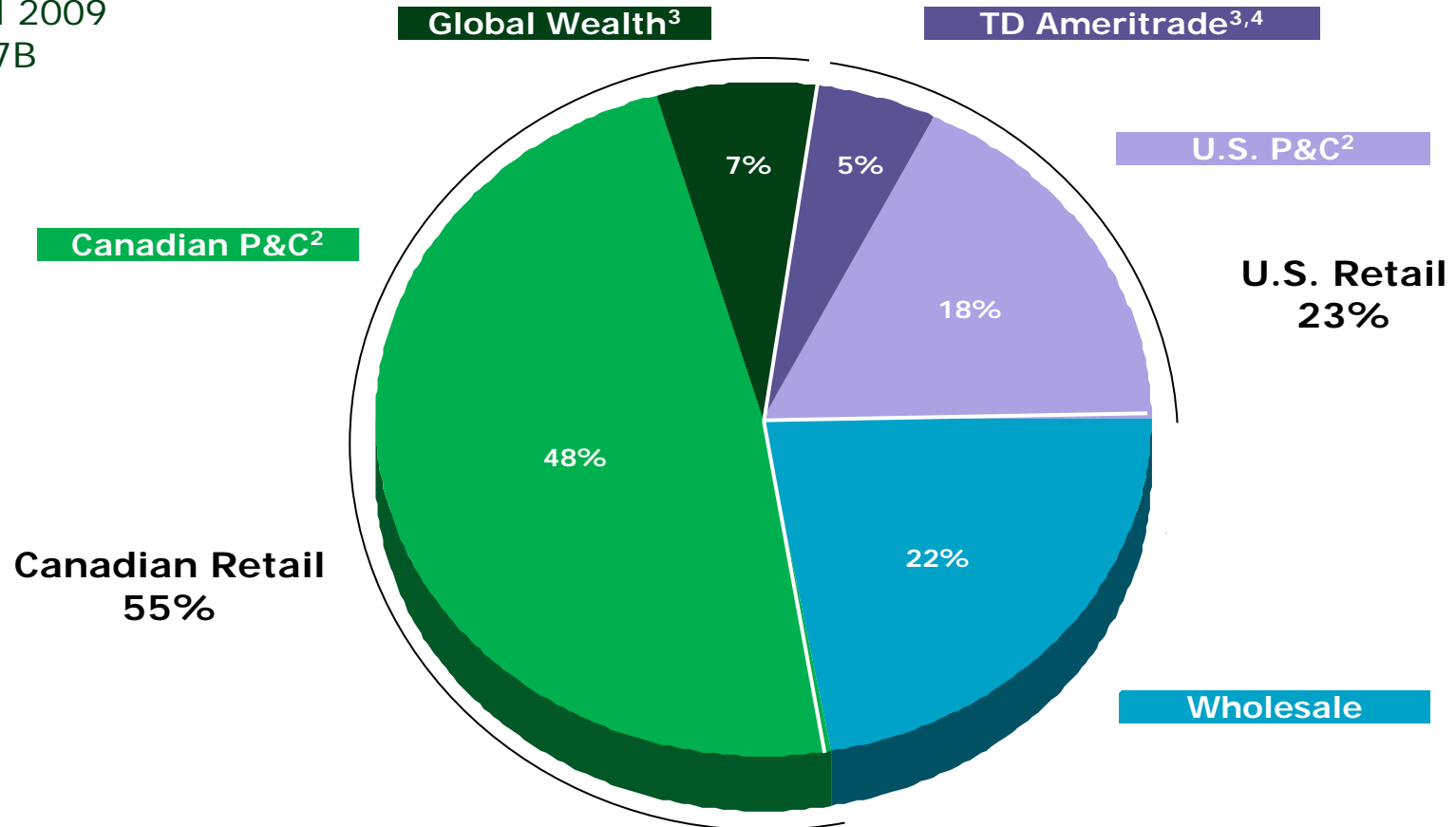
**Strong performance through tough economic conditions**

1. Adjusted results are defined on slide #4.

# Lower Risk Retail Focus<sup>1</sup>

## Adjusted Earnings

Fiscal 2009  
C\$4.7B



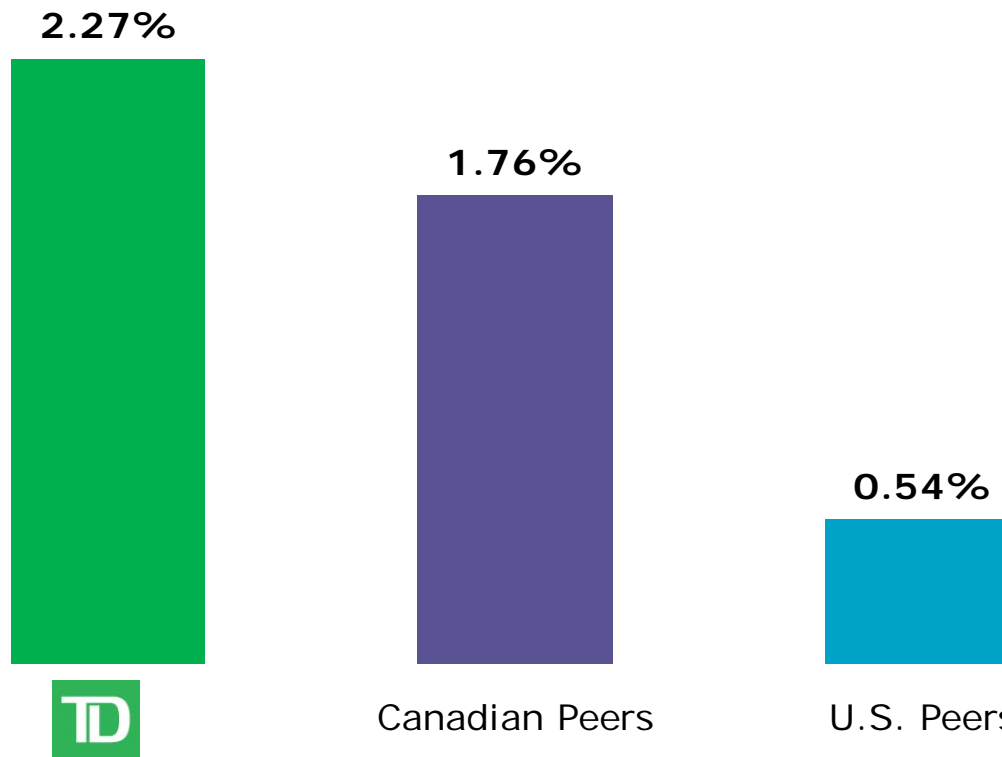
**78% of earnings from retail operations**

1. Based on adjusted earnings as described on slide #4.
2. "P&C" refers to Personal and Commercial Banking.
3. "Global Wealth" and "TD Ameritrade" make up the Wealth Management business segment.
4. TDBFG has an investment in TD Ameritrade.

# Strong Focus on Risk-Return

## Return on Risk-Weighted Assets<sup>1,2,3</sup>

2009



**Better return for risk undertaken**

1. TD based on fiscal 2009 adjusted earnings, as described on slide #4. Return on risk-weighted assets is adjusted net income available to common shareholders divided by average RWA.

2. Canadian Peers – other big 4 banks (RY, BNS, BMO and CM) adjusted on a comparable basis to exclude identified non-underlying items. Based on fiscal 2009 results.

3. U.S. Peers – including Money Center Banks (C, BAC, JPM) and Top 3 Super-Regional Banks (WFC, PNC, USB). Adjusted on a comparable basis to exclude identified non-underlying items. Based on YTD Q3 2009 results.



