



**Bank Financial Group**

**Draft 5 (NOVEMBER 28, 2007)**

# **SUPPLEMENTAL FINANCIAL INFORMATION**

**For the 4<sup>th</sup> Quarter Ended October 31, 2007**



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### For the 4th Quarter October 31, 2007

The supplemental information contained in this package is designed to improve the readers' understanding of the financial performance of TD Bank Financial Group (the Bank). This information should be used in conjunction with the fourth quarter 2007 Press Release, and Investor Presentation, as well as the 2007 Consolidated Financial Statements for the year ended October 31, 2007.

#### How the Bank Reports

The Bank prepares its financial statements in accordance with Canadian generally accepted accounting principles (GAAP) and refers to results prepared in accordance with GAAP as the "reported basis" or "reported" results. The Bank also utilizes non-GAAP financial measures referred to as "adjusted basis" or "adjusted" results to assess each of its businesses and to measure overall Bank performance. To arrive at adjusted results, the Bank removes items of note, net of income taxes, from reported results. The items of note relate to items which management does not believe are indicative of underlying business performance. The items of note are listed on page 3 of this package. The items of note include the Bank's amortization of intangible assets, which primarily relate to the Canada Trust acquisition in 2000, the TD Banknorth Inc. (TD Banknorth) acquisition in 2005, and the acquisitions by TD Banknorth of Hudson United Bancorp (Hudson) in 2006 and Interchange Financial Services Corporation (Interchange) in 2007, and the amortization of intangibles included in equity in net income of TD Ameritrade. The Bank believes that adjusted results provides the reader with a better understanding of how management views the Bank's performance.

As explained, adjusted results are different from reported results determined in accordance with GAAP. Adjusted results, items of note and related terms are non-GAAP financial measures as these are not defined terms under GAAP and, therefore, may not be comparable to similar terms used by other issuers. A reconciliation between the Bank's reported and adjusted results is provided on pages 6 and 7 of the Bank's Q4 2007 Press Release.

#### Segmented Information

For management reporting purposes, the Bank's operations are organized into the following four operating business segments: Canadian Personal and Commercial Banking, Wealth Management, U.S. Personal and Commercial Banking and Wholesale Banking. The Bank's other activities are grouped into the Corporate segment.

The Bank's management reporting process measures the performance of the segments based on our management structure and is not necessarily comparable with other financial services companies. Results of each business segment reflect revenue, expenses, assets and liabilities generated by the businesses in that segment. Due to the complexity of the Bank, its management reporting model uses various estimates, assumptions, allocations and risk-based methodologies for funds transfer pricing, inter-segment revenue, income tax rates, capital, indirect expenses and cost transfers to measure business segment results. Transfer pricing of funds is generally applied at market rates. Inter-segment revenue is negotiated between each business segment and approximate the value provided by the distributing segment. Income tax expense or benefit is generally applied to each segment based on a statutory tax rate and may be adjusted for items and activities unique to each segment.

The Bank measures and evaluates the performance of each segment based on adjusted net income available to common shareholders, economic profit and return on invested capital. Economic profit is adjusted net income available to common shareholders, less a charge for average invested capital. Each 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 write downs. Return on invested capital is adjusted net income available to common shareholders, divided by average invested capital. Economic profit and return on invested capital are not defined terms under GAAP and, therefore, may not be comparable to similar terms used by other issuers. A reconciliation between the Bank's economic profit, return on invested capital and adjusted net income is provided on page 16 of the Bank's Q4 2007 Press Release.

Amortization of intangible expense is included in the Corporate segment. Accordingly, net income for the operating business segments is presented before amortization of intangibles, as well as any other items of note not attributed to the operating segments, including those items which management does not consider to be in the control of the business segments. Net interest income within Wholesale Banking is calculated on a taxable equivalent basis (TEB), which means that the value of the non-taxable or tax-exempt income, including dividends, is adjusted to its equivalent before-tax value. Using TEB allows the Bank to measure income from all securities and loans consistently and makes for a more meaningful comparison of net interest income with similar institutions. The TEB adjustment, reflected in the Wholesale Banking segment, is eliminated in the Corporate segment.

As stated in the Consolidated Financial Statements, the Bank securitizes retail loans and receivables held by Canadian Personal and Commercial Banking in transactions that are accounted for as sales. For the purpose of segmented reporting, Canadian Personal and Commercial Banking accounts for the transactions as though they are financing arrangements. Accordingly, the interest income earned on the assets sold net of the funding costs incurred by the purchaser trusts is recorded in net interest income and the provision for credit losses related to these assets is charged to provision for (reversal of) credit losses. This accounting is reversed in the Corporate segment and the gain recognized on sale which is in compliance with appropriate accounting standards together with income earned on the retained interests net of credit losses incurred are included in other income.

For more information, see the "Business Focus" section of the 2007 Annual Report and Note 27 to the 2007 audited Consolidated Financial Statements.

**For the 4th Quarter Ended October 31, 2007**  
Table of Contents

	<u>Page</u>
Highlights	1
Shareholder Value	2
Adjustment for Items of Note, Net of Income Taxes	3
Segmented Results Summary	4
Canadian Personal and Commercial Banking Segment	5
Wealth Management Segment	6
U.S. Personal and Commercial Banking Segment	7
Wholesale Banking Segment	8
Corporate Segment	9
Net Interest Income and Margin	10
Other Income	11
Non-Interest Expenses	12
Balance Sheet	13
Unrealized Gain (Loss) on Securities	14
Assets under Administration and Management	14
Intangibles and Goodwill	15
Restructuring Costs	15
Loan Securitization	16
Impaired Loans	17
Allowance for Credit Losses and Provision for (Reversal of) Credit Losses	18
Analysis of Change in Shareholders' Equity	19
Change in Accumulated Other Comprehensive Income, net of income taxes	20
Analysis of Change in Non-Controlling Interests	21
Analysis of Change in Investment in TD Ameritrade	21
Risk-Weighted Assets and Capital	22

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

FOR THE PERIOD ENDED		LINE #	2007				2006				2005 Q4	Full Year		
			Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1		2007	2006	2005
<b>Income statement (\$millions)</b>														
Net interest income	(page 10)	1	\$ 1,808	\$ 1,783	\$ 1,662	\$ 1,671	\$ 1,714	\$ 1,623	\$ 1,427	\$ 1,607	\$ 1,641	\$ 6,924	\$ 6,371	\$ 6,008
Other income	(page 11)	2	1,742	1,899	1,882	1,834	1,604	1,688	1,712	1,817	1,460	7,357	6,821	5,951
Total revenue		3	3,550	3,682	3,544	3,505	3,318	3,311	3,139	3,424	3,101	14,281	13,192	11,959
Dilution gain (loss) on investments, net of costs		4	-	-	-	-	-	-	(5)	1,564	-	-	1,559	-
Provision for (reversal of) credit losses	(page 18)	5	139	171	172	163	170	109	16	114	(15)	645	409	55
Non-interest expenses	(page 12)	6	2,241	2,216	2,297	2,221	2,211	2,170	2,124	2,310	2,221	8,975	8,815	8,844
Net income before provision for income taxes		7	1,170	1,295	1,075	1,121	937	1,032	994	2,564	895	4,661	5,527	3,060
Provision for income taxes		8	153	248	234	218	175	235	244	220	253	853	874	699
Income before non-controlling interests in subsidiaries		9	1,017	1,047	841	903	762	797	750	2,344	642	3,808	4,653	2,361
Non-controlling interests in subsidiaries	(page 21)	10	8	13	27	47	48	52	47	37	53	95	184	132
Equity in net income of an associated company, net of income taxes	(page 21)	11	85	69	65	65	48	51	35	-	-	284	134	-
Net income - reported		12	1,094	1,103	879	921	762	796	738	2,307	589	3,997	4,603	2,229
Adjustment for items of note, net of income taxes	(page 3)	13	(73)	61	116	88	113	90	42	(1,472)	176	192	(1,227)	632
Net income - adjusted		14	1,021	1,164	995	1,009	875	886	780	835	765	4,189	3,376	2,861
Preferred dividends		15	5	2	7	6	5	6	6	5	-	20	22	-
Net income available to common shareholders - adjusted		16	\$ 1,016	\$ 1,162	\$ 988	\$ 1,003	\$ 870	\$ 880	\$ 774	\$ 830	\$ 765	\$ 4,169	\$ 3,354	\$ 2,861
<b>Per common share<sup>1</sup> and average number of shares</b>														
Basic net income - reported		17	\$ 1.52	\$ 1.53	\$ 1.21	\$ 1.27	\$ 1.05	\$ 1.10	\$ 1.02	\$ 3.23	\$ .83	\$ 5.53	\$ 6.39	\$ 3.22
- adjusted		18	1.42	1.61	1.37	1.40	1.21	1.22	1.10	1.16	1.08	5.80	4.70	4.17
Diluted net income - reported		19	1.50	1.51	1.20	1.26	1.04	1.09	1.01	3.20	.82	5.48	6.34	3.20
- adjusted		20	1.40	1.60	1.36	1.38	1.20	1.21	1.09	1.15	1.06	5.75	4.66	4.14
Average number of common shares outstanding - basic (millions)		21	717.3	719.5	719.1	718.3	719.7	719.1	715.7	712.5	710.0	718.6	716.8	691.3
- diluted		22	724.4	726.9	725.9	724.9	726.0	724.7	722.5	718.9	716.1	725.5	723.0	696.9
<b>Balance sheet (\$billions)</b>														
Total assets	(page 13)	23	\$ 422.1	\$ 403.9	\$ 396.7	\$ 408.2	\$ 392.9	\$ 385.8	\$ 388.6	\$ 384.4	\$ 365.2	\$ 422.1	\$ 392.9	\$ 365.2
Total shareholders' equity	(page 19)	24	21.4	21.0	21.8	21.0	19.6	19.4	19.3	18.5	15.9	21.4	19.6	15.9
Unrealized gain on securities <sup>2,3</sup> (\$millions)	(page 14)	25	1,236	1,010	1,027	990	774	707	706	806	750	1,236	774	750
<b>Capital and risk metrics (\$billions)</b>														
Risk-weighted assets (RWA)	(page 22)	26	\$ 152.5	\$ 150.8	\$ 149.4	\$ 149.1	\$ 141.9	\$ 139.1	\$ 135.8	\$ 135.9	\$ 130.0	\$ 152.5	\$ 141.9	\$ 130.0
Tier 1 capital	(page 22)	27	15.6	15.4	14.7	17.7	17.1	16.8	16.4	16.1	13.1	15.6	17.1	13.1
Tangible common equity	(page 22)	28	11.3	10.7	10.5	13.4	12.9	12.7	12.3	12.0	9.6	11.3	12.9	9.6
Tier 1 capital ratio	(page 22)	29	10.3 %	10.2 %	9.8 %	11.9 %	12.0 %	12.1 %	12.1 %	11.9 %	10.1 %	10.3 %	12.0 %	10.1 %
Total capital ratio	(page 22)	30	13.0	13.3	12.3	14.1	13.1	13.2	14.1	13.8	13.2	13.0	13.1	13.2
Tangible common equity as a percentage of RWA	(page 22)	31	7.4	7.1	7.0	9.0	9.1	9.1	9.0	8.8	7.4	7.4	9.1	7.4
After-tax impact of 1% increase in interest rates on Common shareholders' equity (\$millions)		32	\$ (10)	\$ (20)	\$ (33)	\$ 5	\$ (20)	\$ (14)	\$ 2	\$ 5	\$ (61)	\$ (10)	\$ (20)	\$ (61)
Annual net income (\$millions)		33	(6)	(18)	(10)	2	(4)	-	12	15	(20)	(6)	(4)	(20)
Impaired loans net of specific provisions (\$millions)	(page 17)	34	366	379	372	314	270	245	244	233	217	366	270	217
Impaired loans net of specific allowance as a % of net loans	(page 17)	35	.2 %	.2 %	.2 %	.2 %	.2 %	.1 %	.1 %	.1 %	.1 %	.2 %	.2 %	.1 %
Provision for credit losses as a % of net average loans		36	.30	.39	.41	.38	.40	.26	.04	.29	(.04)	.37	.25	.04
Rating of senior debt: Moody's		37	Aaa	Aaa	Aaa	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3	Aaa	Aa3	Aa3
Standard and Poor's		38	AA-	AA-	AA-	A+	A+	A+	A+	A+	A+	AA-	A+	A+

<sup>1</sup> Earnings per share (EPS) is computed by dividing income by the weighted average number of shares outstanding during the period. As a result, the sum of the quarterly EPS figures may not equal the year-to-date EPS.

<sup>2</sup> Excludes debt security positions which are managed as part of hedged portfolios.

<sup>3</sup> Includes unrealized gains on publicly traded available-for-sale securities which are included in other comprehensive income.

