

2004 HIGHLIGHTS:

**\$97.1 BILLION IN BUSINESS LOANS • \$2.5 BILLION SPENT
ON GOODS AND SERVICES IN CANADA • CONTRIBUTIONS
TO PUBLIC POLICY • OUTREACH PROGRAMS PROMOTING
DIVERSITY • LEADERS IN BUSINESS FORUMS**

The future matters to all Canadians

At TDBFG, we recognize that we have a vital role to play in contributing to Canada's economic, social, and civic development.

A positive future for all Canadians – and TDBFG – is dependent on the health and prosperity of our nation. That's why it's important for companies like ours to care about the society around us and take action to bring about constructive changes. As a major corporation and participant in the Canadian marketplace, we make a powerful impact in the economic life of every region and the country's long-term growth, through our roles as purchaser, employer, lender, taxpayer, and community partner. We also try to make a helpful contribution by participating in public discussions on crucial national issues, by investing our resources in economic development, and by sharing our expertise with others outside our organization.

STRENGTHENING CANADA'S DIVERSITY

Canada is among the world's most diverse nations. TDBFG helps to strengthen its rich multicultural fabric through our investment and participation in activities aimed at embracing new Canadians, fostering opportunities for minority groups, and highlighting our diverse population. As an employer, we believe it's not only right but it makes sense to have a work force representative of the customers we're serving. We have many programs in place to build and nurture a heterogeneous work force and our recruiters actively work with community organizations to reach out to various cultural groups. We're proud that visible minorities account for more than 21% of our employees, which earned us recognition by Canadian Business

magazine in 2004 as a top workplace in Canada for visible minorities (see page 54).

TDBFG is also involved in several outreach programs to help new Canadians prepare for and find work. **Career Bridge** is one such initiative. Research shows that recent skilled immigrants are having more difficulty getting into our labour market than those in previous decades because employers don't recognize their past experience. Aiming to change that, Career Bridge allows employers to help internationally educated professionals from a prescreened pool of immigrants gain valuable Canadian work experience through internship opportunities. Operated by Career Edge, a not-for-profit company, the program began as a six-month pilot initiative in Toronto in 2003, with TDBFG among participating employers, and was so successful that it expanded nationwide in 2004 as a permanent program. TDBFG has committed to providing internship opportunities to 15 candidates in 2005.

We're also involved in programs such as **Skills for Change**, a community organization that delivers pre-employment counseling and training to internationally educated individuals; and in 2004 we co-sponsored a major conference by the Progress Career Planning Institute called **Breaking Barriers, Building Bridges**.

Here are other ways in which we're working to strengthen Canada's diversity:

- **Showing leadership:** In 2004, we were a member of the Conference Board of Canada's Leaders' Dialogue on Visible Minorities, which brought together 50 senior executives from the private and public sectors to discuss solutions for maximizing the talents of visible minorities in Canada.



"In 2004, it was important for the highest levels of our organization to go across Canada and meet with people who operate small businesses. They are the backbone of the Canadian economy, found in every industry, province, and territory. To the extent that we can help small businesses be more successful, we're able to improve and grow the communities that all of us live and work in." Thomas Dyck, Senior Vice President, Small Business Banking and Merchant Services, TD Canada Trust



Tung Chan, District Vice President, Pacific Region, TD Canada Trust, volunteers as a speaker for the Dominion Institute's *Passages to Canada* program.

IMMIGRANTS PLAY A MAJOR ROLE IN CANADIAN SOCIETY. IMPARTING GREATER UNDERSTANDING AND APPRECIATION OF THEIR CONTRIBUTIONS IS THE AIM OF PASSAGES TO CANADA, A STORYTELLING INITIATIVE OF THE DOMINION INSTITUTE SUPPORTED AND FUNDED BY TDBFG AS THE SOLE CORPORATE SPONSOR.

The program is a national speaker's bureau of community leaders who have immigrated to Canada and are trained to share their experiences with schools and community groups about why they came and the contributions they have made. There is also a unique on-line database containing the names, profiles, and stories of the community leaders, as well as free curriculum-based teachers material exploring the diversity of the immigrant experience and a free guide to help prepare students for a speaker's visit.

TDBFG is continuing to support *Passages to Canada* with a \$125,000 donation in 2005 and an outreach strategy with Members of Parliament (MPs), whereby MPs and TDBFG representatives will work together to nominate community leaders as potential speakers for the program.

TDBFG has been a financial contributor to the Dominion Institute for several years. The organization is focused on researching Canadians' knowledge of the country's past and building innovative programs – such as *Passages to Canada* – that broaden appreciation of the richness and complexity of the Canadian story.