## Get across the recession valley

- Carefully manage capital, funding, liquidity and risk



## Keep our business model intact

- Preserve our performance, convenience and service culture



## Emergence with momentum on our side

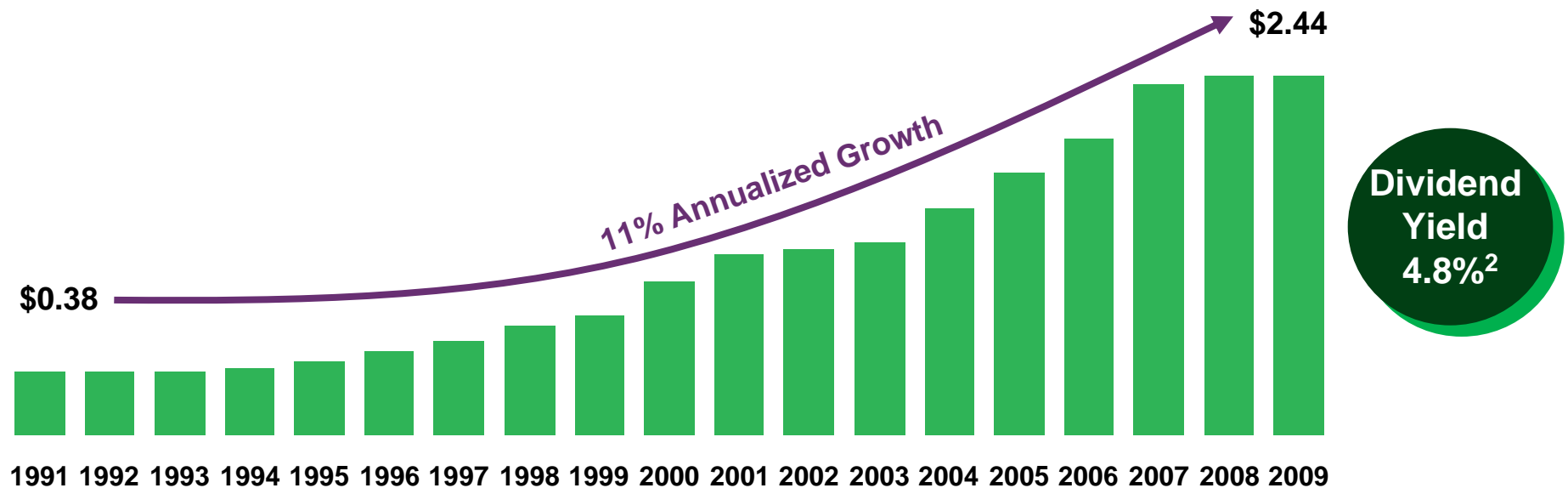
- Continue to invest in our core growth engines
- Opportunities for companies with strategic positioning and financial strength to grow market share, even during tough environment

**Now**

**Continue to manage for long-term growth**

# Strong, Consistent Dividend History

## Dividends Per Share<sup>1</sup> (C\$)

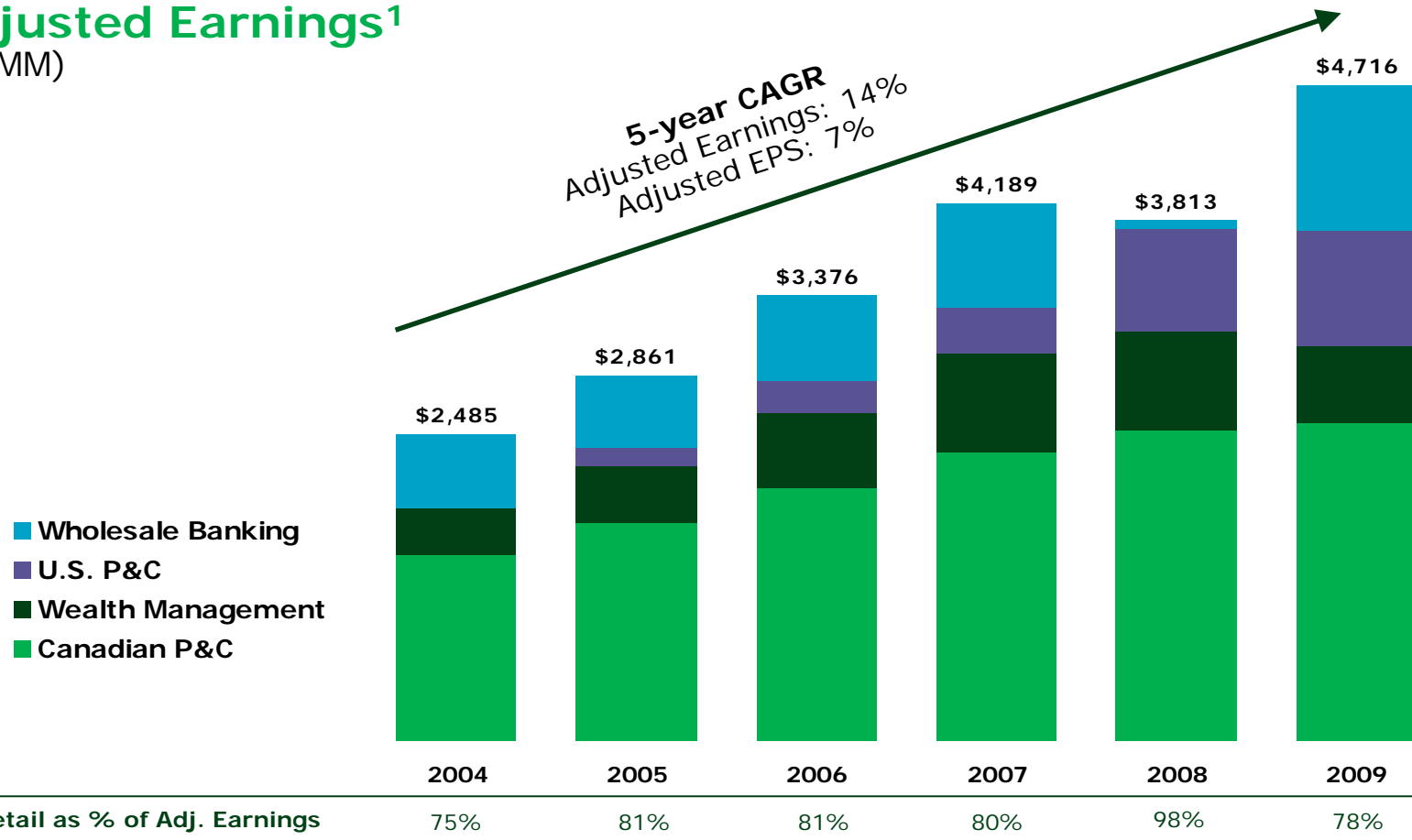


**Growing dividends over time**

1. 2009 dividend per share based on dividend amounts declared for fiscal 2009.  
2. Dividend yield based on dividend per share for trailing four quarters (ending Q4 2009) dividend by average of high and low common share prices for fiscal 2009.

# Simple Strategy, Consistent Focus, Superior Execution

## Adjusted Earnings<sup>1</sup> (C\$MM)



**Solid growth and return across businesses**

1. See slide #4 for definition of Adjusted Earnings. Also see the Canadian P&C, Wealth, U.S. P&C, Wholesale segment discussions in the Business Segment Analysis section in the 2008, 2007, and 2006 Annual Reports, and see starting on page 17 of the 2008 Annual Report for an explanation of how the Bank reports and a reconciliation of the Bank's non-GAAP measures to reported basis (GAAP) results for FY06-FY08 and see pages 140 to 141 of the 2008 Annual Report for a reconciliation for 10 years ending FY08.