FOR THE PERIOD ENDED	LINE #	2007				2006				2005 Q4	Full Year		
		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1		2007	2006	2005
<b>Business performance (\$millions)</b>													
Net income available to common shareholders - reported	1	\$ 1,089	\$ 1,101	\$ 872	\$ 915	\$ 757	\$ 790	\$ 732	\$ 2,302	\$ 589	\$ 3,977	\$ 4,581	\$ 2,229
Economic profit <sup>1</sup>	2	430	578	421	442	326	347	271	353	279	1,876	1,309	1,062
Average common equity	3	20,808	20,771	20,940	19,969	19,069	18,692	18,183	16,476	15,755	20,572	17,983	14,600
Average invested capital <sup>2</sup>	4	24,749	24,628	24,724	23,684	22,710	22,270	21,694	19,908	19,103	24,397	21,523	17,813
Return on common equity	5	20.8 %	21.0 %	17.1 %	18.2 %	15.7 %	16.8 %	16.5 %	55.4 %	14.8 %	19.3 %	25.5 %	15.3 %
Adjusted return on common equity <sup>3</sup>	6	19.4	22.2	19.4	19.9	18.1	18.7	17.5	20.0	19.3	20.3	18.7	19.6
Return on tangible common equity <sup>4</sup>	7	39.0	46.9	38.3	38.2	35.6	38.1	37.0	43.3	44.1	40.4	38.6	36.8
Return on invested capital <sup>5</sup>	8	16.3	18.7	16.4	16.8	15.2	15.7	14.6	16.5	15.9	17.1	15.6	16.1
Return on risk-weighted assets <sup>6</sup>	9	2.66	3.07	2.72	2.74	2.46	2.54	2.34	2.48	2.33	2.80	2.46	2.42
Efficiency ratio - reported	10	63.1	60.2	64.8	63.4	66.6	65.5	67.8	46.3	71.6	62.8	59.8	74.0
Effective tax rate	11	13.1	19.2	21.8	19.4	18.7	22.8	24.5	8.6	28.3	18.3	15.8	22.8
Net interest margin	12	2.10	2.15	2.03	1.97	2.12	2.05	1.84	2.07	2.14	2.06	2.02	2.09
Average number of full-time equivalent staff	13	51,341	51,085	51,037	51,185	51,282	51,400	50,484	51,400	51,427	51,163	51,147	50,991
Number of domestic retail outlets at period end <sup>7</sup>	14	1,104	1,091	1,082	1,075	1,073	1,051	1,052	1,050	1,048	1,104	1,073	1,048
Number of U.S. retail outlets at period end <sup>7</sup>	15	644	643	664	665	648	650	660	455	451	644	648	451
Number of retail brokerage offices at period end	16	211	210	209	207	208	206	204	177	329	211	208	329
<b>Common share performance</b>													
Closing market price	17	\$ 71.35	\$ 68.26	\$ 67.80	\$ 69.88	\$ 65.10	\$ 57.75	\$ 62.45	\$ 60.65	\$ 55.70	\$ 71.35	\$ 65.10	\$ 55.70
Book value per common share	18	29.23	28.65	29.66	28.64	26.77	26.36	26.24	25.25	22.29	29.23	26.77	22.29
Closing market price to book value	19	2.44	2.38	2.29	2.44	2.43	2.19	2.38	2.40	2.50	2.44	2.43	2.50
Price earnings ratio - reported <sup>8</sup>	20	13.0	13.6	14.8	15.9	10.3	9.4	11.1	11.1	17.4	13.0	10.3	17.4
- adjusted	21	12.4	12.3	13.2	14.3	14.0	12.8	14.4	14.3	13.5	12.4	14.0	13.5
Total market return on common shareholders' investment <sup>9</sup>	22	13.0 %	21.7 %	11.8 %	18.6 %	20.3 %	6.4 %	27.7 %	29.8 %	17.2 %	13.0 %	20.3 %	17.2 %
Number of common shares outstanding (millions)	23	717.8	718.3	719.9	719.0	717.4	720.8	718.8	714.7	711.8	717.8	717.4	711.8
Total market capitalization (\$billions)	24	\$ 51.2	\$ 49.0	\$ 48.8	\$ 50.2	\$ 46.7	\$ 41.6	\$ 44.9	\$ 43.3	\$ 39.6	\$ 51.2	\$ 46.7	\$ 39.6
<b>Dividend performance</b>													
Dividend per common share	25	\$ 0.57	\$ 0.53	\$ 0.53	\$ 0.48	\$ 0.48	\$ 0.44	\$ 0.44	\$ 0.42	\$ 0.42	\$ 2.11	\$ 1.78	\$ 1.58
Dividend yield <sup>10</sup>	26	3.0 %	2.9 %	2.8 %	2.7 %	2.8 %	2.9 %	2.6 %	2.8 %	2.8 %	3.0 %	2.9 %	3.0 %
Common dividend payout ratio - reported	27	37.6	34.6	43.8	37.7	45.8	40.0	43.0	13.0	50.6	38.1	27.9	49.3
- adjusted	28	40.3	32.8	38.7	34.4	39.9	35.9	40.7	36.1	39.0	36.4	38.1	38.4

<sup>1</sup> Economic profit is adjusted net income available to common shareholders less a charge for average invested capital. The rate charged for invested capital is 9.4% in 2007, 9.5% in 2006 and 10.1% in 2005.

<sup>2</sup> Invested capital is common shareholders' equity plus the cumulative after-tax amount of purchased intangible assets amortized as of the reporting date.

<sup>3</sup> Adjusted return on common equity is adjusted net income available to common shareholders divided by average common equity.

<sup>4</sup> Return on tangible common equity is adjusted net income available to common shareholders divided by average common equity less average goodwill and intangibles.

<sup>5</sup> Return on invested capital is adjusted net income available to common shareholders divided by average invested capital.

<sup>6</sup> Return on risk-weighted assets is adjusted net income available to common shareholders divided by average RWA.

<sup>7</sup> Includes retail bank outlets, private client centre branches, and estates and trusts branches.

<sup>8</sup> Closing common share price divided by diluted net income per common share for trailing 4 quarters.

<sup>9</sup> Total shareholder return includes the year-over-year change in share price and assumes that dividends received were invested in additional common shares.

<sup>10</sup> Dividends per common share for trailing 4 quarters divided by average of high and low common share prices for the period.

Adjustment for Items of Note, net of income taxes<sup>1</sup>

FOR THE PERIOD ENDED	LINE #	2007				2006				2005	Full Year		
		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	2007	2006	2005
<b>Items of note affecting net income (\$ millions)</b>													
Amortization of intangibles	1	\$ 99	\$ 91	\$ 80	\$ 83	\$ 87	\$ 61	\$ 86	\$ 82	\$ 86	\$ 353	\$ 316	\$ 354
Gain relating to restructuring of Visa <sup>2</sup>	2	(135)	-	-	-	-	-	-	-	-	(135)	-	-
Dilution gain on Ameritrade transaction, net of costs	3	-	-	-	-	-	-	5	(1,670)	-	-	(1,665)	-
Dilution loss on the acquisition of Hudson by TD Banknorth	4	-	-	-	-	-	-	-	72	-	-	72	-
Wholesale Banking restructuring charge	5	-	-	-	-	-	-	-	35	4	-	35	29
Balance Sheet restructuring charge in TD Banknorth	6	-	-	-	-	-	-	-	19	-	-	19	-
TD Banknorth restructuring, privatization and merger-related charges <sup>3</sup>	7	-	-	43	-	-	-	-	-	-	43	-	-
Change in fair value of credit default swaps hedging the corporate loan book <sup>4</sup>	8	2	(30)	(7)	5	8	5	(10)	(10)	(7)	(30)	(7)	(17)
Non-core portfolio loan loss recoveries (sectoral related)	9	-	-	-	-	-	-	-	-	(60)	-	-	(127)
Tax charge related to reorganizations	10	-	-	-	-	-	-	-	-	138	-	-	163
Other tax items	11	-	-	-	-	-	24	-	-	(68)	-	24	(98)
Loss on structured derivative portfolios	12	-	-	-	-	-	-	-	-	70	-	-	100
Preferred share redemption	13	-	-	-	-	-	-	-	-	13	-	-	13
Initial set up of specific allowance for credit card and overdraft loans	14	-	-	-	-	18	-	-	-	-	-	18	-
General allowance release	15	(39)	-	-	-	-	-	(39)	-	-	(39)	(39)	(23)
Litigation charge	16	-	-	-	-	-	-	-	-	-	-	-	238
Total	17	\$ (73)	\$ 61	\$ 116	\$ 88	\$ 113	\$ 90	\$ 42	\$ (1,472)	\$ 176	\$ 192	\$ (1,227)	\$ 632
<b>Items of note affecting diluted earnings per share (\$) <sup>5</sup></b>													
Amortization of intangibles	18	\$ 0.14	\$ 0.13	\$ 0.11	\$ 0.11	\$ 0.12	\$ 0.08	\$ 0.11	\$ 0.11	\$ 0.12	\$ 0.49	\$ 0.42	\$ 0.51
Gain relating to restructuring of Visa <sup>2</sup>	19	(0.19)	-	-	-	-	-	-	-	-	(0.19)	-	-
Dilution gain on Ameritrade transaction, net of costs	20	-	-	-	-	-	-	0.01	(2.32)	-	-	(2.30)	-
Dilution loss on the acquisition of Hudson by TD Banknorth	21	-	-	-	-	-	-	-	0.10	-	-	0.10	-
Wholesale Banking restructuring charge	22	-	-	-	-	-	-	-	0.05	-	-	0.05	0.04
Balance Sheet restructuring charge in TD Banknorth	23	-	-	-	-	-	-	-	0.03	-	-	0.03	-
TD Banknorth restructuring, privatization and merger-related charges <sup>3</sup>	24	-	-	0.06	-	-	-	-	-	-	0.06	-	-
Change in fair value of credit default swaps hedging the corporate loan book <sup>4</sup>	25	-	(0.04)	(0.01)	0.01	0.01	0.01	(0.01)	(0.02)	(0.01)	(0.04)	(0.01)	(0.02)
Non-core portfolio loan loss recoveries (sectoral related)	26	-	-	-	-	-	-	-	-	(0.08)	-	-	(0.17)
Tax charge related to reorganizations	27	-	-	-	-	-	-	-	-	0.19	-	-	0.23
Other tax items <sup>6</sup>	28	-	-	-	-	-	0.03	-	-	(0.10)	-	0.03	(0.14)
Loss on structured derivative portfolios	29	-	-	-	-	-	-	-	-	0.10	-	-	0.14
Preferred share redemption	30	-	-	-	-	-	-	-	-	0.02	-	-	0.02
Initial set up of specific allowance for credit card and overdraft loans	31	-	-	-	-	0.03	-	-	-	-	-	0.03	-
General allowance release	32	(0.05)	-	-	-	-	-	(0.05)	-	-	(0.05)	(0.05)	(0.03)
Litigation charge	33	-	-	-	-	-	-	-	-	-	-	-	0.33
TD Ameritrade timing impact	34	-	-	-	-	-	-	0.02	-	-	-	0.02	-
Banknorth timing impact	35	-	-	-	-	-	-	-	-	-	-	-	0.03
Total	36	\$ (0.10)	\$ 0.09	\$ 0.16	\$ 0.12	\$ 0.16	\$ 0.12	\$ 0.08	\$ (2.05)	\$ 0.24	\$ 0.27	\$ (1.68)	\$ 0.94

<sup>1</sup> The adjustment for items of note, net of income taxes, is removed from reported earnings to compute adjusted earnings.

<sup>2</sup> As part of the global restructuring of Visa USA Inc., Visa Canada Association and Visa International Service Association, which closed on October 3, 2007 (restructuring date), the Bank received shares of the new global entity (Visa Inc.) in exchange for the Bank's membership interest in Visa Canada Association. As required by the accounting standards, the shares the Bank received in Visa Inc. were measured at fair value and an estimated gain of \$135 million after tax was recognized in the Corporate segment, based on results of an independent valuation of the shares. The gain may be subject to further adjustment based on the finalization of the Bank's ownership percentage in Visa Inc.

<sup>3</sup> The TD Banknorth restructuring, privatization and merger-related charges include the following: \$39 million TD Banknorth restructuring, privatization and merger-related charges included in U.S. Personal and Commercial Banking (for details, see footnote 3 on page 7 and the reconciliation of non-GAAP financial measures table in the second quarter 2007 Report to Shareholders); and \$4 million restructuring charge related to the transfer of functions from TD Bank USA to TD Banknorth, included in the Corporate segment.

<sup>4</sup> The Bank purchases credit default swaps (CDS) to hedge the credit risk in Wholesale Banking's corporate lending portfolio. These CDS do not qualify for hedge accounting treatment and, therefore, they are measured at fair value with changes in fair value recognized in current period's earnings. The related loans are accounted for at amortized cost. Management believes that this asymmetry in the accounting treatment between CDS and loans would result in periodic profit and loss volatility which is not indicative of the economics of the corporate loan portfolio or the underlying business performance in Wholesale Banking. As a result, the CDS are accounted for on an accrual basis in the Wholesale Banking segment and the gains and losses on the CDS, in excess of the accrued cost, are reported in the Corporate segment. Adjusted earnings excludes the gains and losses on the CDS in excess of the accrued cost. Prior to Q1 2007, this item was described as "Hedging impact due to AcG-13". As part of the adoption of the new financial instruments standards, the guidance under Accounting Guideline 13: Hedging Relationships (AcG-13) was replaced by Canadian Institute of Chartered Accountants (CICA) Handbook Section 3865, Hedges.

<sup>5</sup> EPS impact is computed by dividing items of note by the weighted average number of shares outstanding during the period. As a result, the sum of the quarterly EPS impact may not equal the year-to-date EPS impact.

<sup>6</sup> For 2006, the impact of future tax decreases of \$24 million (3 cents per share) on adjusted earnings is included in "Other tax items".