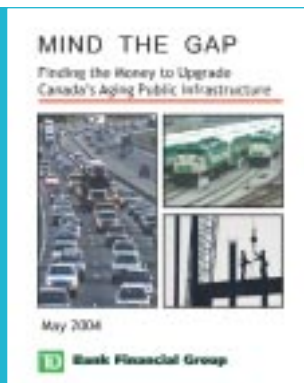
- **Anti-racism initiatives:** Racism is detrimental to our Canadian society, which is why we support the Canadian Race Relations Foundation and Scadding Court Community Centre Anti-Racism Awards, among other initiatives.
- **Scholarships:** TDBFG has supported the Harry Jerome Scholarship Fund since 1998, which awards two scholarships a year, valued at \$7,000 each, to students of African Canadian origin, based on their strong academic achievement, community leadership, and financial need. TDBFG helps Aboriginal students realize their educational goals through the Foundation for the Advancement of Aboriginal Youth (FAAY) scholarships. In total, we provided \$15,000 in 2004 to help develop the next generation of Aboriginal leaders.
- **Cultural festivals and organizations:** Preserving and celebrating one's culture is essential. That's why every year we sponsor community festivals like the Chinatown Festival and Portuguese Festival Parade in Toronto, and support culturally-oriented organizations such as the Obsidian Theatre Company, which promotes and develops the work of AfriCanadian playwrights, and the Yee Hong Community Wellness Foundation, which provides a range of services to seniors of multicultural origin.

CONTRIBUTING TO DIALOGUE ON CANADA'S FUTURE

TDBFG is actively engaged in initiatives to promote discussion and greater awareness of pressing urban and national issues.

Strong cities are linked to national well-being

Ensuring a strong future for Canadians is closely linked to the need for dynamic cities. There are many challenges, however, facing Canada's urban areas and quality of life, and one of the



Opposite page: Educated outside Canada, Bharti Zinzuwadia (left) and Vijay Sahal (right) now utilize their skills at TDBFG due to our participation in Career Bridge, an internship program that helps place new Canadians. Laurie Provost (centre) from Human Resources manages the program for TDBFG.

This page: For the past several years, TDBFG has developed special research reports designed to promote discussion of significant national issues.

greatest is inadequate infrastructure. That was the subject of a comprehensive study published by TD Economics in May 2004. Entitled *Mind the Gap: Finding the Money to Upgrade Canada's Aging Infrastructure*, the study called on policymakers to take bold actions to upgrade Canada's system of public transit, roads, water, sewers, and other public assets. Giving local governments access to a broader array of funding tools and facilitating more widespread use of public-private partnerships were among the report's recommendations.

This study represents the fifth in a special series of TD Economics reports published over the past three years. It's part of our effort to provide input to the development of public policy for revitalizing cities and raising Canada's standard of living. In addition to research studies, we're involved in a host of other activities to draw attention to issues facing cities and urban centres, such as:

- We provided funding for a major conference on affordable housing in 2004 and contributed two chapters to a new book that flowed from the conference, entitled *Finding Room: Policy Options for a Canadian Rental Housing Strategy*.
- TDBFG's two-year pledge of \$50,000 in support of Canadian Policy Research Networks is going towards its well-respected *Cities and Communities Research Program*, which is focused on studying affordable housing, income security, and other urban policy issues.
- TDBFG is actively involved in the Toronto Financial Services Alliance (TFSA), a public- and private-sector collaboration to promote and protect the city as a leading financial centre.

FACILITATING RESEARCH FOR NEIGHBOURHOOD DEVELOPMENT

Researchers at the Atkinson School of Social Work at Toronto's York University launched an initiative in January 2004 to help agencies in the troubled Jane-Finch community of Toronto develop new strategies to deal with key neighbourhood issues. The Leveraging our Strengths (LOS) project, made possible by a \$78,000 gift from TDBFG, is enabling researchers to study best practices in North America through two community activities: the PEACH (Promoting Economic Action and Community Health) Wraparound project and the Black Creek Capacity Building Project.

"Thanks to the generosity of TD Bank Financial Group, the LOS project will provide the opportunity for members of the community and members of the School of Social Work to identify and act upon community research priorities," said Rhonda Lenton, Dean of the Atkinson Faculty of Liberal and Professional Studies.

Targeting other economic issues

Our TD Economics team also conducts and shares research on other topical national issues; for example, in a report entitled *Canada's Charities: Under Pressure*, released in September 2004, they explored the real difficulties confronting charities despite their ever-widening role in our society. The study argues that if they are to meet the rising demand for their services, charities need to be better funded and equipped to attract and retain staff and volunteers. Another report, *Canadian Business Goes Global for Growth*, released in June 2004, examined how Canada's small and medium-sized enterprises are faring in the



TDBFG executives participating in a Leaders in Business forum included: Ed Clark (centre), President and CEO; Bernie Dorval (left), Co-Chair, TD Canada Trust and Executive Vice President, Business Banking and Insurance; and Don Drummond, Chief Economist and Senior Vice President.