# Key Takeaways

1

The first truly  
North American bank

2

Lower risk  
retail focus

3

Conservative risk  
management

4

Consistently investing  
for the future

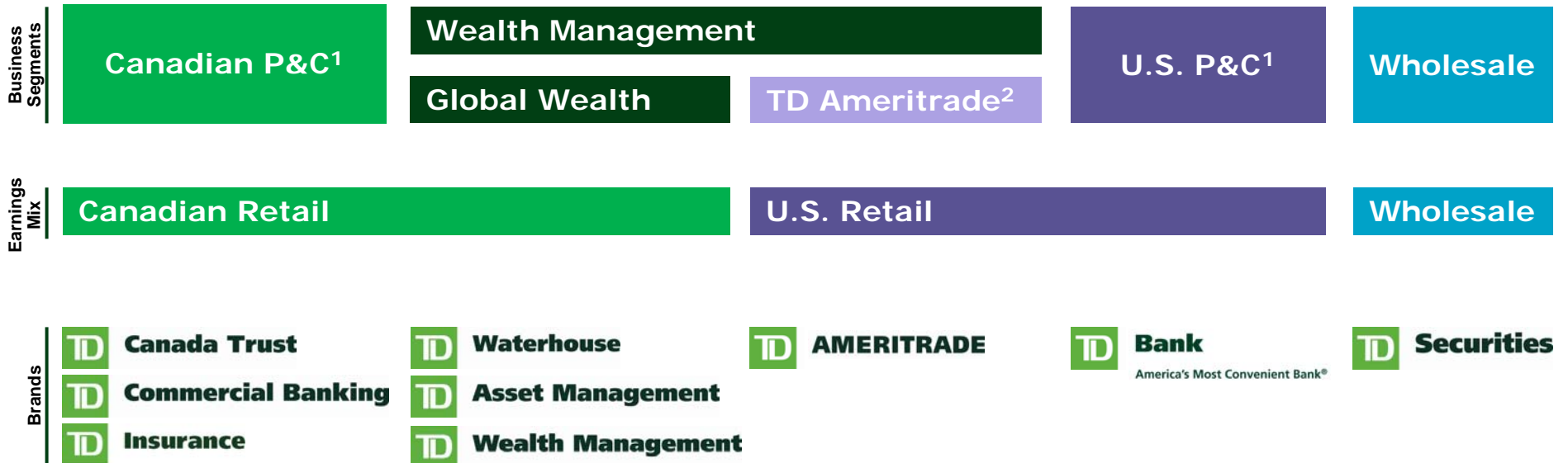
## TD Bank Financial Group

- Overview
- **Key Businesses**
- Credit Portfolio

Canadian Economy and Financial System

Other Information

# Key Businesses At a Glance



1. "P&C" refers to Personal and Commercial Banking.  
 2. TDBFG has an investment in TD Ameritrade.

# Canadian Personal and Commercial Banking Overview

## Key Businesses

### ■ Canadian Banking

- Personal Banking
  - Retail operations provide a full range of financial products and services
  - Over 11 million personal and small business customers
  - More than 1,100 branches across Canada
  - More than 2,600 automated banking machines
  - Multiple channels: telephone, internet
- Commercial Banking
  - Serves the need of medium-sized Canadian businesses
  - Provides broad range of products and services to meet their financing, investment, cash management, international trade, and day-to-day banking needs

### ■ Global Insurance

- Offers broad range of insurance products, including:
  - Home and automobile coverage, life and health insurance in Canada and the U.S.
  - Business property and casualty business in the U.S.
  - Credit protection coverage on TD Canada Trust lending products

 **Canada Trust**

 **Commercial Banking**

 **Insurance**

As at Q4 2009	In C\$
<b>Total Assets</b>	\$183B
<b>Total Deposits<sup>1</sup></b>	\$178MM
<b>Total Loans<sup>2</sup></b>	\$177MM
<b>Adjusted Earnings<sup>3</sup></b>	\$2,472MM
<b>Employees<sup>4</sup></b>	33,000+

1. Total Deposits based on total of average personal and business deposits during Q4 2009.  
2. Total Loans based on total of average personal and business loans during Q4 2009.  
3. For trailing 4 quarters (Q1 to Q4 2009). See slide #4 for definition of Adjusted Earnings.  
4. Average number of full-time equivalent staff during Q4 2009.

# Canadian Personal and Commercial Banking

## Key Messages



- **Lead in customer service and convenience**
  - Rated #1 by J.D. Power<sup>1</sup> and Synovate<sup>2</sup>, year after year
  - More than 50% longer branch hours than peers
  
- **Integrated product offerings**
  - #1 or #2 market share in most retail products<sup>3</sup>
  - Client referrals and product offerings from across TDBFG family
  
- **Operational excellence**
  - Best-in-class operational efficiency
  - Continuous improvement culture
  
- **Continue investing in organic growth**
  - Opening new branches
  - Growing underrepresented businesses: business banking, insurance, credit card, Quebec

**Robust retail banking foundation in Canada**

1. Highest in customer satisfaction – J.D. Power and Associates survey in 2006, 2007, 2008, and 2009.  
2. Rated #1 among Canada's five major banks for "Overall quality of customer service" by independent market research firm Synovate for 2005, 2006, 2007, 2008, and 2009.  
3. Source: Office of the Superintendent of Financial Institutions (Canada); Starfish.



# Canadian Personal and Commercial Banking Performance

## Earnings (\$MM)



**5-year  
CAGR  
11%<sup>1</sup>**

1. 5-year CAGR is calculated based on compound annual growth from 2004 to 2009. Also see the Canadian P&C segment discussion in the Business Segment Analysis section in the 2006, 2007, and 2008 Annual Reports, and see starting on page 17 of the 2008 Annual Report for an explanation of how the Bank reports and a reconciliation of the Bank's non-GAAP measures to reported basis (GAAP) results for FY06-FY08 and see pages 140 to 141 of the 2008 Annual Report for a reconciliation for 10 years ending FY08.

# Wealth Management Overview

## Key Businesses

- **Online Brokerage**
  - Canada
  - U.S.
    - 45% equity investment in TD Ameritrade
  - Europe
    - U.K., Ireland
    - Luxembourg: Majority shareholder in Internaxx
  
- **Advice-Based Businesses**
  - Canada
    - Financial Planning
    - Private Investment Advice
      - Full service brokerage
    - Private Client Group
      - Private banking, trust, discretionary asset management
  - U.S.
    - Financial Advisory
    - Private Bank
  
- **Asset Management**
  - Canada
    - Retail mutual funds
    - Institutional asset management

-  **Waterhouse**
-  **AMERITRADE**
-  **Wealth Management**
-  **Asset Management**

As at Q4 2009	In C\$
<b>Total Assets</b>	\$21B
<b>AUA<sup>1</sup></b>	\$191B
<b>AUM<sup>2</sup></b>	\$171B
<b>Adjusted Earnings<sup>3</sup></b>	\$597MM
<b>Employees<sup>4</sup></b>	6,700+

1. Assets under administration as at the end of Q4 2009.  
 2. Assets under management as at the end of Q4 2009.  
 3. For trailing 4 quarters (Q1 to Q4 2009). See slide #4 for definition of Adjusted Earnings.  
 4. Average number of full-time equivalent staff during Q4 2009.