# Segmented Results Summary



## RESULTS OF OPERATIONS (\$millions)

LINE #	2007				2006				2005 Q4	Full Year		
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1		2007	2006	2005
<b>FOR THE PERIOD ENDED</b>												
<b>Net income - adjusted (where applicable)</b>												
1	\$ 572	\$ 597	\$ 540	\$ 544	\$ 501	\$ 524	\$ 465	\$ 476	\$ 443	\$ 2,253	\$ 1,966	\$ 1,702
2	194	185	197	186	148	152	152	138	136	762	590	432
3	124	109	62	64	63	68	59	65	69	359	255	158
4	890	891	799	794	712	744	676	679	648	3,374	2,811	2,292
5	157	253	217	197	146	179	140	199	115	824	664	551
6	(26)	20	(21)	18	17	(37)	(36)	(43)	2	(9)	(99)	18
7	\$ 1,021	\$ 1,164	\$ 995	\$ 1,009	\$ 875	\$ 886	\$ 780	\$ 835	\$ 765	\$ 4,189	\$ 3,376	\$ 2,861
<b>Return on invested capital</b>												
8	26.8 %	28.3 %	26.9 %	26.4 %	24.7 %	26.2 %	25.1 %	25.0 %	23.4 %	27.1 %	25.2 %	23.1 %
9	19.8	18.6	21.7	20.1	15.8	17.9	26.0	21.0	20.8	20.0	19.5	16.4
10	5.1	4.7	3.8	4.3	4.2	4.6	4.4	5.4	5.6	4.6	4.6	5.4
11	20.6	37.3	33.6	30.2	23.5	29.4	24.6	34.4	19.4	30.1	27.9	22.3
12	16.3 %	18.7 %	16.4 %	16.8 %	15.2 %	15.7 %	14.6 %	16.5 %	15.9 %	17.1 %	15.6 %	16.1 %
<b>Percentage of net income mix<sup>1</sup></b>												
13	85 %	78 %	79 %	80 %	83 %	81 %	83 %	77 %	85 %	80 %	81 %	81 %
14	15	22	21	20	17	19	17	23	15	20	19	19
15	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %
<b>Geographic contribution to total revenue<sup>2</sup></b>												
16	79 %	71 %	74 %	73 %	77 %	70 %	74 %	69 %	68 %	74 %	73 %	70 %
17	14	18	18	17	17	22	18	25	29	17	20	22
18	7	11	8	10	6	8	8	6	3	9	7	8
19	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

<sup>1</sup> Percentages exclude Corporate segment results.

<sup>2</sup> TEB amounts and dilution gains on net investments are not included.

**RESULTS OF OPERATIONS**  
(\$millions)

FOR THE PERIOD ENDED	LINE #	2007				2006				2005 Q4	Full Year		
		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1		2007	2006	2005
Net interest income	1	\$ 1,408	\$ 1,388	\$ 1,298	\$ 1,307	\$ 1,295	\$ 1,260	\$ 1,147	\$ 1,177	\$ 1,129	\$ 5,401	\$ 4,879	\$ 4,342
Other income	2	744	713	688	703	653	669	624	627	600	2,848	2,573	2,361
Total revenue	3	2,152	2,101	1,986	2,010	1,948	1,929	1,771	1,804	1,729	8,249	7,452	6,703
Provision for credit losses	4	176	151	143	138	132	104	78	99	97	608	413	373
Non-interest expenses	5	1,114	1,050	1,033	1,059	1,068	1,039	994	985	968	4,256	4,086	3,773
Net income before income taxes	6	862	900	810	813	748	786	699	720	664	3,385	2,953	2,557
Income taxes	7	290	303	270	269	247	262	234	244	221	1,132	987	855
Net income - reported	8	572	597	540	544	501	524	465	476	443	2,253	1,966	1,702
Adjustment for items of note, net of income taxes	9	-	-	-	-	-	-	-	-	-	-	-	-
Net income - adjusted	10	\$ 572	\$ 597	\$ 540	\$ 544	\$ 501	\$ 524	\$ 465	\$ 476	\$ 443	\$ 2,253	\$ 1,966	\$ 1,702
Average invested capital (\$billions)	11	\$ 8.5	\$ 8.4	\$ 8.2	\$ 8.2	\$ 8.0	\$ 7.9	\$ 7.6	\$ 7.6	\$ 7.5	\$ 8.3	\$ 7.8	\$ 7.4
Economic profit <sup>1</sup>	12	391	418	369	369	328	354	307	314	273	1,547	1,303	1,038
Return on invested capital	13	26.8 %	28.3 %	26.9 %	26.4 %	24.7 %	26.2 %	25.1 %	25.0 %	23.4 %	27.1 %	25.2 %	23.1 %
<b>Key performance indicators (\$billions)</b>													
Risk-weighted assets <sup>2</sup>	14	\$ 68	\$ 68	\$ 65	\$ 66	\$ 65	\$ 65	\$ 61	\$ 60	\$ 58	\$ 68	\$ 65	\$ 58
Average loans - personal	15	120	115	111	110	111	111	109	107	103	114	110	100
Average loans and acceptances - business	16	20	20	19	18	18	18	18	17	17	19	18	17
Average securitized loans	17	46	47	46	44	39	35	33	33	34	46	35	33
Average deposits - personal	18	103	102	101	101	100	98	96	94	94	102	97	92
Average deposits - business	19	40	39	37	38	36	36	34	35	33	39	35	32
Margin on avg. earning assets inc. securitized assets	20	3.03%	3.07%	3.05%	3.03%	3.07%	3.08%	2.98%	3.01%	2.96%	3.05%	3.04%	2.96%
Efficiency ratio	21	51.8%	50.0%	52.0%	52.7%	54.8%	53.9%	56.1%	54.6%	56.0%	51.6%	54.8%	56.3%
Average number of full-time equivalent staff	22	31,131	30,620	30,138	30,413	29,805	29,686	29,402	29,510	29,539	30,576	29,602	29,072

<sup>1</sup> The rate charged for invested capital is 8.5% in 2007, 8.5% in 2006, and 9.0% in 2005.

<sup>2</sup> Balances prior to Q4 2006 have been reclassified from Corporate segment.

Canadian Personal and Commercial Banking comprises our personal and business banking businesses in Canada as well as our automotive purchasing and consumer installment loan services and our global insurance operations (excluding the U.S.). Under the TD Canada Trust brand, the retail operations provide a full range of financial products and services to approximately 11 million personal and small business customers. Products and services are provided - anywhere, anytime - through telephone and internet banking, more than 2,500 automated banking machines and a network of 1,070 branches located across Canada. Under the TD Insurance and TD Meloche Monnex brands, the Bank offers a broad range of insurance products, including home and automobile coverage, life and health insurance, as well as credit protection coverage on TD Canada Trust lending products. TD Commercial Banking serves the needs of medium-sized Canadian businesses, customizing a broad range of products and services to meet their financing, investment, cash management, international trade and day-to-day banking needs.

## RESULTS OF OPERATIONS

(\$millions)

FOR THE PERIOD ENDED	LINE #	2007				2006				2005	Full Year		
		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1		Q4	2007	2006
Net interest income	1	\$ 83	\$ 80	\$ 78	\$ 77	\$ 69	\$ 68	\$ 62	\$ 178	\$ 175	\$ 318	\$ 377	\$ 643
Brokerage commissions and other income	2	498	507	516	474	435	424	460	564	547	1,995	1,883	2,103
Total revenue	3	581	587	594	551	504	492	522	742	722	2,313	2,260	2,746
Non-interest expenses	4	399	395	393	364	357	344	349	525	514	1,551	1,575	2,083
Net income before income taxes	5	182	192	201	187	147	148	173	217	208	762	685	663
Income taxes	6	63	66	67	65	52	51	60	79	72	261	242	231
Equity in net income of associated company, net of income taxes <sup>2</sup>	7	75	59	63	64	53	55	39	-	-	261	147	-
Net income (loss) - reported	8	194	185	197	186	148	152	152	138	136	762	590	432
Adjustment for items of note, net of income taxes	9	-	-	-	-	-	-	-	-	-	-	-	-
Net income (loss) - adjusted	10	\$ 194	\$ 185	\$ 197	\$ 186	\$ 148	\$ 152	\$ 152	\$ 138	\$ 136	\$ 762	\$ 590	\$ 432
Average invested capital (\$billions)	11	\$ 3.9	\$ 4.0	\$ 3.7	\$ 3.7	\$ 3.7	\$ 3.4	\$ 2.4	\$ 2.6	\$ 2.6	\$ 3.8	\$ 3.0	\$ 2.6
Economic profit (loss) <sup>3</sup>	12	91	80	102	89	44	59	90	64	58	362	257	116
Return on invested capital	13	19.8 %	18.6 %	21.7 %	20.1 %	15.8 %	17.9 %	26.0 %	21.0 %	20.8 %	20.0 %	19.5 %	16.4 %
<b>Key performance indicators (\$billions)</b>													
Risk-weighted assets	14	\$ 5	\$ 6	\$ 5	\$ 5	\$ 5	\$ 4	\$ 4	\$ 5	\$ 9	\$ 5	\$ 5	\$ 9
Assets under administration	15	185	177	175	169	161	153	154	147	315	185	161	315
Assets under management	16	160	160	163	157	151	143	139	137	130	160	151	130
Efficiency ratio	17	68.7 %	67.3 %	66.2 %	66.1 %	70.8 %	69.9 %	66.9 %	70.8 %	71.2 %	67.1 %	69.7 %	75.9 %
Average number of full-time equivalent staff	18	6,004	5,936	5,994	5,870	5,785	5,783	5,698	7,774	7,756	5,951	6,265	7,973

<sup>1</sup> On January 24 2006, TD Bank completed the sale of TD Waterhouse U.S.A. brokerage operations to Ameritrade Holding Corporation (Ameritrade), and acquired 100% of Ameritrade's Canadian brokerage operations.

<sup>2</sup> The equity in net income of an associated company includes net impact of internal management adjustments which are reclassified to other reporting lines in the Corporate segment.

<sup>3</sup> The rates charged for invested capital for the domestic Wealth Management, Canada Discount Brokerage, and U.S. and International businesses are, respectively, 9.5%, 9.5% and 12.0% in 2007; 9.5%, 9.5% and 13.0% in 2006 and 10.0%, 10.0% and 14.0% in 2005. The rate charged for invested capital for the TD Ameritrade business line is 11.0% in 2007 and 12.0% for 2006.

Wealth Management provides a wide array of investment products and services through different brands to a large and diverse retail and institutional client base around the world. Wealth Management is composed of a number of advisory, distribution and asset management businesses, including TD Waterhouse and TD Mutual Funds, and is one of Canada's largest asset managers. Through Wealth Management's discount brokerage channels (including the Bank's investment in TD Ameritrade), it serves customers in Canada, the U.S. and the United Kingdom. In Canada, Discount Brokerage, Financial Planning, Private Investment Advice and Private Client Services service the needs of different retail customer segments through all stages of their investing life cycle.

**RESULTS OF OPERATIONS**  
 (\$millions)

**FOR THE PERIOD ENDED**

LINE #	2007				2006				2005	Full Year		
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	2007	2006	2005
1	\$ 335	\$ 338	\$ 351	\$ 341	\$ 337	\$ 342	\$ 327	\$ 284	\$ 298	\$ 1,365	\$ 1,290	\$ 705
2	140	145	153	145	141	142	134	73	119	583	490	299
3	475	483	504	486	478	484	461	357	417	1,948	1,780	1,004
4	35	33	35	17	15	10	8	7	7	120	40	4
5	263	275	384	299	294	284	284	225	216	1,221	1,087	549
6	177	175	85	170	169	190	169	125	194	607	653	451
7	53	57	31	55	55	65	60	42	72	196	222	161
8	-	9	31	51	51	57	50	37	53	91	195	132
9	\$ 124	\$ 109	\$ 23	\$ 64	\$ 63	\$ 68	\$ 59	\$ 46	\$ 69	\$ 320	\$ 236	\$ 158
10	-	-	39	-	-	-	-	19	-	39	19	-
11	\$ 124	\$ 109	\$ 62	\$ 64	\$ 63	\$ 68	\$ 59	\$ 65	\$ 69	\$ 359	\$ 255	\$ 158
12	\$ 9.6	\$ 9.2	\$ 6.7	\$ 5.9	\$ 5.8	\$ 5.9	\$ 5.5	\$ 4.7	\$ 4.9	\$ 7.9	\$ 5.5	\$ 5.0
13	(95)	(100)	(84)	(70)	(70)	(65)	(61)	(43)	(42)	(349)	(239)	(105)
14	5.1 %	4.7 %	3.8 %	4.3 %	4.2 %	4.6 %	4.4 %	5.4 %	5.6 %	4.6 %	4.6 %	5.4 %
15	\$ 31	\$ 33	\$ 35	\$ 35	\$ 32	\$ 32	\$ 34	\$ 34	\$ 25	\$ 31	\$ 32	\$ 25
16	27	29	31	29	28	28	27	23	23	29	27	24
17	30	31	33	31	31	32	32	26	26	31	30	27
18	4.00 %	3.86 %	3.89 %	3.95 %	4.01 %	4.07 %	3.83 %	3.96 %	4.09 %	3.93 %	3.97 %	4.11 %
19	55.4 %	56.9 %	76.2 %	61.5 %	61.5 %	58.7 %	61.6 %	63.0 %	51.8 %	62.7 %	61.1 %	54.7 %
20	8,032	8,281	8,701	8,672	8,907	9,129	8,581	7,313	7,273	8,422	8,483	7,284

**Key performance indicators (\$billions)**

<sup>1</sup> On January 31, 2006, TD Banknorth completed the acquisition of Hudson. On January 1, 2007, TD Banknorth completed the acquisition of Interchange. On April 20, 2007, TDBFG completed the privatization of TD Banknorth. Commencing Q3 2007, results of TD Bank USA Inc. (previously reported in Corporate segment) are included in the U.S. Personal and Commercial Banking segment prospectively.

<sup>2</sup> TD Banknorth's financial results are reflected in TD's U.S. Personal and Commercial Banking segment on a one month lag. Reported non-interest expenses for Q2 2007 include restructuring charges expenses incurred in April 2007.

<sup>3</sup> Includes the following before-tax items of note: Q1 2006: \$52 million balance sheet restructuring charge; Q2 2007: \$78 million (\$39 million after tax) TD Banknorth restructuring, privatization and merger-related charges. These charges include the following: \$31 million restructuring charge, primarily consisted of employee severance costs, the costs of amending certain executive employment and award agreements and write-down of long-lived assets due to impairment; \$5 million privatization charges, which primarily consisted of legal and investment banking fees; and \$3 million merger-related charges related to conversion and customer notices in connection with the integration of Hudson and Interchange with TD Banknorth. In the Consolidated Statement of Income, the restructuring charges are included in the restructuring costs while the privatization and merger-related charges are included in other non-interest expenses.

<sup>4</sup> This represents RWA as at the end of TD Bank's fiscal period.

<sup>5</sup> The rate charged for invested capital is 9.0% in 2007, 9.0% in 2006 and 9.0% in 2005.

