

the future matters



Barry Rathburn
Branch Manager

Volunteer firefighter and TD Canada Trust Branch Manager Barry Rathburn has dedicated 10 years to the Sprout Lake Fire Department to assist in crucial rescue and fire service near Port Alberni, British Columbia. After “hours and hours of time” spent training for the unexpected, the future confronted Captain Rathburn last summer when he was asked to travel to Kelowna to fight raging forest fires. “I was proud to be part of a collaborative effort to help when needed,” says Barry, who worked all-night shifts over four days to defend a community from encroaching fire.

to all Canadians

As a major player in the Canadian economy, our responsibility is to lead by example and use our expertise and resources to effect positive change around us.

\$157.2 billion in business loans • public policy contributions • crisis-response efforts • financial literacy initiatives

At TDBFG, we recognize that we're a fundamental part of Canada's economic landscape. As a business, we're both a supplier and a purchaser of products and services, directly contributing to economic activity. As a financial services provider, our role goes deeper. We contribute to community development, job creation, and the well-being of society overall through the loans and investments we make.

Beyond these activities, our position allows us to impart economic benefits to Canadians in other ways and, in turn, demonstrate our commitment to the future of this country. For us that means teaming up with community leaders to address issues like urban sustainability and contributing to public discussions on crucial challenges such as affordable housing. It means reaching out to communities that have sustained economic hardship as a result of natural disasters and other crises. And it means sharing our financial acumen with Canadians to help build informed communities.

Responding During Times of Crisis

During 2003, Canada witnessed firsthand the devastating effects of crises that ravaged many local communities and, at times, dampened confidence in the safety, security, and health of our nation. Throughout this uncertainty, Canadians banded together to help those in need. TDBFG helped to assist affected communities with their recovery efforts by providing financial relief, by mobilizing our branches as collection points for public donations, and through the volunteer efforts of our employees who asked themselves "How can we help as Canadians?" each time disaster struck. While recovery from the year's events will take time, we're proud to have played a modest part in the spirited Canadian response.

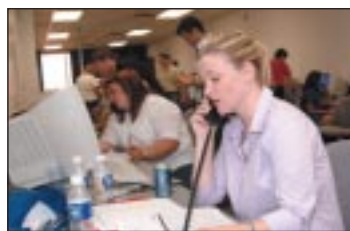
The SARS Crisis

Canadians worried about the lasting economic fallout of Severe Acute Respiratory Syndrome (SARS) throughout 2003. TDBFG joined Canada's other major banks in making a joint corporate donation of \$1 million toward a campaign, coordinated by government and business leaders, to promote Toronto to visitors and investors. TDBFG also advised customers that long-standing policies to defer bill payments or access special emergency support loans remained available for those affected by SARS.

Approximately 200 TDBFG employees donated time and money to the Health Care & Hospitality Workers Relief Fund, resulting in a \$25,000 donation to support Torontonians most impacted by SARS. Numerous employees volunteered to work at the July 30th SARS-relief concert in Toronto, selling tickets and counting cash at the fundraiser. Together with Heritage Toronto and the Toronto Star, TD Canada Trust sponsored special free neighbourhood walking tours through Kensington Market and Chinatown, encouraging people to rediscover areas of the city most affected economically by SARS.



Above: Working at an Emergency Operations Centre, TD Waterhouse employees applied their business resumption plans when crises affected Canadians in 2003.



Left: TD Canada Trust's Todd O'Reilly presents cheque to Medicine Hat Food Bank's president, following August 2003 Prairie cattle/food bank drive. **Centre:** TD Meloche Monnex employees worked round the clock during the August 2003 blackout to field calls from concerned customers. **Right:** We sponsored free neighbourhood walking tours in an effort to get Torontonians to rediscover their SARS-impacted community.

Supporting Prairie Cattle Industry

When a single case of bovine spongiform encephalopathy (BSE) was discovered in Alberta, foreign restrictions on Canadian beef and feed exports threatened the country's Prairie cattle sector. TDBFG quickly stepped forward to assure farmers that we'd continue to work with them on a client-by-client basis to get through tough times with minimal disruption.

We also launched a donation drive at TD Canada Trust locations in Alberta, Manitoba, and Saskatchewan in support of the Prairie cattle industry, pledging to match all donations up to a maximum of \$50,000. Customers generously contributed \$40,000 during the one-week campaign and TDBFG elected to donate the full \$50,000. The \$90,000 donation was distributed to Prairie region food banks for the purchase of Canadian beef products.