# Wealth Management

## Key Messages



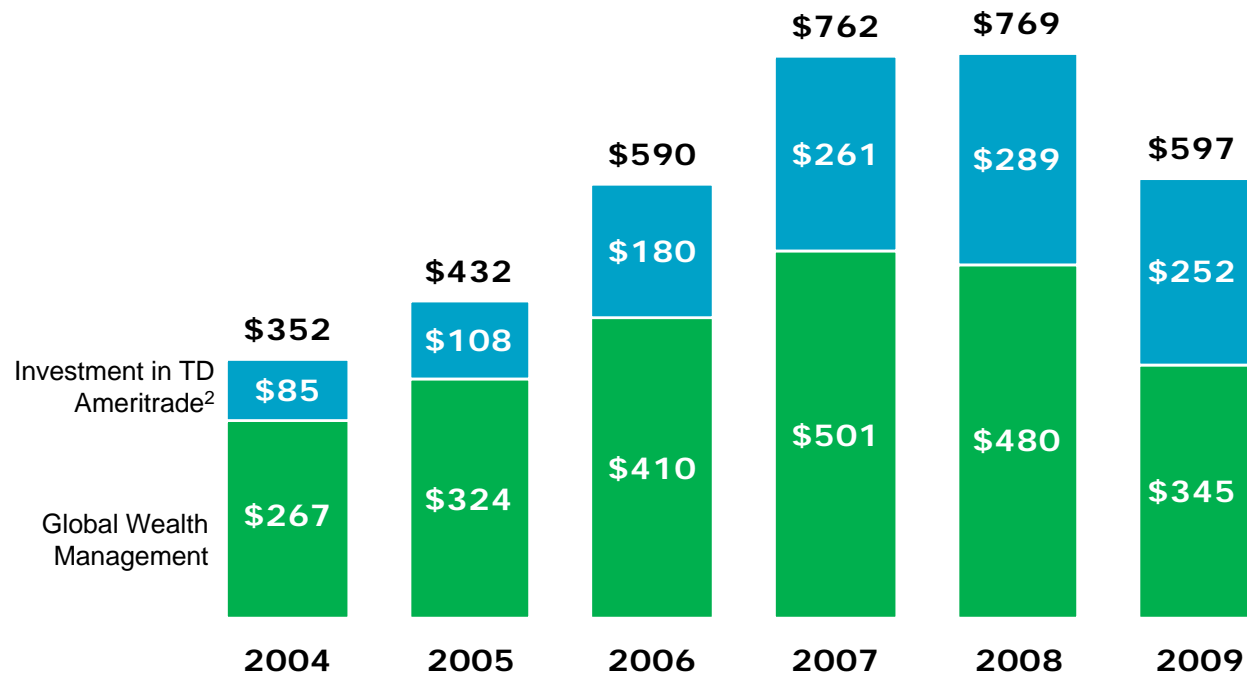
- **Leading market positions**
  - #1 online brokerage in Canada<sup>1</sup>
  - #1 long-term mutual fund net sales<sup>2</sup>
  - #1 execution-only brokerage in the U.K.<sup>3</sup>
  
- **Integrated wealth organization**
  - Financial Planners based in retail bank branches
  - Client referrals from TDBFG retail businesses and between wealth management businesses
  
- **Continue focused investment for the future**
  - Growing advice businesses, adding client-facing advisors
  - Strategically growing diversified wealth offerings
  
- **Strategically and financially attractive investment in TD Ameritrade**
  - #1 in online trades per day in the U.S.<sup>4</sup>
  - Strong momentum with asset gathering strategy
  - Opportunities for customer referral and growth through partnership with TDBFG businesses

**Industry-leading wealth management platform**

1. Market share is based on Investor Economics, as of December 31, 2008.  
2. For fiscal 2009, based on IFIC Primary Investment Management view. Based on The Investment Funds Institute of Canada, April 2009 report – TD is #2 among banks (and #4 in the industry) in Mutual Fund Assets.  
3. Source: ComPeer Ltd, based on volume of trade, November 2009.  
4. #1 in online equity trades per day and options trades per day in the U.S. Ranking based on market share, from last 12 months of publicly available reports for E\*Trade, Charles Schwab, and optionsXpress.

# Wealth Management Performance

## Earnings (\$MM)



**5-year CAGR 11%<sup>1</sup>**

1. 5-year CAGR is calculated based on compound annual growth from 2004 to 2009. Also see the Wealth segment discussion in the Business Segment Analysis section in the 2006, 2007, and 2008 Annual Reports, and see starting on page 17 of the 2008 Annual Report for an explanation of how the Bank reports and a reconciliation of the Bank's non-GAAP measures to reported basis (GAAP) results for FY06-FY08 and see pages 140 to 141 of the 2008 Annual Report for a reconciliation for 10 years ending FY08.  
 2. Investment in TD Ameritrade consists of the Bank's reported investment in TD Ameritrade from Q2/06 to current, and TD Waterhouse U.S.A. in prior quarters.

# U.S. Personal and Commercial Banking Overview

## Key Businesses

### ■ Personal Banking

- Over 1,000 stores
- 2,600 ATMs
- Multiple channels: telephone, internet
- More than 6.5 million customers

### ■ Commercial Banking

- Offers a broad range of products and services to meet customers' financing, investment, cash management, international trade, and day-to-day banking needs



**Bank**

America's Most Convenient Bank®

As at Q4 2009	In C\$
<b>Total Assets</b>	\$154B
<b>Total Deposits<sup>1</sup></b>	\$86MM
<b>Total Loans<sup>2</sup></b>	\$57MM
<b>Adjusted Earnings<sup>3</sup></b>	\$909MM
<b>Employees<sup>4</sup></b>	19,000+

1. Total Deposits based on total of average personal and business deposits during Q4 2009.  
2. Total Loans based on total of average personal and business loans during Q4 2009.  
3. For trailing 4 quarters (Q1 to Q4 2009). See slide #4 for definition of Adjusted Earnings.  
4. Average number of full-time equivalent staff during Q4 2009.

# U.S. Personal and Commercial Banking

## Key Messages



- **Lead in customer service and convenience**
  - Rated #1 by J.D. Power for Customer Satisfaction, year after year<sup>1</sup>
  - 50% longer hours than the competition<sup>2</sup>
  - Unique brand and culture: “America’s Most Convenient Bank”
  
- **Significant scale and enviable footprint**
  - More than 1,000 stores
  - Operating in 5 of the top 10 Metropolitan Statistical Areas in the U.S. Northeast, Mid-Atlantic, and Florida
  
- **Disciplined credit culture**
  - In-footprint lending
  - Conservative products
  - Distribution through proprietary channels, not brokers
  
- **Continued organic growth and de novo expansion**
  - Opening new stores
  - Strong balance sheet supports opportunities to take share
  - Significant cross-sell opportunities: wealth management, insurance, corporate banking, TD Ameritrade