<sup>6</sup> Average deposits and margin on average earning assets exclude the impact related to the money market deposit account (MMDA) agreement with TD Ameritrade. The MMDA is described on page 121 of our 2007 Annual Report.

U.S. Personal and Commercial Banking comprises the Bank's U.S.-based retail, commercial banking and insurance operations. Under the TD Banknorth brand, the retail operations provide a full range of financial products and services through multiple delivery channels, including a network of approximately 600 branches throughout the Northeastern U.S., telephone and internet banking and automated banking machines, allowing customers to have banking access virtually anywhere and anytime. TD Banknorth also serves the needs of businesses, customizing a broad range of products and services to meet their financing, investment, cash management, insurance, international trade and day-to-day banking needs.

**RESULTS OF OPERATIONS**  
 (\$millions)

FOR THE PERIOD ENDED	LINE #	2007				2006				2005 Q4	Full Year		
		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1		2007	2006	2005
Net interest income	1	\$ 310	\$ 218	\$ 144	\$ 203	\$ 138	\$ 127	\$ 76	\$ 138	\$ 234	\$ 875	\$ 479	\$ 977
Other income	2	215	474	498	432	355	456	458	523	137	1,619	1,792	1,011
Total revenue (TEB)	3	525	692	642	635	493	583	534	661	371	2,494	2,271	1,988
Provision for credit losses <sup>1</sup>	4	4	8	12	24	13	15	11	29	13	48	68	52
Restructuring costs	5	-	-	-	-	-	-	-	50	6	-	50	43
Other non-interest expenses	6	274	326	329	332	293	303	321	345	326	1,261	1,262	1,282
Total non-interest expenses	7	274	326	329	332	293	303	321	395	332	1,261	1,312	1,325
Net income before income taxes	8	247	358	301	279	187	265	202	237	26	1,185	891	611
Income taxes (TEB)	9	90	105	84	82	41	86	62	73	(15)	361	262	189
Net income (loss) - reported	10	157	253	217	197	146	179	140	164	41	824	629	422
Adjustment for items of note, net of income taxes <sup>2</sup>	11	-	-	-	-	-	-	-	35	74	-	35	129
Net income (loss) - adjusted	12	\$ 157	\$ 253	\$ 217	\$ 197	\$ 146	\$ 179	\$ 140	\$ 199	\$ 115	\$ 824	\$ 664	\$ 551
Average invested capital (\$billions)	13	\$ 3.0	\$ 2.7	\$ 2.7	\$ 2.6	\$ 2.5	\$ 2.4	\$ 2.3	\$ 2.3	\$ 2.4	\$ 2.8	\$ 2.4	\$ 2.5
Economic profit (loss) <sup>3</sup>	14	69	175	143	122	74	109	75	132	38	509	390	229
Return on invested capital	15	20.6 %	37.3 %	33.6 %	30.2 %	23.5 %	29.4 %	24.6 %	34.4 %	19.4 %	30.1 %	27.9 %	22.3 %
<b>Key performance indicators (\$billions)</b>													
Risk-weighted assets	16	\$ 44	\$ 40	\$ 40	\$ 38	\$ 34	\$ 33	\$ 32	\$ 33	\$ 33	\$ 44	\$ 34	\$ 33
Gross drawn <sup>4</sup>	17	10	9	9	9	9	7	7	6	6	10	9	6
Efficiency ratio	18	52.2 %	47.1 %	51.2 %	52.3 %	59.4 %	52.0 %	60.1 %	59.8 %	89.5 %	50.6 %	57.8 %	66.6 %
Average number of full-time equivalent staff	19	2,877	2,911	2,834	2,858	2,853	2,900	2,871	2,963	2,990	2,870	2,897	3,005
<b>Trading-related income (TEB)<sup>5</sup></b>													
Interest rate and credit	20	\$ (69)	\$ 77	\$ 115	\$ 105	\$ 45	\$ 63	\$ 55	\$ 199	\$ (26)	\$ 228	\$ 362	\$ 370
Foreign exchange	21	101	87	51	73	54	80	93	79	54	312	306	248
Equity and other	22	187	144	123	152	75	99	103	97	52	606	374	263
Total trading-related income	23	\$ 219	\$ 308	\$ 289	\$ 330	\$ 174	\$ 242	\$ 251	\$ 375	\$ 80	\$ 1,146	\$ 1,042	\$ 881

<sup>1</sup> Provision for credit losses includes the cost of credit protection incurred in hedging the lending portfolio.

<sup>2</sup> Includes the following before-tax items of note: Q1 2006: \$50 million restructuring charge; Full year 2005: \$43 million restructuring charges and \$153 million loss on exit of structured derivative portfolios; Q4 2005: \$6 million restructuring charge and \$107 million loss on exit of structured derivative portfolios.

<sup>3</sup> The rate charged for invested capital is 11.5% in 2007, 11.5% in 2006 and 13.0% in 2005.

<sup>4</sup> Defined as gross loans plus bankers' acceptances, excluding letters of credit and before any cash collateral, credit default swap, reserves, etc.

<sup>5</sup> Includes trading-related income reported in net interest income (line 1) and other income (line 2).

Wholesale Banking serves a diverse base of corporate, government and institutional clients in key financial markets around the world. Under the TD Securities brand, Wholesale Banking provides a wide range of capital markets and investment banking products and services that include: underwriting and distribution of new debt and equity issues, providing advice on strategic acquisitions and divestitures, and executing daily trading and investment needs.

**RESULTS OF OPERATIONS**

(\$millions)

FOR THE PERIOD ENDED	LINE #	2007				2006				2005	Full Year		
		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	2007	2006	2005
Net interest income <sup>2,3</sup>	1	\$ (328)	\$ (241)	\$ (209)	\$ (257)	\$ (125)	\$ (174)	\$ (185)	\$ (170)	\$ (195)	\$ (1,035)	\$ (654)	\$ (659)
Other income <sup>3</sup>	2	145	60	27	80	20	(3)	36	30	57	312	83	177
Total revenue	3	(183)	(181)	(182)	(177)	(105)	(177)	(149)	(140)	(138)	(723)	(571)	(482)
General allowance release	4	(60)	-	-	-	-	-	(60)	-	-	(60)	(60)	(35)
Other provision for credit losses <sup>3</sup>	5	(16)	(21)	(18)	(16)	10	(20)	(21)	(21)	(132)	(71)	(52)	(339)
Total provision for credit losses	6	(76)	(21)	(18)	(16)	10	(20)	(81)	(21)	(132)	(131)	(112)	(374)
Non-interest expenses	7	191	170	158	167	199	200	176	180	191	686	755	1,114
Dilution gain, net	8	-	-	-	-	-	-	(5)	1,564	-	-	1,559	-
Net income before income taxes	9	(298)	(330)	(322)	(328)	(314)	(357)	(249)	1,265	(197)	(1,278)	345	(1,222)
Income taxes <sup>2</sup>	10	(343)	(283)	(218)	(253)	(220)	(229)	(172)	(218)	(97)	(1,097)	(839)	(737)
Non-controlling interests in subsidiaries	11	8	4	(4)	(4)	(3)	(5)	(3)	-	-	4	(11)	-
Equity in net income of an associated company, net of income taxes	12	10	10	2	1	(5)	(4)	(4)	-	-	23	(13)	-
Net income (loss) - reported	13	47	(41)	(98)	(70)	(96)	(127)	(78)	1,483	(100)	(162)	1,182	(485)
Adjustment for items of note, net of income taxes <sup>4</sup>	14	(73)	61	77	88	113	90	42	(1,526)	102	153	(1,281)	503
Net income (loss) - adjusted	15	\$ (26)	\$ 20	\$ (21)	\$ 18	\$ 17	\$ (37)	\$ (36)	\$ (43)	\$ 2	\$ (9)	\$ (99)	\$ 18
<b>Decomposition of items of note (net of tax, non-controlling interests in subsidiaries, and equity in net income of associated company)</b>													
Amortization of intangibles	16	\$ 99	\$ 91	\$ 80	\$ 83	\$ 87	\$ 61	\$ 86	\$ 82	\$ 86	\$ 353	\$ 316	\$ 354
Gain relating to restructuring of Visa <sup>5</sup>	17	(135)	-	-	-	-	-	-	-	-	(135)	-	-
Dilution gain on Ameritrade transaction, net of costs	18	-	-	-	-	-	-	5	(1,670)	-	-	(1,665)	-
Dilution loss on the acquisition of Hudson by TD Banknorth	19	-	-	-	-	-	-	-	72	-	-	72	-
TD Banknorth restructuring, privatization and merger-related charges <sup>6</sup>	20	-	-	4	-	-	-	-	-	-	4	-	-
Change in fair value of credit default swaps hedging the corporate loan book <sup>7</sup>	21	2	(30)	(7)	5	8	5	(10)	(10)	(7)	(30)	(7)	(17)
Non-core portfolio loan loss recoveries (sectoral related)	22	-	-	-	-	-	-	-	-	(60)	-	-	(127)
Tax charge related to reorganizations	23	-	-	-	-	-	-	-	-	138	-	-	163
Other tax items	24	-	-	-	-	-	24	-	-	(68)	-	24	(98)
Preferred share redemption	25	-	-	-	-	-	-	-	-	13	-	-	13
Initial set up of specific allowance for credit card and overdraft loans	26	-	-	-	-	18	-	-	-	-	-	18	-
General allowance release	27	(39)	-	-	-	-	-	(39)	-	-	(39)	(39)	(23)
Litigation charge	28	-	-	-	-	-	-	-	-	-	-	-	238
Total items of note	29	\$ (73)	\$ 61	\$ 77	\$ 88	\$ 113	\$ 90	\$ 42	\$ (1,526)	\$ 102	\$ 153	\$ (1,281)	\$ 503
<b>Decomposition of material items included in net income (loss) - adjusted</b>													
Interest on income tax refunds	30	\$ -	\$ 5	\$ 2	\$ 4	\$ 13	\$ 2	\$ 3	\$ -	\$ 3	\$ 11	\$ 18	\$ 10
Securitization gain (loss)	31	2	(2)	(4)	9	15	(11)	(5)	(3)	-	5	(4)	11
Unallocated Corporate expenses	32	(51)	(45)	(39)	(54)	(58)	(66)	(54)	(56)	(48)	(189)	(234)	(189)
Non-core lending portfolio	33	(1)	3	(1)	-	-	-	(5)	(4)	(2)	1	(9)	25
Other	34	24	59	21	59	47	38	25	20	49	163	130	161
Net income (loss) - adjusted	35	\$ (26)	\$ 20	\$ (21)	\$ 18	\$ 17	\$ (37)	\$ (36)	\$ (43)	\$ 2	\$ (9)	\$ (99)	\$ 18

<sup>1</sup> Commencing Q3 2007, the results of TD Bank U.S.A. Inc. (previously reported in the Corporate segment for the period Q2 2006 to Q2 2007 and in Wealth Management segment prior to Q2 2006) are included in the U.S. Personal and Commercial Banking segment prospectively.

<sup>2</sup> Includes the elimination of TEB adjustments reported in Wholesale Banking results.

<sup>3</sup> Operating segment results are presented excluding the impact of asset securitization programs, which are reclassified in the Corporate segment. Results for Q4 2006 include an initial set up of specific allowance for credit card and overdraft loans.

<sup>4</sup> Net (gain) or charge for items of note is removed from reported results to compute the adjusted results.

<sup>5</sup> As part of the global restructuring of Visa USA Inc., Visa Canada Association and Visa International Service Association, which closed on October 3, 2007 (restructuring date), the Bank received shares of the new global entity (Visa Inc.) in exchange for the Bank's membership interest in Visa Canada Association. As required by the accounting standards, the shares the Bank received in Visa Inc. were measured at fair value and an estimated gain of \$135 million after tax was recognized in the Corporate segment, based on results of an independent valuation of the shares. The gain may be subject to further adjustment based on the finalization of the Bank's ownership percentage in Visa Inc.

<sup>6</sup> Restructuring charges related to the transfer of functions from TD Bank USA to TD Banknorth, being part of TD Banknorth restructuring, privatization and merger-related charges, as explained in footnote 3 on page 3.

<sup>7</sup> The Bank purchases credit default swaps (CDS) to hedge the credit risk in Wholesale Banking's corporate lending portfolio. These CDS do not qualify for hedge accounting treatment and are, therefore, measured at fair value with changes recognized in current period earnings and related loans are accounted for at amortized cost. Management believes that this asymmetry in the accounting treatment between CDS and loans would result in periodic profit and loss volatility, which is not indicative of the economics of the corporate loan portfolio or the underlying business performance in Wholesale Banking. As a result, the CDS are accounted for on an accrual basis in the Wholesale Banking segment and the gains and losses on the CDS in excess of the accrued cost are reported in the Corporate segment. Adjusted earnings exclude the gains and losses on the CDS in excess of the accrued cost. Prior to Q1 2007, this item was described as "Hedging impact due to AcG-13". As part of the adoption of the new financial instruments standards, commencing Q1 2007, the guidance under Accounting Guideline 13: Hedging Relationships (AcG-13) was replaced by Canadian Institute of Chartered Accountants (CICA) Handbook Section 3865, Hedges.

The Corporate segment includes the effects of asset securitization programs in Canadian Personal and Commercial Banking, treasury management, general provisions for credit losses, the elimination of taxable equivalent adjustments, corporate level tax benefits, activities from the non-core lending portfolio and residual unallocated revenues, expenses and taxes.