B.C. Forest Fires

As devastating forest fires raged around Kelowna, Kamloops, and North Thompson, British Columbia, last summer, TD Canada Trust donated \$50,000 to the Canadian Red Cross B.C. Forest Fires Response Fund to provide immediate assistance to the affected communities. Many TDBFG employees also provided their hands-on support, including volunteer firefighter Barry Rathburn (see page 4).

Dedication During Disruptions

TDBFG provided its support during many other community disruptions in 2003, including a \$25,000 donation to the Canadian Red Cross Badger Relief Fund following severe flooding last winter in Badger, Newfoundland, and a \$25,000 donation to various support groups in Nova Scotia, including the Metro Food Bank Society, following Hurricane Juan.

We're thankful to our employees who demonstrated their resiliency during the power disruptions caused in Atlantic Canada by Hurricane Juan and the Ontario blackout last August, working exceptionally hard to keep or get us back in business. For example, our business response planning team skillfully re-routed our e-business products (EasyWeb™, WebBroker®, and Web business banking) to a backup operations centre so customers felt minimal impact, and with support from the technology group our e.Bank team handled the higher-than-average call volumes without any increase in wait times.

Helping Chart Canada's Future

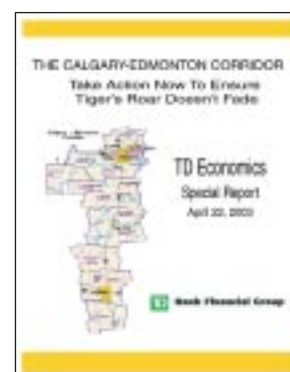
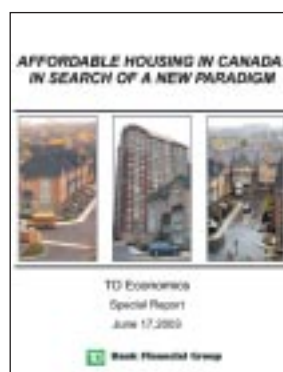
As a major financial institution, TDBFG has the resources and expertise to contribute to the ongoing discussion of Canada's road ahead. By conducting and sharing extensive economic research, by supporting public- and private-sector initiatives to address national issues, and by adding our voice to matters of public policy, we are helping Canadians make informed choices to ensure the country's economic strength and social vitality.

Addressing Urban Challenges

Over the past two years, TDBFG has made an important contribution to the national debate on revitalizing cities and raising Canada's standard of living with a series of reports linking the country's economic well-being to strong urban centres. In 2002, our in-house economics team, TD Economics, initiated in-depth research on the issue and published two far-reaching studies, one on the challenges facing Canadian urban centres overall (April 2002) and another on the Greater Toronto Area (May 2002). Both provided evidence that cities are fundamental to Canada's future health and its ability to increase the standard of living for all Canadians.

In 2003, TD Economics continued their series of research reports on urban policy issues:

- In a report titled *The Calgary-Edmonton Corridor: Take Action Now to Ensure Tiger's Roar Doesn't Fade* (April 2003), they made specific recommendations to each level of government and the private sector to address issues that could crimp future growth, including urban sprawl, infrastructure renewal, and the income gaps emerging in



Above: TDBFG published research to generate ideas and awareness about ways to make living conditions better for all Canadians.

the fast-growing region. The TD Economics team met with civic officials in Alberta throughout April 2003 to share their findings.

- The crucial issue of housing challenges was the subject of *Affordable Housing in Canada: In Search of a New Paradigm* (June 2003). They called on policy-makers to address the issue by boosting the supply of affordable housing and by raising incomes of renters through programs to lower high-school drop-out rates, improve immigration settlement services, and adjust benefit and tax systems. They reported that a far-sighted vision of lifting the incomes of the poorest Canadians is the true solution to securing Canada's long-term well-being and competitiveness.
- In *Canada's Northwest Territories – Can Gems and Gas Bring Sustained Growth to the North?* (December 2003), the TD Economics team argued that a number of resource-development projects, both under way and in the works, have the potential to keep the region's economy growing at full tilt for many years. Challenges and opportunities identified include the need to diversify beyond natural resources, strengthening the region's inadequate infrastructure, increasing education rates among Aboriginals, and ensuring that gains from the economic boom are spread among all residents of the Northwest Territories.

In addition to this series of research reports, TDBFG is involved in other efforts aimed at drawing attention to critical urban issues:

- TDBFG was a major sponsor and participant in the Strategies for Urban Sustainability Conference in Edmonton in September 2003, at which national leaders explored ways to enhance the quality of life and economic competitiveness of Canada's urban centres in the 21st century.