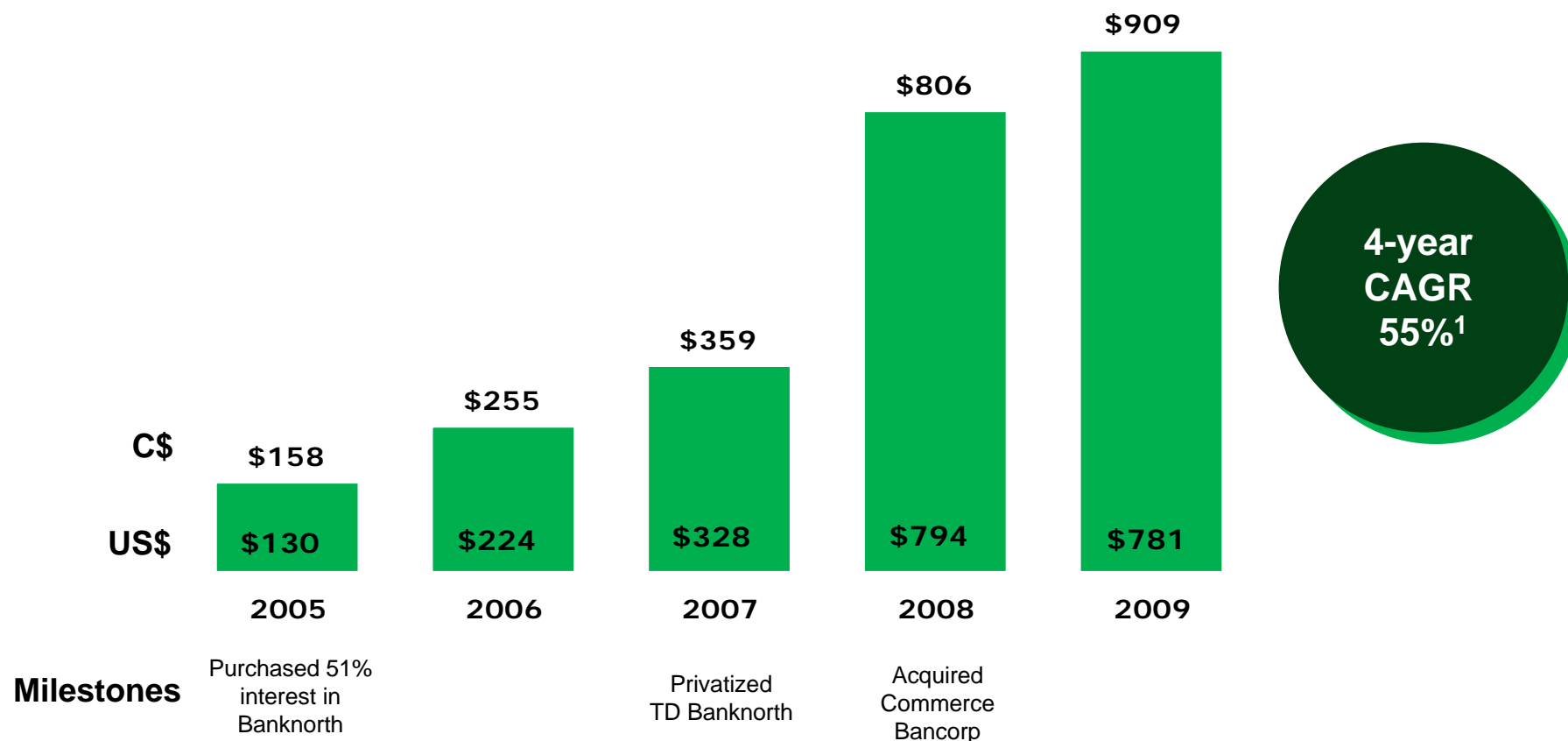
**Well-positioned for future growth**

1. Rated #1 in “Highest Customer Satisfaction” in the U.S. Mid-Atlantic region by J.D. Power and Associates in 2006, 2007, 2008, and 2009; also ranked #1 in “Small Business Owner Satisfaction” by J.D. Power and Associates in 2007, 2008, and 2009.  
2. Based on average store hours for TD Bank compared to national average store hours.

# U.S. Personal and Commercial Banking Performance



## Adjusted Earnings<sup>1</sup> (\$MM)



1. See slide #4 for definition of Adjusted Earnings. 4-year CAGR is calculated based on compound annual growth from 2005 to 2009. Also see the U.S. P&C segment discussion in the Business Segment Analysis section in the 2006, 2007, and 2008 Annual Report, and see starting on page 17 of the 2008 Annual Reports for an explanation of how the Bank reports and a reconciliation of the Bank's non-GAAP measures to reported basis (GAAP) results for FY06-FY08 and see pages 140 to 141 of the 2008 Annual Report for a reconciliation for 10 years ending FY08.

# Wholesale Banking Overview

## Key Businesses

- **Investment Banking**
  - Advisory, underwriting, and corporate lending
- **Equities**
  - Trading, facilitation, execution services, and research
- **Rates and Foreign Exchange**
  - Trading, facilitation, execution services, trade finance, and cash management services

## **Securities**

As at Q4 2009	In C\$
<b>Risk Weighted Assets</b>	\$34B
<b>Adjusted Earnings<sup>1</sup></b>	\$1,137MM
<b>Employees<sup>2</sup></b>	3,000+

1. For trailing 4 quarters (Q1 to Q4 2009). See slide #4 for definition of Adjusted Earnings.  
2. Average number of full-time equivalent staff during Q4 2009.



# Wholesale Banking

## Key Messages



- Focus on client-driven franchise businesses
  - Broaden and deepen customer relationships
  - Strategic decisions before financial crisis to reduce corporate lending risk profile and exit global structured products
- Integrated North American dealer
  - Build on position as top 3 dealer in Canada<sup>1</sup>
  - Presence in key global financial centres
  - Leveraging strength of TD brand and partners to grow U.S. and global businesses
- Solid returns without going out the risk curve
  - Strategic use of capital and risk management

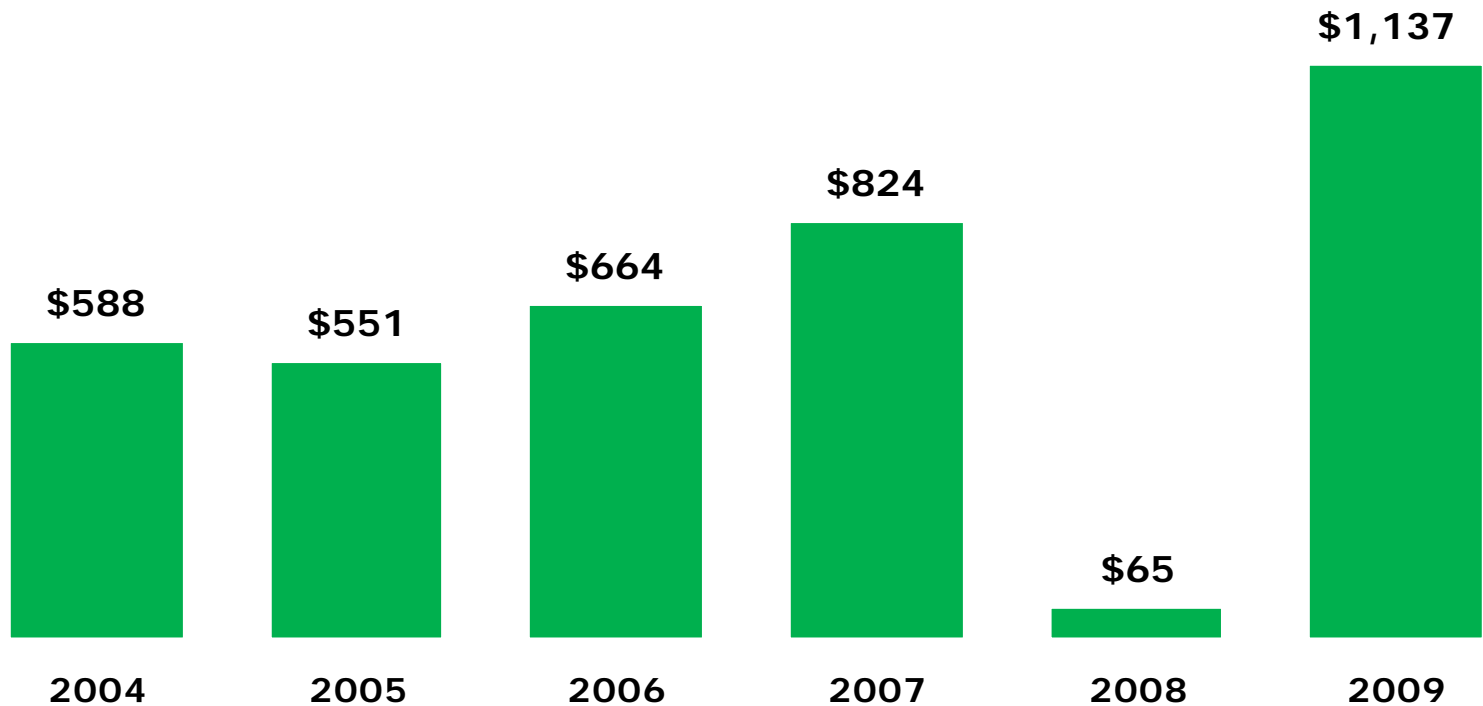
**A lower risk wholesale franchise**

1. #3 in government debt underwriting, for January to October 2009. Source: Bloomberg; #2 in corporate debt underwriting, for January to October 2009. Source: Bloomberg (excl. own deals); #5 in M&A advisory, for November 2008 to October 2009. Based on completed transactions by CDN Banks. Source: Thomson Financial; #3 in equity underwriting, for January to October 2009. Source: Thomson Financial; #1 in equity block trading, for January to October 2009. Source: Starquote.