# Net Interest Income and Margin



(\$MILLIONS)  
FOR THE PERIOD ENDED

LINE #	2007				2006				2005	Full Year		
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	2007	2006	2005
<b>Interest income</b>												
Loans	\$ 3,310	\$ 3,228	\$ 3,117	\$ 3,074	\$ 3,004	\$ 2,862	\$ 2,514	\$ 2,452	\$ 2,328	\$ 12,729	\$ 10,832	\$ 8,322
Securities	1,239	1,160	1,108	1,259	1,152	1,058	966	1,259	1,017	4,766	4,435	4,039
Deposits with banks	152	47	111	47	74	70	78	80	106	357	302	415
Total interest income	4,701	4,435	4,336	4,380	4,230	3,990	3,558	3,791	3,451	17,852	15,569	12,776
<b>Interest expense</b>												
Deposits	2,223	1,987	1,989	2,048	1,957	1,836	1,754	1,534	1,410	8,247	7,081	5,129
Subordinated notes and debentures	127	125	124	108	96	107	99	86	84	484	388	328
Preferred shares and Capital Trust Securities	28	19	32	30	31	28	28	39	47	109	126	147
Other	515	521	529	523	432	396	250	525	269	2,088	1,603	1,164
Total interest expense	2,893	2,652	2,674	2,709	2,516	2,367	2,131	2,184	1,810	10,928	9,198	6,768
<b>Net interest income</b>	<b>1,808</b>	<b>1,783</b>	<b>1,662</b>	<b>1,671</b>	<b>1,714</b>	<b>1,623</b>	<b>1,427</b>	<b>1,607</b>	<b>1,641</b>	<b>6,924</b>	<b>6,371</b>	<b>6,008</b>
TEB adjustment	247	161	99	157	92	89	81	81	81	664	343	324
<b>Net interest income (TEB)</b>	<b>\$ 2,055</b>	<b>\$ 1,944</b>	<b>\$ 1,761</b>	<b>\$ 1,828</b>	<b>\$ 1,806</b>	<b>\$ 1,712</b>	<b>\$ 1,508</b>	<b>\$ 1,688</b>	<b>\$ 1,722</b>	<b>\$ 7,588</b>	<b>\$ 6,714</b>	<b>\$ 6,332</b>
Average total assets (\$billions)	\$ 420	\$ 407	\$ 409	\$ 405	\$ 391	\$ 389	\$ 393	\$ 376	\$ 371	\$ 410	\$ 387	\$ 352
Average earning assets (\$billions)	341	329	336	337	321	314	318	308	304	336	315	288
Net interest margin as a % of average earning assets	2.10 %	2.15 %	2.03 %	1.97 %	2.12 %	2.05 %	1.84 %	2.07 %	2.14 %	2.06 %	2.02 %	2.09 %
<b>Impact on NII from impaired loans</b>												
Reduction/(increase) in NII from impaired loans												
Gross	\$ 11	\$ 15	\$ 11	\$ 7	\$ 9	\$ 7	\$ 6	\$ 7	\$ 6	\$ 44	\$ 29	\$ 35
Recoveries	(1)	(2)	(1)	(1)	(1)	(3)	(2)	(3)	(14)	(5)	(9)	(26)
Net reduction/(increase)	\$ 10	\$ 13	\$ 10	\$ 6	\$ 8	\$ 4	\$ 4	\$ 4	\$ (8)	\$ 39	\$ 20	\$ 9

(\$MILLIONS)  
FOR THE PERIOD ENDED

	LINE #	2007				2006				2005	Full Year		
		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	2007	2006	2005
TD Waterhouse fees and commissions	1	\$ 104	\$ 109	\$ 118	\$ 114	\$ 92	\$ 108	\$ 140	\$ 227	\$ 218	\$ 445	\$ 567	\$ 881
Full-service brokerage and other securities services	2	245	289	287	266	249	241	242	256	265	1,087	988	927
Mutual fund management	3	225	229	214	200	180	174	171	179	169	868	704	671
Credit fees	4	112	109	103	96	110	93	82	86	84	420	371	343
Net securities gains <sup>1</sup>	5	60	94	102	70	87	113	82	23	76	326	305	242
Trading income	6	(52)	235	192	216	98	160	247	292	(88)	591	797	147
Income from financial instruments designated as trading under the fair value option - Trading-related income <sup>2</sup>	7	22	(67)	7	-	-	-	-	-	-	(38)	-	-
- Related to insurance subsidiaries <sup>3</sup>	8	14	(20)	(2)	(9)	-	-	-	-	-	(17)	-	-
Total income from financial instruments designated as trading under the fair value option	9	36	(87)	5	(9)	-	-	-	-	-	(55)	-	-
Service charges	10	263	263	244	249	246	250	220	221	219	1,019	937	787
Loan securitizations	11	80	86	97	134	97	85	72	92	120	397	346	414
Card services	12	120	119	108	110	113	103	86	81	85	457	383	279
Insurance revenue (net of claims)	13	243	257	251	254	214	230	228	224	210	1,005	896	826
Trust fees	14	31	33	38	31	31	33	37	29	33	133	130	111
Foreign exchange - non-trading	15	47	46	40	39	40	45	30	32	19	172	147	105
Other	16	228	117	83	64	47	53	75	75	50	492	250	218
<b>Total other income</b>	17	<b>\$ 1,742</b>	<b>\$ 1,899</b>	<b>\$ 1,882</b>	<b>\$ 1,834</b>	<b>\$ 1,604</b>	<b>\$ 1,688</b>	<b>\$ 1,712</b>	<b>\$ 1,817</b>	<b>\$ 1,460</b>	<b>\$ 7,357</b>	<b>\$ 6,821</b>	<b>\$ 5,951</b>

<sup>1</sup> Net of balance sheet restructuring charge of \$52 million in TD Banknorth in Q1 2006.

<sup>2</sup> These gains (losses) are on instruments managed within Wholesale Banking's trading portfolios.

<sup>3</sup> Within the Bank's property & casualty insurance subsidiaries, investments that fund policy liabilities are designated as trading under the fair value option.

# Non-Interest Expenses



(\$MILLIONS)  
FOR THE PERIOD ENDED

LINE #	2007				2006				2005	Full Year			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	2007	2006	2005	
<b>Salaries and employee benefits</b>													
Salaries	1	\$ 715	\$ 677	\$ 665	\$ 680	\$ 706	\$ 673	\$ 659	\$ 662	\$ 679	\$ 2,737	\$ 2,700	\$ 2,544
Incentive compensation	2	278	341	347	320	284	288	290	345	302	1,286	1,207	1,139
Pension and other employee benefits	3	126	143	157	157	126	141	144	167	145	583	578	535
	4	1,119	1,161	1,169	1,157	1,116	1,102	1,093	1,174	1,126	4,606	4,485	4,218
<b>Occupancy</b>													
Rent	5	99	98	99	94	97	94	95	85	92	390	371	373
Depreciation	6	43	40	42	38	47	39	35	39	41	163	160	147
Other	7	46	50	44	43	43	43	42	42	40	183	170	156
	8	188	188	185	175	187	176	172	166	173	736	701	676
<b>Equipment</b>													
Rent	9	48	48	50	46	52	51	48	49	56	192	200	192
Depreciation	10	57	47	51	44	51	44	42	46	54	199	183	175
Other	11	62	55	52	54	61	55	48	52	61	223	216	242
	12	167	150	153	144	164	150	138	147	171	614	599	609
<b>General</b>													
Amortization of other intangibles	13	138	131	112	118	126	126	125	128	135	499	505	546
Marketing and business development	14	115	106	111	113	114	127	96	133	116	445	470	469
Brokerage-related fees	15	61	61	57	54	51	52	53	66	66	233	222	263
Professional and advisory services	16	135	119	108	126	149	146	133	112	162	488	540	519
Communications	17	49	46	49	49	54	50	48	49	55	193	201	205
Capital and business taxes	18	45	54	42	55	53	56	50	46	33	196	205	167
Postage	19	29	29	35	29	32	29	32	28	28	122	121	108
Travel and relocation	20	22	20	20	22	22	22	22	21	24	84	87	78
Restructuring costs	21	-	-	67	-	-	-	-	50	6	67	50	43
Other	22	173	151	189	179	143	134	162	190	126	692	629	943
	23	767	717	790	745	744	742	721	823	751	3,019	3,030	3,341
<b>Total non-interest expenses</b>	24	<b>\$ 2,241</b>	<b>\$ 2,216</b>	<b>\$ 2,297</b>	<b>\$ 2,221</b>	<b>\$ 2,211</b>	<b>\$ 2,170</b>	<b>\$ 2,124</b>	<b>\$ 2,310</b>	<b>\$ 2,221</b>	<b>\$ 8,975</b>	<b>\$ 8,815</b>	<b>\$ 8,844</b>

Balance Sheet



(\$MILLIONS) AS AT	LINE #	2007				2006				2005
		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
<b>ASSETS</b>										
Cash and due from banks	1	\$ 1,790	\$ 1,986	\$ 1,994	\$ 2,113	\$ 2,019	\$ 1,958	\$ 2,046	\$ 2,158	\$ 1,673
Interest-bearing deposits with other banks	2	14,746	11,343	9,796	8,724	8,763	10,236	10,295	11,226	11,745
<b>Securities</b>										
Trading	3	77,637	72,756	69,093	78,071	77,482	73,733	69,809	75,000	65,775
Designated as trading under the fair value option	4	2,012	1,935	1,862	1,916	-	-	-	-	-
Available-for-sale	5	35,650	36,209	35,668	38,394	-	-	-	-	-
Held-to-maturity	6	7,737	8,528	11,887	11,810	-	-	-	-	-
Investment	7	-	-	-	-	46,976	43,542	42,847	46,376	42,321
Total	8	123,036	119,428	118,510	130,191	124,458	117,275	112,656	121,376	108,096
Securities purchased under reverse repurchase agreements	9	27,648	25,905	25,434	32,357	30,961	27,854	32,344	24,847	26,375
<b>Loans</b>										
Residential mortgages	10	58,485	56,096	53,997	51,794	53,425	51,767	50,868	51,152	52,740
Consumer instalment and other personal	11	67,532	66,574	65,370	63,520	63,130	63,995	63,308	61,744	62,754
Credit cards	12	5,700	5,574	5,369	5,175	4,856	4,419	3,764	3,171	2,998
Business and government	13	44,258	43,447	45,081	43,748	40,514	39,844	39,923	40,250	35,044
Business and government designated as trading under the fair value option	14	1,235	1,619	1,465	-	-	-	-	-	-
Total	15	177,210	173,310	171,282	164,237	161,925	160,025	157,863	156,317	153,536
Allowance for credit losses	16	(1,295)	(1,357)	(1,378)	(1,366)	(1,317)	(1,279)	(1,291)	(1,358)	(1,293)
Loans, net of allowance for credit losses	17	175,915	171,953	169,904	162,871	160,608	158,746	156,572	154,959	152,243
<b>Other</b>										
Customers' liabilities under acceptances	18	9,279	9,192	9,233	8,425	8,676	7,244	7,035	6,699	5,989
Investment in TD Ameritrade	19	4,515	4,749	5,131	5,113	4,379	4,284	3,783	3,327	-
Trading derivatives	20	36,052	29,520	27,569	26,871	27,845	32,308	35,430	33,781	33,651
Goodwill	21	7,918	8,407	8,940	8,176	7,396	7,411	7,652	7,376	6,518
Other intangibles	22	2,104	2,264	2,368	1,896	1,946	2,007	2,185	2,275	2,124
Land, buildings and equipment	23	1,822	1,824	1,905	1,877	1,862	1,865	1,857	1,701	1,801
Other assets	24	17,299	17,319	15,950	19,602	14,001	14,657	16,741	14,652	14,995
Total	25	78,989	73,275	71,096	71,960	66,105	69,776	74,683	69,811	65,078
<b>Total assets</b>	26	<b>\$ 422,124</b>	<b>\$ 403,890</b>	<b>\$ 396,734</b>	<b>\$ 408,216</b>	<b>\$ 392,914</b>	<b>\$ 385,845</b>	<b>\$ 388,596</b>	<b>\$ 384,377</b>	<b>\$ 365,210</b>
<b>LIABILITIES</b>										
<b>Deposits</b>										
Personal Non-term	27	\$ 80,256	\$ 82,203	\$ 83,487	\$ 82,986	\$ 79,624	\$ 72,376	\$ 74,995	\$ 74,233	\$ 73,041
Personal Term	28	67,305	67,319	67,785	67,652	67,012	65,116	63,831	61,642	58,742
Banks	29	10,162	12,214	12,681	9,033	14,186	17,855	13,597	15,380	11,505
Business and government	30	73,322	70,579	70,655	73,780	100,085	100,440	100,568	105,030	103,693
Trading	31	45,348	35,421	35,554	36,237	-	-	-	-	-
Total	32	276,393	267,736	270,162	269,688	260,907	255,787	252,991	256,285	246,981
<b>Other</b>										
Acceptances	33	9,279	9,192	9,233	8,425	8,676	7,244	7,035	6,699	5,989
Obligations related to securities sold short	34	24,195	26,624	25,143	26,230	27,113	24,153	27,037	26,357	24,406
Obligations related to securities sold under repurchase agreements	35	16,574	16,158	11,322	20,597	18,655	19,431	16,983	12,520	11,284
Trading derivatives	36	39,028	29,059	29,143	28,322	29,337	33,380	36,295	34,934	33,498
Other liabilities	37	23,829	21,777	18,936	20,321	17,461	15,285	16,908	17,244	18,545
Total	38	112,905	102,810	93,777	103,895	101,242	99,493	104,258	97,754	93,722
Subordinated notes and debentures	39	9,449	10,005	9,210	9,209	6,900	6,915	7,748	7,225	5,138
Liability for preferred shares and capital trust securities	40	1,449	1,798	1,797	1,800	1,794	1,794	1,786	1,793	1,795
Non-controlling interests in subsidiaries	41	524	538	13	2,607	2,439	2,429	2,530	2,847	1,708
<b>Shareholders' equity</b>										
Capital stock										
Common	42	6,577	6,525	6,455	6,417	6,334	6,353	6,245	6,015	5,872
Preferred	43	425	425	425	425	425	425	425	425	-
Contributed surplus	44	119	118	124	68	66	56	51	47	40
Retained earnings	45	15,954	15,378	14,865	14,375	13,725	13,544	13,069	12,652	10,650
Accumulated other comprehensive income	46	(1,671)	(1,443)	(94)	(268)	(918)	(951)	(507)	(666)	(696)
Total	47	21,404	21,003	21,775	21,017	19,632	19,427	19,283	18,473	15,866
<b>Total liabilities and shareholders' equity</b>	48	<b>\$ 422,124</b>	<b>\$ 403,890</b>	<b>\$ 396,734</b>	<b>\$ 408,216</b>	<b>\$ 392,914</b>	<b>\$ 385,845</b>	<b>\$ 388,596</b>	<b>\$ 384,377</b>	<b>\$ 365,210</b>