- Headquartered in Toronto, TDBFG both supports and benefits from the continued health of Canada's largest city. We are an active member of the Toronto Financial Services Alliance (TFSA), a public- and private-sector committee to promote and protect the city as a leading financial centre. We also participated in the second annual Toronto City Alliance Summit, in which community and business leaders, including former TDBFG Chairman and CEO Charlie Baillie, met to discuss pressing civic issues, ranging from transit services to public education.

More info: td.com/economics

Tackling Other Economic and Policy Issues

- Small business accounts for roughly one-third of Canada's real gross domestic product and yet there has been a distinct lack of detailed economic research into issues affecting this essential business segment. As a result, in 2003, TD Economics embarked on developing specialized economic analysis relevant to small business operators, which is available at td.com's Small Business Resource Centre.
- In November 2002, TD Economics reported on the projected costs of a university education over the next 20 years, including estimated tuition fees and living expenses. The analysis cautioned Canadian parents that they must plan early to take advantage of savings and tax-shelter opportunities to finance their children's education.
- TDBFG executives, analysts, and subject-area experts continually provide their insights as members of external committees or as speakers at conferences on a wide range of national issues. For example, in 2003, TD Economics leaders alone conducted close to 150 community presentations from coast to coast. TD Canada Trust, TD Commercial Banking, and TD Waterhouse® hosted a joint event in Montreal, "Influential Women," which brought together 150 professional women for an opportunity to interact and exchange ideas.
- TDBFG has committed to help share Canada's rich history and encouraging debate about the future shape of our civic culture by endorsing the Dominion Institute, an organization concerned about the declining study of history and citizenship in schools and the impact on our national identity.



Providing Context and Commentary

While TDBFG's economic experts typically assess global and domestic events from the perspective of borrowers and investors, throughout the crises of 2003 they provided commentary to add context to unfolding events.

"These issues matter greatly to Canadians, and they watched the news and wondered 'What does this mean to me?' and 'How will this affect our economy and my job?'" observes Don Drummond, Chief Economist and Senior Vice President. "It's their future, and we want to help them understand what it could mean to all Canadians."

Our support includes:

- A \$120,000 donation to organize the LaFontaine-Baldwin Symposium, an annual lecture and town hall co-hosted by the Dominion Institute and H.E. John Ralston Saul, to discuss issues about Canada's civic development. In 2003, the two-day event was held in Halifax, attended by 1,000 Canadians.
- Corporate sponsorship, in partnership with the federal Department of Citizenship and Immigration, of the "Passages to Canada" speakers bureau, an educational program that profiles the stories of immigrant community leaders to high school students and community groups.

Supporting the Political Process

TDBFG helps to bolster the Canadian political system every year with financial support and through participation in events and initiatives. Our advice was sought by different governments in 2003. As one example, TDBFG President and CEO Ed Clark accepted an invitation from newly elected Ontario Premier Dalton McGuinty to participate in the Premier's Transition Advisory Board, representing leaders from a cross-section of Ontario's private, academic, and not-for-profit sectors, to support the planning process and ensure that Canada's largest province is governed effectively and efficiently.

Last year, TDBFG contributed over \$312,000 to various political parties and candidates at all three levels of government across the country. This level of financial support will be reduced starting in 2004 as the result of a new federal law limiting federal political contributions by corporations.

Political Contributions

Federal level	\$149,000
Provincial level	\$151,000
Municipal level	\$12,000
Total	\$312,000

Raising Financial Literacy

To help educate consumers and small businesses about today's complex financial world, we offer a number of learning resources via our Web site and information materials in branches. TDBFG also participates in industry-wide financial literacy initiatives. For example, we are a major sponsor of the *Building a Better Understanding* program delivered through the Canadian Bankers Association. Program initiatives include:

- *Minding Your E-Business*, a free seminar to help small business owners learn about e-commerce security and privacy. In 2003, 25 seminars were held coast to coast with approximately 1,700 entrepreneurs attending, and 76 TDBFG employees volunteered 304 hours of their time to help promote the seminars.

- *There's Something About Money (TSAM)*, a free seminar program for students that teaches essential lessons in money management. In 2003, 60 TDBFG employees, volunteering 672 hours of their time, delivered 112 seminars to 3,259 high school students across the country. TDBFG now has 195 trained volunteers as part of the TSAM network, up 17% from 2002.
- An *Online E-Security and Privacy Guide* for small businesses, launched in 2003 in partnership with Industry Canada.

More info: cba.ca Canadian Bankers Association

Adding Financial Strength to Canadian Communities

Financing and Investment

TDBFG contributes to national and local economic development through its many lending and investment activities. To businesses large and small across the country, we supply necessary debt financing through loans, mortgages, and other credit facilities, in the process creating more jobs for Canadians and spurring the production of products and services. In 2003, TDBFG authorized a total of \$157.2 billion by way of debt financing to over 240,000 firms in Canada (refer to charts on page 48).