# Wholesale Banking Performance



## Adjusted Earnings<sup>1</sup> (\$MM)



ROIC <sup>2</sup>	2004	2005	2006	2007	2008	2009
	25%	22%	28%	30%	2%	30%

1. See slide #4 for definition of Adjusted Earnings. Also see the Wholesale segment discussion in the Business Segment Analysis section in the 2006, 2007, and 2008 Annual Report, and see starting on page 17 of the 2008 Annual Reports for an explanation of how the Bank reports and a reconciliation of the Bank's non-GAAP measures to reported basis (GAAP) results for FY06-FY08 and see pages 140 to 141 of the 2008 Annual Report for a reconciliation for 10 years ending FY08.

2. Return on Invested Capital is adjusted net income available to common shareholders divided by average invested capital. Invested capital is common shareholders' equity plus the cumulative after-tax amount of purchased intangible assets amortized as of the reporting date.

## TD Bank Financial Group

- Overview
- Key Businesses
- **Credit Portfolio**

Canadian Economy and Financial System

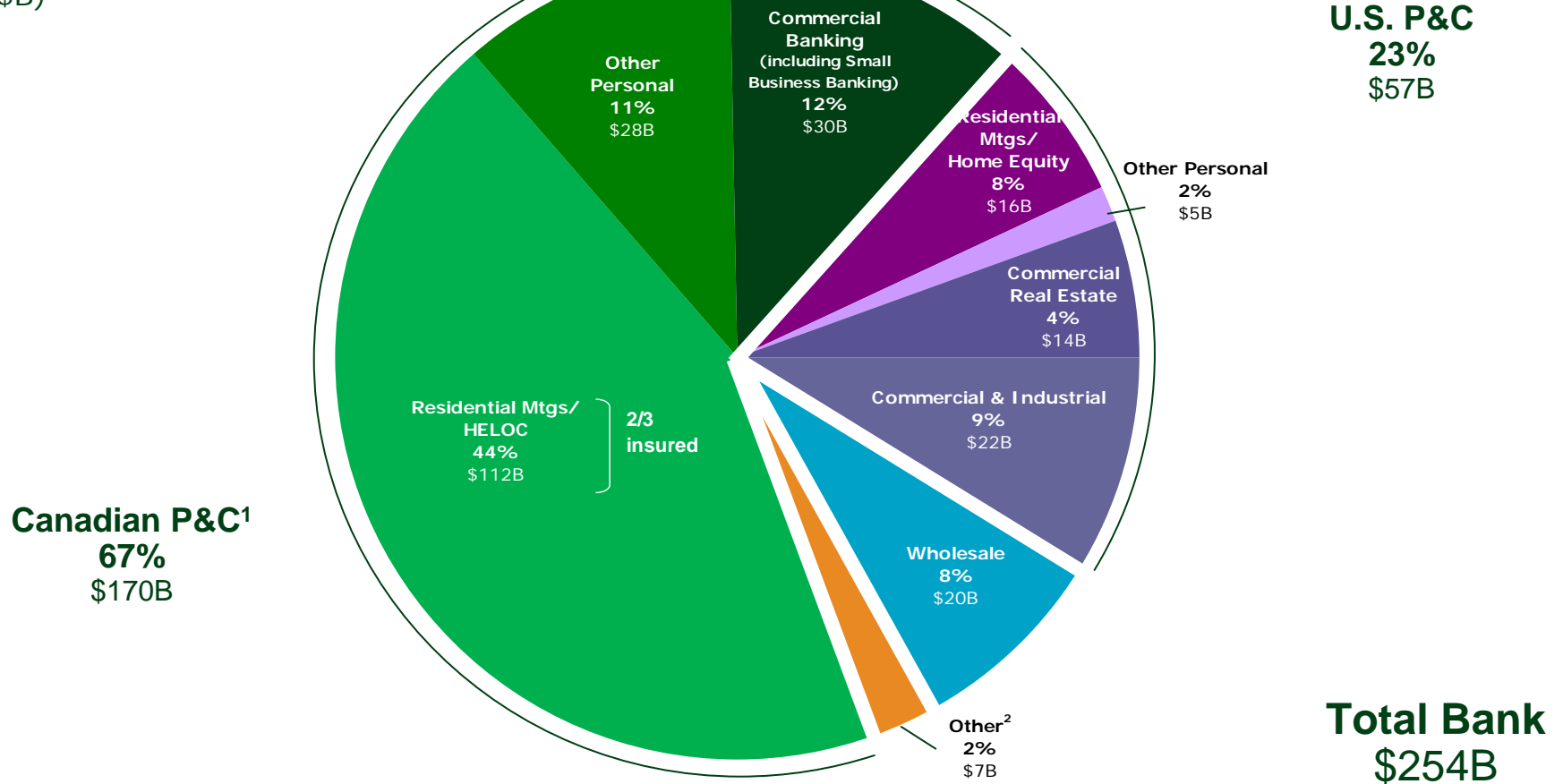
Other Information

# Gross Lending Portfolio: Loans and Acceptances




## Balances

Q4 2009  
(C\$B)



1. Excluding Securitized Residential Mortgage/Home Equity Off-Balance Sheet of \$57B.  
 2. Other includes Wealth Management and Corporate Segment. Corporate Segment includes residential mortgages booked by TD Capital Trust (approximately \$2B).

# Credit Quality

%	GILs / Avg Loans + BAs	Allowance for Credit Losses / GILs	NCOs / Avg Loans + BAs
	0.87	114	0.62
Cdn Peer Avg	1.57	75	0.80
U.S. Peer Avg	3.28	121	3.15

**Well-positioned loan portfolio**

1. TD and Canadian Peers results are as of Q4/09. U.S. peers results are as of Q3/09. Canadian Peers include other big 4 banks (RY, BNS, BMO and CM). U.S. Peers include Money Center Banks (C, BAC, JPM) and Top 3 Super-Regional Banks (WFC, PNC, USB).