(page 20)

Unrealized Gain(Loss) on Securities and  
Assets Under Administration and Management



(\$MILLIONS) AS AT	LINE #	2007				2006				2005
		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
<b>Unrealized gain(loss) on securities<sup>1,2</sup></b>	1	<b>\$ 1,236</b>	\$ 1,010	\$ 1,027	\$ 990	\$ 774	\$ 707	\$ 706	\$ 806	\$ 750
<b>Assets under administration</b>										
Canadian Personal and Commercial Banking	2	<b>\$ 50,017</b>	\$ 50,142	\$ 52,089	\$ 50,942	\$ 47,450	\$ 42,150	\$ 40,898	\$ 40,766	\$ 39,485
U.S. Personal and Commercial Banking	3	<b>7,328</b>	7,770	8,142	8,659	8,316	9,337	9,904	9,529	9,307
Wealth Management	4	<b>185,392</b>	176,951	175,213	169,058	160,799	153,004	153,723	147,439	315,075
Total	5	<b>\$ 242,737</b>	\$ 234,863	\$ 235,444	\$ 228,659	\$ 216,565	\$ 204,491	\$ 204,525	\$ 197,734	\$ 363,867
<b>Assets under management</b>										
U.S. Personal and Commercial Banking	6	<b>\$ 5,761</b>	\$ 6,061	\$ 6,487	\$ 6,537	\$ 6,137	\$ 6,054	\$ 6,551	\$ 5,995	\$ 5,859
Wealth Management	7	<b>159,580</b>	160,065	162,869	156,777	151,243	143,339	138,722	137,009	130,108
Total	8	<b>\$ 165,341</b>	\$ 166,126	\$ 169,356	\$ 163,314	\$ 157,380	\$ 149,393	\$ 145,273	\$ 143,004	\$ 135,967

<sup>1</sup> Excludes debt security positions which are managed as part of hedged portfolios.

<sup>2</sup> Includes unrealized gains on publicly traded available-for-sale securities which are included in other comprehensive income.

Intangibles and Goodwill, and Restructuring Costs



(\$MILLIONS)													
AS AT	LINE #	2007				2006				2005	Full Year		
		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	2007	2006	2005
<b>Identifiable intangible assets</b>													
Opening balance	1	\$ 2,264	\$ 2,368	\$ 1,896	\$ 1,946	\$ 2,007	\$ 2,185	\$ 2,275	\$ 2,124	\$ 2,286	\$ 1,946	\$ 2,124	\$ 2,144
Arising during the period - Privatization	2	52	-	580	42	64	(22)	32	282	-	674	356	557
- Other	3	-	-	11	-	-	-	-	-	-	11	-	-
Amortized in the period	4	(138)	(131)	(112)	(118)	(126)	(126)	(125)	(128)	(135)	(499)	(505)	(546)
Sale of TD Waterhouse U.S.A.	5	-	-	-	-	-	-	-	(6)	-	-	(6)	-
Foreign exchange and other adjustments	6	(74)	27	(7)	26	1	(30)	3	3	(27)	(28)	(23)	(31)
<b>Closing balance</b>	7	<b>\$ 2,104</b>	<b>\$ 2,264</b>	<b>\$ 2,368</b>	<b>\$ 1,896</b>	<b>\$ 1,946</b>	<b>\$ 2,007</b>	<b>\$ 2,185</b>	<b>\$ 2,275</b>	<b>\$ 2,124</b>	<b>\$ 2,104</b>	<b>\$ 1,946</b>	<b>\$ 2,124</b>
<b>Future tax liability on intangible assets</b>													
Opening balance	8	\$ (788)	\$ (844)	\$ (655)	\$ (678)	\$ (690)	\$ (758)	\$ (764)	\$ (711)	\$ (764)	\$ (678)	\$ (711)	\$ (701)
Arising during the period - Privatization	9	(16)	-	(227)	(17)	(23)	(8)	(35)	(98)	-	(260)	(164)	(189)
- Other	10	(11)	-	(4)	-	-	-	-	-	-	(15)	-	-
Arising during the period - changes in income tax rates	11	-	3	-	1	1	24	-	-	-	4	25	-
Recognized in the period	12	49	45	40	40	43	42	39	41	44	174	165	176
Foreign exchange and other adjustments	13	28	8	2	(1)	(9)	10	2	4	9	37	7	3
<b>Closing balance</b>	14	<b>\$ (738)</b>	<b>\$ (788)</b>	<b>\$ (844)</b>	<b>\$ (655)</b>	<b>\$ (678)</b>	<b>\$ (690)</b>	<b>\$ (758)</b>	<b>\$ (764)</b>	<b>\$ (711)</b>	<b>\$ (738)</b>	<b>\$ (678)</b>	<b>\$ (711)</b>
<b>Net intangibles closing balance</b>	15	<b>\$ 1,366</b>	<b>\$ 1,476</b>	<b>\$ 1,524</b>	<b>\$ 1,241</b>	<b>\$ 1,268</b>	<b>\$ 1,317</b>	<b>\$ 1,427</b>	<b>\$ 1,511</b>	<b>\$ 1,413</b>	<b>\$ 1,366</b>	<b>\$ 1,268</b>	<b>\$ 1,413</b>
<b>Goodwill</b>													
Opening balance	16	\$ 8,407	\$ 8,940	\$ 8,176	\$ 7,396	\$ 7,411	\$ 7,652	\$ 7,376	\$ 6,518	\$ 6,785	\$ 7,396	\$ 6,518	\$ 2,225
Arising during the period - Privatization	17	(36)	-	881	528	(29)	27	316	1,722	-	1,373	2,036	4,642
- Other	18	2	-	(27)	-	-	-	-	-	-	(25)	-	-
Sale of TD Waterhouse U.S.A.	19	-	-	-	-	-	-	-	(827)	-	-	(827)	-
Foreign exchange and other adjustments	20	(455)	(533)	(90)	252	14	(268)	(40)	(37)	(267)	(826)	(331)	(349)
<b>Closing balance</b>	21	<b>\$ 7,918</b>	<b>\$ 8,407</b>	<b>\$ 8,940</b>	<b>\$ 8,176</b>	<b>\$ 7,396</b>	<b>\$ 7,411</b>	<b>\$ 7,652</b>	<b>\$ 7,376</b>	<b>\$ 6,518</b>	<b>\$ 7,918</b>	<b>\$ 7,396</b>	<b>\$ 6,518</b>
<b>Total net intangibles and goodwill closing balance</b>	22	<b>\$ 9,284</b>	<b>\$ 9,883</b>	<b>\$ 10,464</b>	<b>\$ 9,417</b>	<b>\$ 8,664</b>	<b>\$ 8,728</b>	<b>\$ 9,079</b>	<b>\$ 8,887</b>	<b>\$ 7,931</b>	<b>\$ 9,284</b>	<b>\$ 8,664</b>	<b>\$ 7,931</b>
<b>Restructuring costs accrual</b>													
Opening balance	23	\$ 51	\$ 61	\$ 19	\$ 27	\$ 29	\$ 35	\$ 60	\$ 25	\$ 28	\$ 27	\$ 25	\$ 7
Expensed during the period	24	-	-	67	-	-	-	-	50	6	67	50	43
Amount utilized during the period:	25												
Wholesale Banking	26	(2)	-	-	(8)	(2)	(6)	(25)	(15)	(9)	(10)	(48)	(25)
TD Banknorth	27	(20)	(10)	(25)	-	-	-	-	-	-	(55)	-	-
<b>Closing balance</b>	28	<b>\$ 29</b>	<b>\$ 51</b>	<b>\$ 61</b>	<b>\$ 19</b>	<b>\$ 27</b>	<b>\$ 29</b>	<b>\$ 35</b>	<b>\$ 60</b>	<b>\$ 25</b>	<b>\$ 29</b>	<b>\$ 27</b>	<b>\$ 25</b>

(\$MILLIONS)

FOR THE PERIOD ENDED		LINE #	2007				2006				2005	Full Year		
			Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	2007	2006	2005
<b>Loans securitized and sold to third parties</b>														
Securitized/(repurchased) during the period <sup>1</sup>														
Mortgage	MBS Pool	1	\$ 1,553	\$ 2,246	\$ 3,141	\$ 2,358	\$ 1,700	\$ 1,613	\$ 1,763	\$ 1,348	\$ 1,389	\$ 9,298	\$ 6,424	\$ 5,948
	Commercial	2	-	-	-	-	205	132	287	-	350	-	624	633
Personal	HELOC	3	-	-	-	1,000	3,000	500	-	-	-	1,000	3,500	786
	Credit Card	4	-	-	-	-	-	-	-	-	-	-	-	-
Total		5	\$ 1,553	\$ 2,246	\$ 3,141	\$ 3,358	\$ 4,905	\$ 2,245	\$ 2,050	\$ 1,348	\$ 1,739	\$ 10,298	\$ 10,548	\$ 7,367
Outstanding at period end														
With retained interests														
Mortgage	Commercial	6	\$ 163	\$ 171	\$ 254	\$ 181	\$ 220	\$ 223	\$ 116	\$ 124	\$ 137	\$ 163	\$ 220	\$ 137
Personal	HELOC	7	9,000	9,000	9,000	9,000	8,000	5,000	4,500	4,500	4,800	9,000	8,000	4,800
	Credit Card	8	800	800	800	800	800	800	1,300	1,300	1,300	800	800	1,300
Sub-total		9	\$ 9,963	\$ 9,971	\$ 10,054	\$ 9,981	\$ 9,020	\$ 6,023	\$ 5,916	\$ 5,924	\$ 6,237	\$ 9,963	\$ 9,020	\$ 6,237
Without retained interests														
Mortgage	Conventional	10	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	MBS Pool	11	18,353	18,822	18,864	17,494	16,344	16,099	16,180	15,703	15,476	18,353	16,344	15,476
	Commercial	12	-	-	-	-	2,553	2,360	2,395	2,123	2,161	-	2,553	2,161
Sub-total		13	\$ 18,353	\$ 18,822	\$ 18,864	\$ 17,494	\$ 18,897	\$ 18,459	\$ 18,575	\$ 17,826	\$ 17,637	\$ 18,353	\$ 18,897	\$ 17,637
Total outstanding at period end		14	\$ 28,316	\$ 28,793	\$ 28,918	\$ 27,475	\$ 27,917	\$ 24,482	\$ 24,491	\$ 23,750	\$ 23,874	\$ 28,316	\$ 27,917	\$ 23,874
Economic impact - before-tax														
Net interest income		15	\$ (80)	\$ (94)	\$ (106)	\$ (125)	\$ (76)	\$ (102)	\$ (85)	\$ (105)	\$ (123)	\$ (405)	\$ (368)	\$ (420)
Other income		16	80	86	97	134	97	85	72	92	120	397	346	414
Provision for credit losses		17	4	4	5	4	4	4	8	8	8	17	24	35
Total impact		18	\$ 4	\$ (4)	\$ (4)	\$ 13	\$ 25	\$ (13)	\$ (5)	\$ (5)	\$ 5	\$ 9	\$ 2	\$ 29
<b>Mortgage-backed Securities retained<sup>2</sup></b>														
Outstanding at end of period		19	\$ 21,147	\$ 21,643	\$ 21,433	\$ 23,186	\$ 20,914	\$ 20,414	\$ 18,852	\$ 17,824	\$ 15,718	\$ 21,147	\$ 20,914	\$ 15,718

<sup>1</sup> Excludes principal repayments during the period.

<sup>2</sup> Reported as available-for-sale securities under government and government-insured securities in Note 2 to the 2007 Consolidated Financial Statements.