Through TD Securities®, we play a key role in assisting companies and governments to raise capital. Both debt and equity capital are raised for businesses to help them start up or expand existing operations, and we raise debt for governments to fund their operations.

A Major Taxpayer

TDBFG also makes an important economic impact as a major Canadian taxpayer. Our \$1.15 billion in income and capital taxes paid or payable in 2003 helped the federal and provincial governments provide vital services to Canadians. In addition to income and capital taxes, TDBFG also pays payroll, sales, property, business occupancy, and other taxes. The Canadian banking industry consistently ranks among the payers of the largest amount of taxes in Canada, both in absolute dollars and relative terms.



Above: Addressing the Canadian Urban Institute in October 2003, Derek Burleton is one of several TDBFG economists regularly invited to share insights at major events.

Income and Capital Taxes Paid by TDBFG in 2003

(thousands of dollars)	Income Taxes	Capital Taxes	Total
Tax Jurisdiction			
Federal	\$ 743,508	\$ 9,060	\$ 752,568
British Columbia	24,520	19,285	43,805
Alberta	23,714	0	23,714
Saskatchewan	4,074	3,106	7,180
Manitoba	5,537	3,976	9,513
Ontario	218,202	62,920	281,122
Quebec	9,273	15,465	24,738
Newfoundland and Labrador	632	756	1,388
New Brunswick	1,650	1,388	3,038
Nova Scotia	3,585	2,838	6,423
Prince Edward Island	448	326	774
Yukon	207	0	207
Northwest Territories	59	0	59
Nunavut	1	0	1
Total	\$1,035,410	\$119,120	\$1,154,530

The above figures represent the total amount of income and capital taxes paid or payable by TDBFG during its 2003 fiscal year (Nov. 1, 2002–Oct. 31, 2003), broken down by the total amounts paid or payable to federal and provincial governments.

More info: [TDBFG Annual Report 2003](#) Additional info on taxes paid

Building Corporate Social Responsibility (CSR)

At TDBFG, we have always tried to operate in a way that sustains our company's long-term viability while contributing to the nation's present and future well-being.

More and more Canadians are asking for greater transparency and socially responsible behaviour from the organizations they buy from, invest in, and work for. They are interested not only in a company's financial results but its community involvement, human rights record, impact on the environment, and treatment of employees.

At TDBFG, we believe that corporate citizenship is simply good business. CSR is an ongoing commitment, and the bar continues to be raised with higher standards and expectations. In response, we are expanding our efforts to show leadership on this important issue.

- We review CSR research and meet with experts in the field to help us understand emerging trends and identify where we may need to improve. In 2003, TDBFG became a member of the Center for Corporate Citizenship at Boston College, a leading resource in North America providing research, executive education, and convenings on citizenship topics.
- TDBFG produces several documents that provide information about our CSR performance and corporate governance practices – including this Report and our *2003 Annual Report*. This Report significantly broadens our CSR disclosure this year and incorporates international standards for CSR reporting, including the "Sustainability Reporting Guidelines" of the Global Reporting Initiative.
- While proud of our CSR performance at TDBFG, we know that some of our activities need to be better coordinated and measured so we are further integrating CSR practices within our organization.
- To encourage transparency and responsible behaviour among all sectors, we are helping to sponsor the launch of a new Conference Board of Canada initiative, the annual *National Report on CSR*. The first of its kind in Canada, the report will make an important contribution to raising the awareness of Canadian corporate citizenship and elevating performance transparency to the national stage.



Above: TDBFG continually reviews trends and best practices in corporate responsibility and community involvement, including through membership in the Centre for Corporate Citizenship at Boston College.



Photo: Taylor Studios, Kingston, Ontario

Canada's Best Bankers

TDBFG veteran Terry Wilson, Relationship Manager, Eastern Ontario Commercial Banking Group, was featured in *Profit Magazine's* 2003 review of "Canada's best bankers" for his efforts to satisfy customers by collaborating with partners across the Bank and doing what's best for the customer. This commercial banker has helped many of them grow from small start-ups to national real estate developers, health care providers, and manufacturing companies.

"To develop long-term relationships takes a sympathetic ear, being fast on your feet, and a good network behind you," notes Terry, who recently celebrated a 30-year banking relationship with a major client. "I've been in Kingston, Ontario, long enough to see some of them really grow, and that's gratifying," says Terry.

Left: Terry Wilson, Relationship Manager, Eastern Ontario Commercial Banking Group