## TD Bank Financial Group

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## Canadian Economy and Financial System

## Other Information

# Why Canadian Economy Outperforms

- One of the 10 most competitive economies<sup>1</sup>
- Soundest banking system in the world<sup>1</sup>
- Canadian economy outperformed over last decade
  - Average annual real GDP growth of 3.13% from 1997 to 2008
  - Canadian economy beginning to show signs of recovery
- Canadian housing market correction not severe
  - Cyclical pressure on Canadian real estate, not structural
  - Canadian market improving since beginning of the year
- Unemployment rate will likely remain below prior peaks
- Strongest fiscal position among G-7 industrialized countries
  - Lowest projected deficits
  - Lowest overall debt level

# Solid Financial System in Canada



- **Strong retail and commercial banks**
  - Conservative lending standards
  - All major wholesale dealers owned by Canadian banks, with stable retail earnings base to absorb any wholesale write-offs
  
- **Responsive government and central bank**
  - Proactive policies and programs to ensure adequate liquidity in the system
  
- **Judicious regulatory system**
  - Principles-based regime, rather than rules-based
  - One single regulator for all major banks
  - Conservative capital rules, requirements above world standards
  - Capital requirements based on risk-weighted assets

**The world's soundest banking system<sup>1</sup>**



# Canadian Mortgage Market is Different from the U.S.

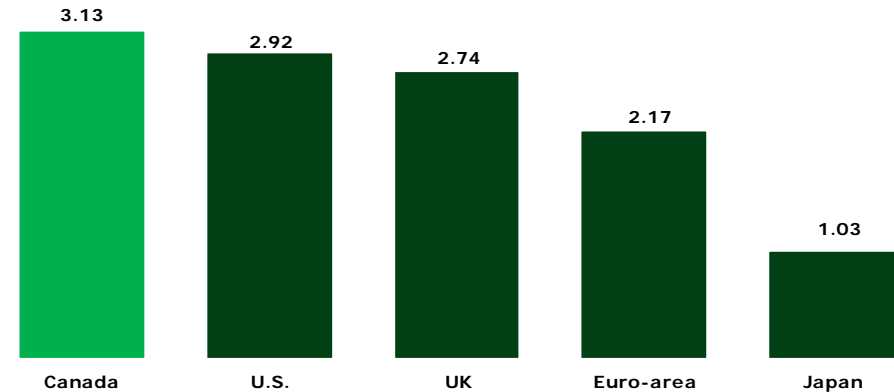
	Canada	U.S.
<b>Product</b>	<ul style="list-style-type: none"> <li>Conservative product offerings: Fixed or variable interest rate option</li> </ul>	<ul style="list-style-type: none"> <li>Outstanding mortgages include earlier exotic products (interest only, options ARMs)</li> </ul>
	<ul style="list-style-type: none"> <li>Borrowers typically qualified using the 3 year posted fixed rate</li> </ul>	<ul style="list-style-type: none"> <li>Borrowers often qualified using discounted teaser rates → payment shock on expiry (underwriting standards have since been tightened)</li> </ul>
	<ul style="list-style-type: none"> <li>2% of the mortgage credit outstanding estimated to be non-prime</li> </ul>	<ul style="list-style-type: none"> <li>10% of mortgage credit outstanding estimated to be non-prime</li> </ul>
<b>Underwriting</b>	<ul style="list-style-type: none"> <li>Terms usually 5 years or less, renewable at maturity</li> </ul>	<ul style="list-style-type: none"> <li>30 year term most common</li> </ul>
	<ul style="list-style-type: none"> <li>Amortization up to a maximum of 35 years (40 years no longer available since Oct. 2008)</li> </ul>	<ul style="list-style-type: none"> <li>Amortization usually 30 years, can be up to 50 years</li> </ul>
	<ul style="list-style-type: none"> <li>Mortgage insurance mandatory if LTV over 80%, covers full loan amount</li> </ul>	<ul style="list-style-type: none"> <li>Mortgage insurance often used to cover portion of LTV over 80%</li> </ul>
<b>Regulation and Taxation</b>	<ul style="list-style-type: none"> <li>Mortgage interest not tax deductible</li> </ul>	<ul style="list-style-type: none"> <li>Mortgage interest is tax deductible, creating an incentive to borrow</li> </ul>
	<ul style="list-style-type: none"> <li>Lenders have recourse to both borrower and property in most provinces</li> </ul>	<ul style="list-style-type: none"> <li>Lenders have limited recourse in most jurisdictions</li> </ul>
<b>Sales Channel</b>	<ul style="list-style-type: none"> <li>External broker channel originated up to 30%</li> </ul>	<ul style="list-style-type: none"> <li>External broker channel originated up to 70% at peak</li> </ul>

# Canadian Economy Canadian Strengths

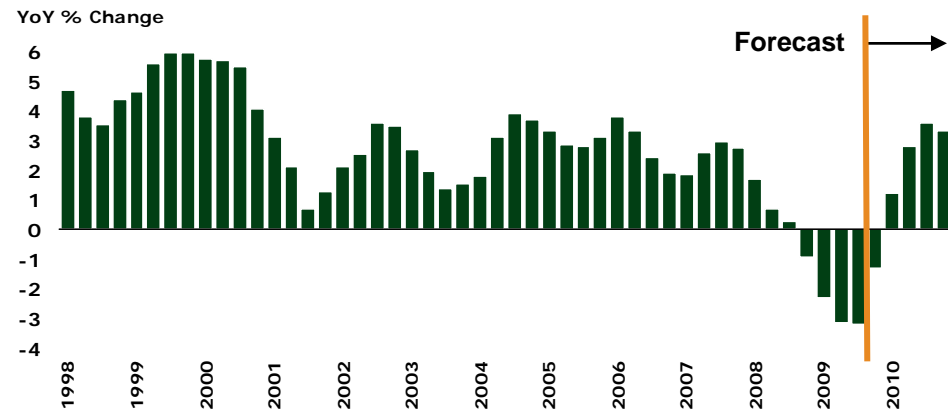
**Canadian economy  
outperformed over  
last decade**

**Canadian economy  
out of recession and  
global economic  
recovery will spur  
demand for  
commodities from  
emerging markets**

Average Annual Real GDP<sup>1</sup> Growth, 1997 - 2008



Canadian Real GDP Growth<sup>2</sup>



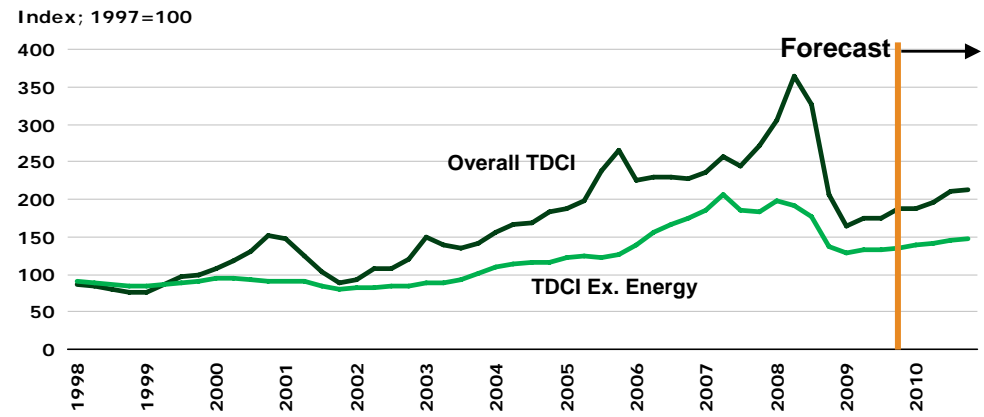
1. Seasonally adjusted, chained figures used; Source: National Statistical Agencies/ Haver Analytics  
 2. Seasonally adjusted annual rate, millions of chained 2002 Canadian dollars (figure is expressed in real terms, base year is 2002), Forecast by TD Economics; Source: Statistics Canada

# Canadian Economy Near Term Slowdown

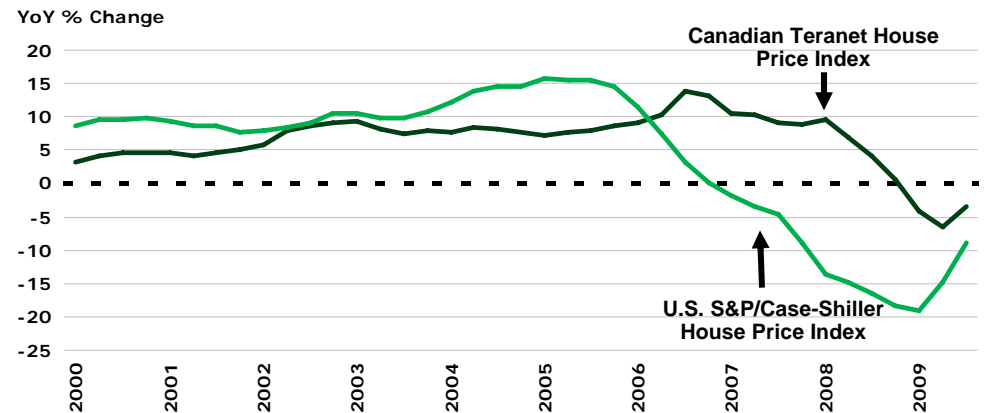
**Commodity prices have corrected from record high levels, but have most likely bottomed out**