Impaired Loans

(\$MILLIONS)

AS AT	LINE #	2007				2006				2005	Full Year		
		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	2007	2006	2005
<b>CHANGE IN GROSS IMPAIRED LOANS BY SEGMENT</b>													
Balance at beginning of period	1	\$ 590	\$ 603	\$ 511	\$ 446	\$ 390	\$ 382	\$ 390	\$ 372	\$ 475	\$ 446	\$ 372	\$ 537
Additions													
Canadian Personal and Commercial Banking - retail <sup>1</sup>	2	263	246	235	228	219	157	159	160	150	972	695	569
- commercial mid-market	3	8	10	14	8	39	12	7	68	39	40	126	143
U.S. Personal and Commercial Banking	4	115	105	212	121	68	51	69	39	44	553	227	110
Wholesale Banking	5	1	14	-	12	-	14	3	17	-	27	34	-
Corporate - non-core	6	-	-	-	-	-	-	-	-	-	-	-	-
Total additions to impaired loans and acceptances	7	387	375	461	369	326	234	238	284	233	1,592	1,082	822
Return to performing status, repaid or sold	8	(188)	(166)	(158)	(126)	(93)	(74)	(101)	(104)	(183)	(638)	(372)	(592)
Net new additions (reductions)	9	199	209	303	243	233	160	137	180	50	954	710	230
Arising on acquisition of TD Banknorth	10	-	-	-	-	-	-	-	-	-	-	-	110
Write-offs	11	(202)	(200)	(207)	(184)	(177)	(148)	(142)	(162)	(146)	(793)	(629)	(502)
Foreign exchange and other adjustments	12	(18)	(22)	(4)	6	-	(4)	(3)	-	(7)	(38)	(7)	(3)
Change during the period	13	(21)	(13)	92	65	56	8	(8)	18	(103)	123	74	(165)
Balance at end of period	14	\$ 569	\$ 590	\$ 603	\$ 511	\$ 446	\$ 390	\$ 382	\$ 390	\$ 372	\$ 569	\$ 446	\$ 372
<b>GROSS IMPAIRED LOANS BY LOCATION<sup>2</sup></b>													
Canada	15	\$ 325	\$ 316	\$ 307	\$ 317	\$ 316	\$ 267	\$ 262	\$ 297	\$ 276	\$ 325	\$ 316	\$ 276
United States	16	244	274	296	194	130	123	120	93	96	244	130	96
Offshore	17	-	-	-	-	-	-	-	-	-	-	-	-
Balance at end of period	18	\$ 569	\$ 590	\$ 603	\$ 511	\$ 446	\$ 390	\$ 382	\$ 390	\$ 372	\$ 569	\$ 446	\$ 372
<b>GROSS IMPAIRED LOANS BY SEGMENT</b>													
<b>Canadian Personal and Commercial Banking</b>													
Personal	19	\$ 250	\$ 232	\$ 225	\$ 222	\$ 206	\$ 166	\$ 170	\$ 166	\$ 157	\$ 250	\$ 206	\$ 157
Commercial	20	60	70	71	82	98	87	91	130	117	60	98	117
Total Canadian Personal and Commercial Banking	21	310	302	296	304	304	253	261	296	274	310	304	274
<b>U.S. Personal and Commercial Banking</b>	22	237	256	276	174	121	114	112	87	90	237	121	90
<b>Wholesale Banking</b>	23	15	24	23	24	12	14	-	-	-	15	12	-
<b>Corporate segment</b>													
Corporate loans - non-core	24	7	8	8	9	9	9	9	7	8	7	9	8
Total gross impaired loans	25	\$ 569	\$ 590	\$ 603	\$ 511	\$ 446	\$ 390	\$ 382	\$ 390	\$ 372	\$ 569	\$ 446	\$ 372
<b>NET IMPAIRED LOANS BY SEGMENT</b>													
<b>Canadian Personal and Commercial Banking</b>													
Personal	26	\$ 126	\$ 117	\$ 106	\$ 108	\$ 95	\$ 90	\$ 92	\$ 82	\$ 68	\$ 126	\$ 95	\$ 68
Commercial	27	29	34	37	47	65	53	56	84	79	29	65	79
Total Canadian Personal and Commercial Banking	28	155	151	143	155	160	143	148	166	147	155	160	147
<b>U.S. Personal and Commercial Banking</b>	29	200	215	221	150	101	92	96	67	70	200	101	70
<b>Wholesale Banking</b>	30	11	13	8	9	9	10	-	-	-	11	9	-
<b>Corporate segment</b>													
Corporate loans - non-core	31	-	-	-	-	-	-	-	-	-	-	-	-
Impaired loans net of specific provisions	32	366	379	372	314	270	245	244	233	217	366	270	217
Specific allowance as a % of gross impaired loans	33	35.7 %	35.8 %	38.3 %	38.6 %	39.5 %	37.2 %	36.1 %	40.3 %	41.7 %	35.7 %	39.5 %	41.7 %
Total loans (page 13, lines 17+18)	34	\$ 185,194	\$ 181,145	\$ 179,137	\$ 171,296	\$ 169,284	\$ 165,990	\$ 163,607	\$ 161,658	\$ 158,232	\$ 185,194	\$ 169,284	\$ 158,232
Impaired loans net of specific allowance as a % of net loans <sup>3</sup>	35	0.2%	0.2%	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%	0.2%	0.2%	0.1%

<sup>1</sup> Including Small Business Banking.

<sup>2</sup> Based on geographic location of unit responsible for recording revenue.

<sup>3</sup> Includes customers' liability under acceptances and net of specific and general allowances.

# Allowance for Credit Losses and Provision for (Reversal of) Credit Losses



(\$MILLIONS)		LINE #	2007				2006				2005	Full Year		
AS AT	Q4		Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	2007	2006	2005	
<b>ALLOWANCE FOR CREDIT LOSSES</b>														
<b>Specific allowance</b>														
	<b>Balance at beginning of period</b>	1	\$ 211	\$ 231	\$ 197	\$ 176	\$ 145	\$ 138	\$ 157	\$ 155	\$ 239	\$ 176	\$ 155	\$ 266
	Write-offs	2	(202)	(200)	(191)	(170)	(164)	(137)	(130)	(152)	(138)	(763)	(583)	(487)
	Recoveries	3	27	40	37	31	33	33	32	31	82	135	129	245
	Provision for credit losses	4	165	141	184	153	156	107	74	120	(22)	643	457	107
	Arising on acquisitions	5	-	-	-	-	-	-	-	-	-	-	-	27
	Foreign exchange and other adjustments	6	2	(1)	4	7	6	4	5	3	(6)	12	18	(3)
	<b>Balance at end of period</b>	7	<b>203</b>	<b>211</b>	<b>231</b>	<b>197</b>	<b>176</b>	<b>145</b>	<b>138</b>	<b>157</b>	<b>155</b>	<b>203</b>	<b>176</b>	<b>155</b>
<b>General allowance</b>														
	<b>Balance at beginning of period</b>	8	<b>1,146</b>	<b>1,147</b>	<b>1,169</b>	<b>1,141</b>	<b>1,134</b>	<b>1,153</b>	<b>1,201</b>	<b>1,138</b>	<b>1,141</b>	<b>1,141</b>	<b>1,138</b>	<b>917</b>
	Provision for credit losses - TD Banknorth	9	21	18	(23)	(1)	5	(7)	2	(6)	7	15	(6)	(17)
	- VFC	10	13	12	11	11	9	9	-	-	-	47	18	-
	- Other	11	(60)	-	-	-	-	-	(60)	-	-	(60)	(60)	(35)
	Arising on acquisitions	12	-	-	-	14	-	-	18	69	-	14	87	289
	Foreign exchange and other adjustments	13	(28)	(31)	(10)	4	(7)	(21)	(8)	-	(10)	(65)	(36)	(16)
	<b>Balance at end of period</b>	14	<b>1,092</b>	<b>1,146</b>	<b>1,147</b>	<b>1,169</b>	<b>1,141</b>	<b>1,134</b>	<b>1,153</b>	<b>1,201</b>	<b>1,138</b>	<b>1,092</b>	<b>1,141</b>	<b>1,138</b>
	<b>Total allowance for credit losses at end of period</b>	15	<b>\$ 1,295</b>	<b>\$ 1,357</b>	<b>\$ 1,378</b>	<b>\$ 1,366</b>	<b>\$ 1,317</b>	<b>\$ 1,279</b>	<b>\$ 1,291</b>	<b>\$ 1,358</b>	<b>\$ 1,293</b>	<b>\$ 1,295</b>	<b>\$ 1,317</b>	<b>\$ 1,293</b>
<b>PROVISION FOR (REVERSAL OF) CREDIT LOSSES</b>														
	New specifics (net of reversals)	16	\$ 192	\$ 181	\$ 221	\$ 184	\$ 189	\$ 140	\$ 106	\$ 151	\$ 60	\$ 778	\$ 586	\$ 352
	Recoveries	17	(27)	(40)	(37)	(31)	(33)	(33)	(32)	(31)	(82)	(135)	(129)	(245)
	Provision for (reversal of) credit losses - specifics (line 4)	18	165	141	184	153	156	107	74	120	(22)	643	457	107
	Change in general allowance - TD Banknorth (line 9)	19	21	18	(23)	(1)	5	(7)	2	(6)	7	15	(6)	(17)
	- VFC (line 10)	20	13	12	11	11	9	9	-	-	-	47	18	-
	- Other (line 11)	21	(60)	-	-	-	-	-	(60)	-	-	(60)	(60)	(35)
	Provision for (reversal of) credit losses	22	\$ 139	\$ 171	\$ 172	\$ 163	\$ 170	\$ 109	\$ 16	\$ 114	\$ (15)	\$ 645	\$ 409	\$ 55
<b>PROVISION FOR (REVERSAL OF) CREDIT LOSSES BY SEGMENT</b>														
	Canadian Personal and Commercial Banking (page 5)	23	\$ 176	\$ 151	\$ 143	\$ 138	\$ 132	\$ 104	\$ 78	\$ 99	\$ 97	\$ 608	\$ 413	\$ 373
	U.S. Personal and Commercial Banking (page 7)	24	35	33	35	17	15	10	8	7	7	120	40	4
	Wholesale Banking <sup>1</sup> (page 8)	25	4	8	12	24	13	15	11	29	13	48	68	52
	Corporate													
	Initial set up of specific allowance for credit card and overdraft loans	26	-	-	-	-	28	-	-	-	-	-	28	-
	Securitization	27	(4)	(4)	(5)	(4)	(4)	(4)	(8)	(8)	(8)	(17)	(24)	(35)
	Wholesale Banking - CDS <sup>1</sup>	28	(11)	(11)	(12)	(12)	(11)	(12)	(11)	(13)	(13)	(46)	(47)	(52)
	General allowance release	29	(60)	-	-	-	-	-	(60)	-	-	(60)	(60)	(35)
	Sectoral related and other	30	(1)	(6)	(1)	-	(3)	(4)	(2)	-	(111)	(8)	(9)	(252)
	Total Corporate (page 9)	31	(76)	(21)	(18)	(16)	10	(20)	(81)	(21)	(132)	(131)	(112)	(374)
	Provision for (reversal of) credit losses	32	\$ 139	\$ 171	\$ 172	\$ 163	\$ 170	\$ 109	\$ 16	\$ 114	\$ (15)	\$ 645	\$ 409	\$ 55

<sup>1</sup> Premiums on credit default swaps (CDS) recorded in provision for credit losses for Wholesale Banking are reclassified to trading income in the Corporate segment.

# Analysis of Change in Shareholders' Equity



(\$MILLIONS) FOR THE PERIOD ENDED		LINE #	2007				2006				Full Year			
			Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2007	2006	2005	
<b>Common shares</b>														
	Opening balance	1	\$ 6,525	\$ 6,455	\$ 6,417	\$ 6,334	\$ 6,353	\$ 6,245	\$ 6,015	\$ 5,872	\$ 5,744	\$ 6,334	\$ 5,872	\$ 3,373
	Issued - options	2	41	79	19	34	26	13	35	45	31	173	119	125
	- dividend reinvestment plan	3	23	22	21	19	26	95	107	100	104	85	328	380
	- acquisition of TD Banknorth	4	-	-	-	-	-	-	-	-	-	-	-	1,988
	- acquisition of VFC	5	-	-	-	-	-	-	70	-	-	-	70	-
	Impact of shares (acquired) sold for trading purposes <sup>1</sup>	6	4	(2)	(2)	30	(36)	-	18	(2)	(7)	30	(20)	6
	Repurchase of common shares	7	(16)	(29)	-	-	(35)	-	-	-	-	(45)	(35)	-
	Closing balance	8	6,577	6,525	6,455	6,417	6,334	6,353	6,245	6,015	5,872	6,577	6,334	5,872
<b>Preferred shares</b>														
	Opening balance	9	425	425	425	425	425	425	425	-	-	425	-	-
	Issued	10	-	-	-	-	-	-	-	425	-	-	425	-
	Closing balance	11	425	425	425	425	425	425	425	425	-	425	425	-
<b>Contributed surplus</b>														
	Opening balance	12	118	124	68	66	56	51	47	40	36	66	40	20
	Stock option expense	13	5	7	4	4	10	6	6	9	4	20	31	21
	Stock option exercised	14	(4)	(13)	-	(2)	-	(1)	(2)	(2)	-	(19)	(5)	(1)
	Conversion of TD Banknorth options on privatization	15	-	-	52	-	-	-	-	-	-	52	-	-
	Closing balance	16	119	118	124	68	66	56	51	47	40	119	66	40
<b>Retained earnings</b>														
	Opening balance	17	15,378	14,865	14,375	13,725	13,544	13,069	12,652	10,650	10,358	13,725	10,650	9,540
	Transition adjustment on adoption of Financial Instruments standards	18	-	-	-	80	-	-	-	-	-	80	-	-
	Net income	19	1,094	1,103	879	921	762	796	738	2,307	589	3,997	4,603	2,229
	Dividends - common	20	(409)	(381)	(382)	(345)	(347)	(316)	(315)	(300)	(298)	(1,517)	(1,278)	(1,098)
	Dividends - preferred	21	(5)	(2)	(7)	(6)	(5)	(6)	(6)	(5)	-	(20)	(22)	-
	Premium paid on common shares repurchased	22	(104)	(207)	-	-	(229)	-	-	-	-	(311)	(229)	-
	Other	23	-	-	-	-	-	1	-	-	1	-	1	(21)
	Closing balance	24	15,954	15,378	14,865	14,375	13,725	13,544	13,069	12,652	10,650	15,954	13,725	10,650
<b>Accumulated other comprehensive income</b> (page 20)														
	Opening balance	25	(1,443)	(94)	(268)	(918)	(951)	(507)	(666)	(696)	(363)	(918)	(696)	(265)
	Transition adjustment on adoption of Financial Instruments standards	26	-	-	-	426	-	-	-	-	-	426	-	-
	Net change in unrealized gains and (losses) on available-for-sale securities	27	218	(197)	61	24	-	-	-	-	-	106	-	-
	Net change in unrealized foreign currency translation gains and (losses) on investment in subsidiaries, net of hedging activities	28	(604)	(971)	97	323	33	(444)	159	30	(333)	(1,155)	(222)	(431)
	Net change in gains and (losses) on derivatives designated as cash flow hedges	29	158	(181)	16	(123)	-	-	-	-	-	(130)	-	-
	Closing balance	30	(1,671)	(1,443)	(94)	(268)	(918)	(951)	(507)	(666)	(696)	(1,671)	(918)	(696)
	<b>Total shareholders' equity</b>	31	\$ 21,404	\$ 21,003	\$ 21,775	\$ 21,017	\$ 19,632	\$ 19,427	\$ 19,283	\$ 18,473	\$ 15,866	\$ 21,404	\$ 19,632	\$ 15,866
<b>NUMBER OF COMMON SHARES (thousands)</b>														
	Opening balance	32	718,348	719,875	719,040	717,416	720,792	718,786	714,696	711,812	709,029	717,416	711,812	655,902
	Issued - options	33	866	1,455	579	931	744	372	990	1,282	1,025	3,831	3,388	4,269
	- dividend reinvestment plan	34	330	317	308	268	392	1,631	1,718	1,656	1,917	1,223	5,397	7,273
	- acquisition of TD Banknorth	35	-	-	-	-	-	-	-	-	-	-	-	44,287
	- acquisition of VFC	36	-	-	-	-	-	2	1,101	-	-	-	1,103	-
	Impact of shares (acquired) sold for trading purposes <sup>1</sup>	37	32	(61)	(52)	425	(512)	1	281	(54)	(159)	344	(284)	81
	Repurchase of common shares	38	(1,762)	(3,238)	-	-	(4,000)	-	-	-	-	(5,000)	(4,000)	-
	Closing balance	39	717,814	718,348	719,875	719,040	717,416	720,792	718,786	714,696	711,812	717,814	717,416	711,812

<sup>1</sup> Purchased by subsidiaries of the Bank, which are regulated securities entities in accordance with Regulation 92-313 under the Bank Act.