**Canadian housing market correction not severe; U.S. real estate market is recovering**

TD Commodity Price Index<sup>1</sup>



U.S. and Canadian Housing Prices<sup>2</sup>

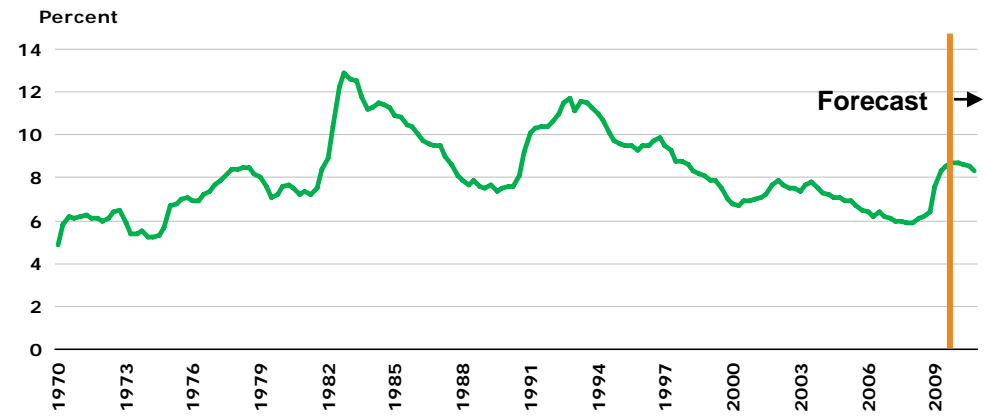


1. Index of 18 Canadian resources commodity prices in USD; Source: TD Economics; Last actual 2009 Q2; Forecast as at June 2009  
 2. Source: Teranet-National Bank Index, S&P/Case-Shiller; last date plotted: Q2 2009

# Canadian Economy Long Term Support

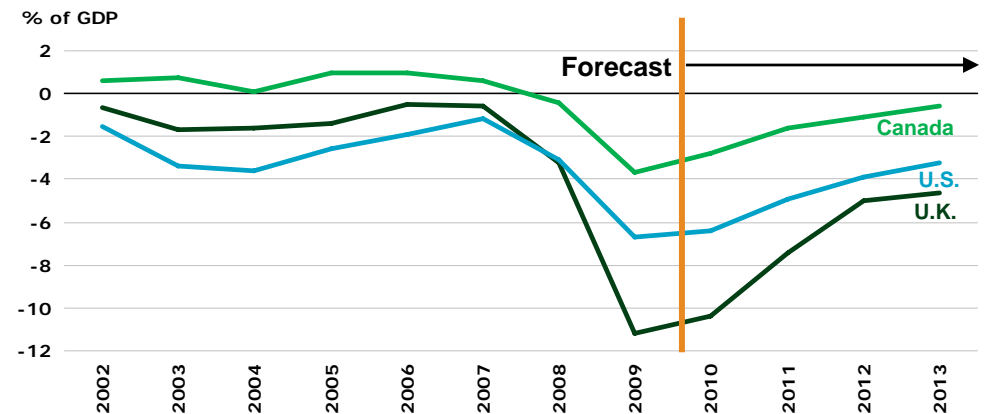
**Unemployment will continue to rise, but will likely remain below prior peaks**

Canadian Unemployment<sup>1</sup>



**Government finances in sound shape relative to other countries, and fiscal stimulus will provide boost to economy**

Canadian Federal Finances<sup>2</sup>



1. Forecast by TD Economics as at June 2009; Source: Statistics Canada  
 2. Source: National statistical agencies and governments; forecasts by the Dept. of Finance, HM Treasury, and the OMB.

## TD Bank Financial Group

- Overview
- Key Businesses
- Credit Portfolio

## Canadian Economy and Financial System

## Other Information

# TD Bank Financial Group Comparison to Global Banks



Q4 2009 <sup>1</sup> (U.S.\$B) <sup>2</sup>	TD	SAN	BBVA	RBS	BNP	CBA	MTU
Total Assets	\$515	\$1,585	\$787	\$2,997	\$3,352	\$505	\$2,266
Total Deposits	\$361	\$690	\$473	\$1,099	\$1,240	\$300	\$1,363
Market Cap <sup>3</sup>	\$52.9	\$136.1	\$67.6	\$28.7	\$95.4	\$73.7	\$61.0
Tier 1 Capital Ratio	11.3%	9.2%	8.2%	8.8%	10.1%	8.1%	9.1%
Avg. # of FTE	~66,000	~170,000	~104,000	~191,000	~173,000	~44,000	~84,000

**Solid position amongst global banks**

1. Q4 2009 is defined as the period from August 1 to October 31, 2009 for TD. For comparison purposes, period ended September 30, 2009 for SAN, BBVA, RBS, BNP, MTU, and period ended June 30, 2009 for CBA. For MTU, FTE numbers are as of March 31, 2009.  
 2. Balance sheet metrics are converted to U.S. dollars at an exchange rate of 0.9243 USD/CAD (as at October 30, 2009). Income statement metrics are converted to U.S. dollars at the average quarterly exchange rate of 0.9304 for Q4/09, 0.8821 for Q3/09, 0.8034 for Q2/09, 0.8152 for Q1/09.  
 3. As at December 9, 2009.

# Credit Ratings

## Rating<sup>1</sup>

Moody's	S&P	Fitch	DBRS
Aaa	AA-	AA-	AA

**Strong credit ratings**

1. As at October 31, 2009. Moody's: Issuer Rating, S&P: LT Foreign Issuer Credit, Fitch: LT Issuer Default Rating, DBRS: Senior Unsecured Debt.

# Managing Environmental, Social, Governance Risks & Opportunities



- One of the top 100 most sustainable companies in the world<sup>1</sup>
  - One of only 5 companies in Canada
- Recognized by sustainability indices
  - Dow Jones Sustainability Index North America
  - Jantzi Social Index
  - KLD Global Sustainability Index, KLD Global Sustainability Index Ex-US, KLD North America Sustainability Index
- Corporate governance
  - Ranked top 1% globally for corporate governance leadership, third year in a row<sup>2</sup>
- The environment
  - Responsible lending through Environment Management Framework and Equator Principles
  - Adopted United Nations Principles for Responsible Investment
  - Named a Climate Disclosure Leader by the Conference Board of Canada and the Carbon Disclosure Project
  - Canadian bank operations will be carbon neutral by end of 2010, and U.S. shortly afterwards
- Employee and Diversity
  - One of 50 best employers in Canada<sup>3</sup>
  - Diversity Leadership Council, led by senior executives, embed diversity into business plans
- Community
  - One of Canada's top corporate donors
  - Donated over C\$47 million to Canadian and U.S. charities in 2008

For further information about Corporate Responsibility, please visit <http://www.td.com/corporateresponsibility/>.

1. According to the Global 100 Most Sustainable Corporations in the World list for 2009.  
2. According to GovernanceMetrics International, for 2007, 2008, and 2009.  
3. According to Hewitt's 50 Best Employers in Canada for 2008 and 2009.



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a CEO**

**Best Retail Investor  
Communications**

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better bank  
every day

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