Change in Accumulated Other Comprehensive Income, net of income taxes



(\$MILLIONS)  
FOR THE PERIOD ENDED

LINE #	2007				2006				2005	Full Year		
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	2007	2006	2005
<b>Unrealized gains/(losses) on available-for-sale securities</b>												
Opening balance	\$ 175	\$ 372	\$ 311	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transition adjustment on adoption of financial instrument standards	-	-	-	287	-	-	-	-	-	-	287	-
Change in unrealized gains and losses, net of income taxes	235	(188)	63	49	-	-	-	-	-	159	-	-
Reclassification to earnings, net of income taxes	(17)	(9)	(2)	(25)	-	-	-	-	-	(53)	-	-
Net change for the period	218	(197)	61	24	-	-	-	-	-	106	-	-
Closing balance	393	175	372	311	-	-	-	-	-	393	-	-
<b>Unrealized foreign currency translation gains and losses on investments in subsidiaries, net of hedging activities</b>												
Opening balance	(1,469)	(498)	(595)	(918)	(951)	(507)	(666)	(696)	(363)	(918)	(696)	(265)
Investment in subsidiaries	(1,908)	(1,419)	(584)	892	(29)	(292)	(7)	(392)	(628)	(3,019)	(720)	(718)
Hedging activities	1,944	665	1,012	(848)	97	(230)	246	528	443	2,773	641	428
Impact of change in investment in subsidiaries	-	-	-	-	-	-	-	66	-	-	66	-
Provision for/ benefit of income taxes	(640)	(217)	(331)	279	(35)	78	(80)	(172)	(148)	(909)	(209)	(141)
Closing balance	(2,073)	(1,469)	(498)	(595)	(918)	(951)	(507)	(666)	(696)	(2,073)	(918)	(696)
<b>Gains/(losses) on derivatives designated as cash flow hedges</b>												
Opening balance	(149)	32	16	-	-	-	-	-	-	-	-	-
Transition adjustment on adoption of financial instrument standards	-	-	-	139	-	-	-	-	-	139	-	-
Change in gains and losses, net of income taxes	140	(196)	13	(127)	-	-	-	-	-	(170)	-	-
Reclassification to earnings, net of income taxes	18	15	3	4	-	-	-	-	-	40	-	-
Net change for the period	158	(181)	16	(123)	-	-	-	-	-	(130)	-	-
Closing balance	9	(149)	32	16	-	-	-	-	-	9	-	-
<b>Accumulated other comprehensive income closing balance</b>	<b>\$ (1,671)</b>	<b>\$ (1,443)</b>	<b>\$ (94)</b>	<b>\$ (268)</b>	<b>\$ (918)</b>	<b>\$ (951)</b>	<b>\$ (507)</b>	<b>\$ (666)</b>	<b>\$ (696)</b>	<b>\$ (1,671)</b>	<b>\$ (918)</b>	<b>\$ (696)</b>

# Analysis of Change in Non-Controlling Interests and Investment in TD Ameritrade



(\$MILLIONS)  
FOR THE PERIOD ENDED

LINE #	2007				2006				2005	Full Year		
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	2007	2006	2005
<b>Non-controlling interests in subsidiaries</b>												
Opening balance	\$ 538	\$ 13	\$ 2,607	\$ 2,439	\$ 2,429	\$ 2,530	\$ 2,847	\$ 1,708	\$ 1,746	\$ 2,439	\$ 1,708	\$ -
On acquisition/(privatization)	-	-	(2,482)	-	-	-	-	-	-	(2,482)	-	1,695
Shares repurchase/shares purchased by TD	-	-	(25)	(23)	(23)	(22)	(300)	(18)	-	(48)	(363)	-
Shares issued by TD Banknorth	-	-	22	85	5	3	12	1,110	11	107	1,130	22
Issuance of REIT preferred shares of subsidiary	-	524	-	-	-	-	-	-	-	524	-	-
Dilution loss	-	-	-	-	-	-	-	66	-	-	66	-
On account of income	8	13	27	47	48	52	47	37	53	95	184	132
Dividends paid by TD Banknorth to minority shareholders	-	-	(27)	(24)	(24)	(24)	(27)	(21)	(21)	(51)	(96)	(40)
Foreign exchange and other adjustments	(22)	(12)	(109)	83	4	(110)	(49)	(35)	(81)	(60)	(190)	(101)
Closing balance	\$ 524	\$ 538	\$ 13	\$ 2,607	\$ 2,439	\$ 2,429	\$ 2,530	\$ 2,847	\$ 1,708	\$ 524	\$ 2,439	\$ 1,708

## Investment in TD Ameritrade

Opening balance	\$ 4,749	\$ 5,131	\$ 5,113	\$ 4,379	\$ 4,284	\$ 3,783	\$ 3,327	\$ -	\$ -	\$ 4,379	\$ -	\$ -
On acquisition	-	-	-	-	-	-	45	3,327	-	-	3,372	-
Purchase / (sale) of shares	-	(54)	-	-	-	632	301	-	-	(54)	933	-
Increase in reported investment through Lillooet Limited <sup>1</sup>	-	-	-	464	42	-	-	-	-	464	42	-
Equity in net income, net of income taxes	85	69	65	65	48	51	35	-	-	284	134	-
Foreign exchange and other adjustments	(319)	(397)	(47)	205	5	(182)	75	-	-	(558)	(102)	-
Closing balance	\$ 4,515	\$ 4,749	\$ 5,131	\$ 5,113	\$ 4,379	\$ 4,284	\$ 3,783	\$ 3,327	\$ -	\$ 4,515	\$ 4,379	\$ -

<sup>1</sup> This represents increase in the Bank's reported investment in TD Ameritrade through the consolidation of a variable interest entity, Lillooet Limited.

# Risk-Weighted Assets and Capital



(\$MILLIONS)		2007				2006				2005
AS AT	LINE #	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
<b>Balance sheet assets</b>										
Cash resources	1	\$ 3,053	\$ 2,408	\$ 2,092	\$ 1,894	\$ 1,905	\$ 2,145	\$ 2,176	\$ 2,394	\$ 2,435
Securities	2	4,984	5,027	5,655	5,978	4,792	3,952	4,316	5,576	4,955
Loans	3	95,951	96,348	96,545	96,009	92,998	91,629	88,605	88,148	83,272
Customers' liability under acceptances	4	9,279	9,192	9,233	8,425	8,676	7,239	7,011	6,652	5,896
Other assets	5	8,589	9,006	8,803	9,436	8,881	9,069	8,623	8,456	7,695
<b>Total balance sheet assets</b>	6	<b>121,856</b>	121,981	122,328	121,742	117,252	114,034	110,731	111,226	104,253
<b>Off-balance sheet exposures</b>										
Credit instruments	7	20,015	18,835	16,660	16,971	14,818	15,212	14,536	14,554	13,419
Derivative financial instruments	8	7,573	6,948	6,661	6,805	6,647	6,439	6,959	7,068	7,201
<b>Total off-balance sheet exposures</b>	9	<b>27,588</b>	25,783	23,321	23,776	21,465	21,651	21,495	21,622	20,620
<b>Total RWA equivalent - Credit risk</b>	10	<b>149,444</b>	147,764	145,649	145,518	138,717	135,685	132,226	132,848	124,873
<b>Total RWA equivalent - Market risk</b>	11	<b>3,075</b>	3,019	3,742	3,572	3,162	3,456	3,537	3,035	5,109
<b>Total RWA</b>	12	<b>\$ 152,519</b>	\$ 150,783	\$ 149,391	\$ 149,090	\$ 141,879	\$ 139,141	\$ 135,763	\$ 135,883	\$ 129,982
<b>CAPITAL</b>										
<b>TIER 1</b>										
Common shares	(page 19) 13	\$ 6,577	\$ 6,525	\$ 6,455	\$ 6,417	\$ 6,334	\$ 6,353	\$ 6,245	\$ 6,015	\$ 5,872
Less: TD Bank common shares held by subsidiaries	14	-	-	-	-	(78)	(45)	(30)	(28)	(29)
Retained earnings	(page 19) 15	15,954	15,378	14,865	14,375	13,725	13,544	13,069	12,652	10,650
Contributed surplus	(page 19) 16	119	118	124	68	66	56	51	47	40
Net unrealized foreign currency translation gains and (losses) on investment in subsidiaries, net of hedging activities	(page 20) 17	(2,073)	(1,469)	(498)	(595)	(918)	(951)	(507)	(666)	(696)
Accumulated net after tax unrealized loss on AFS securities in OCI	18	-	-	-	-	-	-	-	-	-
Qualifying preferred shares - grandfathered <sup>1</sup>	19	549	898	897	900	894	894	889	893	895
- other	20	425	425	425	425	425	425	425	425	-
Qualifying non-controlling interests in subsidiaries	21	22	-	-	2,582	2,395	2,386	2,484	2,798	1,632
Innovative instruments <sup>1</sup>	22	1,740	1,774	1,250	1,250	1,250	1,250	1,247	1,250	1,250
Less: goodwill and intangible assets in excess of 5% limit	23	(7,668)	(8,243)	(8,838)	(7,725)	(7,014)	(7,089)	(7,444)	(7,278)	(6,508)
<b>Total Tier 1 capital</b>	24	<b>15,645</b>	15,406	14,680	17,697	17,079	16,823	16,429	16,108	13,106
<b>TIER 2</b>										
Subordinated notes and debentures	(page 13) 25	9,449	10,005	9,210	9,209	6,900	6,915	7,748	7,225	5,138
Less: amortization of subordinated notes and debentures and other	26	(163)	(180)	(120)	(213)	(182)	(205)	(171)	(243)	(39)
General allowance for credit losses	27	1,092	1,146	1,151	1,174	1,145	1,138	1,155	1,189	1,137
Accumulated net after tax unrealized gain on AFS securities in OCI	28	354	323	392	339	-	-	-	-	-
<b>Total Tier 2 capital</b>	29	<b>10,732</b>	11,294	10,633	10,509	7,863	7,848	8,732	8,171	6,236
Investment in unconsolidated subsidiaries/ substantial investments	30	(6,528)	(6,513)	(6,874)	(7,094)	(6,327)	(6,327)	(5,945)	(5,420)	(2,115)
First loss protection	31	(55)	(76)	(88)	(68)	(53)	(32)	(43)	(44)	(44)
<b>Total capital</b>	32	<b>\$ 19,794</b>	\$ 20,111	\$ 18,351	\$ 21,044	\$ 18,562	\$ 18,312	\$ 19,173	\$ 18,815	\$ 17,183
<b>Tangible common equity</b>										
Common shares	33	\$ 6,577	\$ 6,525	\$ 6,455	\$ 6,417	\$ 6,334	\$ 6,353	\$ 6,245	\$ 6,015	\$ 5,872
Retained earnings	34	15,954	15,378	14,865	14,375	13,725	13,544	13,069	12,652	10,650
Contributed surplus	35	119	118	124	68	66	56	51	47	40
Net unrealized foreign currency translation gains and (losses) on investment in subsidiaries, net of hedging activities	36	(2,073)	(1,469)	(498)	(595)	(918)	(951)	(507)	(666)	(696)
Accumulated net after tax unrealized loss on AFS securities in OCI	37	-	-	-	-	-	-	-	-	-
Qualifying non-controlling interests in subsidiaries	38	22	-	-	2,582	2,395	2,386	2,484	2,798	1,632
Less: goodwill and net intangible assets	(page 15) 39	(9,284)	(9,883)	(10,464)	(9,417)	(8,664)	(8,728)	(9,079)	(8,887)	(7,931)
<b>Tangible common equity</b>	40	<b>\$ 11,315</b>	\$ 10,669	\$ 10,482	\$ 13,430	\$ 12,938	\$ 12,660	\$ 12,263	\$ 11,959	\$ 9,567
<b>Capital ratios</b>										
Tier 1 capital	41	10.3 %	10.2 %	9.8 %	11.9 %	12.0 %	12.1 %	12.1 %	11.9 %	10.1 %
Total capital	42	13.0	13.3	12.3	14.1	13.1	13.2	14.1	13.8	13.2
Tangible common equity as a percentage of RWA	43	7.4	7.1	7.0	9.0	9.1	9.1	9.0	8.8	7.4

<sup>1</sup> In accordance with CICA Handbook s. 3860, the Bank is required to classify certain classes of preferred shares and innovative Tier 1 capital investments as liabilities on the balance sheet. For regulatory capital purposes, these capital instruments have been grandfathered by the Superintendent of Financial Institutions Canada and continue to be included in Tier 1 capital.