Supporting Canada's Small Businesses

Canada's entrepreneurial leaders understand that to succeed in a global economy, knowledge is key. And building intelligence about the prospects and barriers that exist is an ongoing, necessary process.

In an effort to share our insights and make a positive contribution, TD Canada Trust hosted a series of Leaders in Business forums across Canada in 2004. The goal: to help small, medium-sized, and commercial businesses learn more about the opportunities globalization offers. The educational events, open to customers and non-customers alike, explored challenges for growth and prospects for success.

The forums were held in Calgary, Kitchener, London, Montreal, Toronto (3), and Vancouver, with more than 150 business people attending each. TDBFG executives, including Ed Clark, President and CEO, presented their insights; and participants exchanged views with them and business product experts in areas ranging from merchant services and economics to trade finance.

With feedback like "excellent, informative presentations", "great question and answer session!", and "great to see a bank that wants to hear from its customers", reaction was overwhelmingly positive. Business owners appreciated the local economic analysis, the opportunity to network with other business people, and TDBFG's commitment to helping them grow their businesses. Due to the success of the events, TDBFG plans to host forums in other Canadian cities in 2005.



TD Deputy Chief Economist, Craig Alexander, prepared a comprehensive study, entitled *Canadian Business Goes Global for Growth*, designed to provide useful insights for small businesses and governments alike.

global arena and how they can tap into other markets. The study promotes government action to encourage trade and productivity through competitive tax rates, appropriate border arrangements, and ensuring an adequate infrastructure.

TDBFG executives and subject-matter experts continually provide their insights as members of external committees; for example, TDBFG is a participant on the **Global Roundtable on Addiction and Mental Health**, which brings together business leaders and health practitioners to study and develop solutions for mental well-being, a significant workplace health issue. We're also contributing \$50,000 annually for three years.

More info: td.com/economics

SUPPORTING THE CANADIAN POLITICAL SYSTEM

At TDBFG, we make political contributions in support of the Canadian democratic process. In 2004, TDBFG provided \$220,000 to various political parties and candidates across the country. This is down from \$312,000 we contributed in 2003 due to a new law introduced last year limiting federal political contributions by corporations. Besides funding, TDBFG helps to bolster the Canadian political system every year through input into the public policy process and by funding activities to further political learning. For instance:

- TDBFG supports the federal *Parliamentary Internship Programme* and the *Ontario Legislature Internship Programme*. Both of these initiatives provide a rich academic and practical work experience for university students throughout the country, offering an opportunity to see how the parliamentary process works.

- We support the **Forum for Young Canadians**, which brings students from across Canada to Ottawa each spring to spend a week on Parliament Hill and experience first-hand how the national government works.
- The **Arthur Kroeger College of Public Affairs Leadership Forum** at Carleton University in Ottawa is another initiative we support. It brings together leaders from the private, public, and voluntary sectors to discuss perspectives on fundamental issues of national importance.
- TDBFG's Chief Economist, Don Drummond, was invited to be a member of Premier Dalton McGuinty's **Postsecondary Review Advisory Panel**, set up by the Ontario government in 2004 to review the design and funding of the province's postsecondary education system.

TDBFG Political Contributions

	2004	2003
Federal level*	\$ 75,000	\$ 149,000
Provincial level	140,000	151,000
Municipal level	5,000	12,000
Total	\$ 220,000	\$ 312,000

* Donated during first fiscal quarter in 2004. Federal donations were discontinued in 2004 as a result of changes in federal political financing rules.

ADVANCING ECONOMIC DEVELOPMENT

TDBFG operates in every region of Canada and plays an important role in the economic life of communities and the people and businesses we deal with every day.

Supporting our suppliers and job creation

In addition to directly employing more than 40,000 people across the country, TDBFG indirectly supports thousands of other jobs in various sectors through our role as a major purchaser of goods and services. We spent approximately \$3.0 billion in North America on goods and services from outside suppliers, ranging from information technology to office supplies. Of this total, almost \$2.5 billion was spent in Canada. In choosing our vendors, we encourage the use of local suppliers in procurement and apply a best practices selection methodology that ensures a fair, transparent, and defensible process for our supplier community.

Helping Canadian businesses grow

TDBFG contributes to national and local economic development through our many lending and investment activities. To businesses large and small across the country, we play a role in their economic growth, supplying loans, mortgages, and other



TDBFG makes a significant contribution to the economic well-being of the communities in which we operate. As a major lender, we help people finance their dreams such as the purchase and construction of a home.

necessary financing. This creates and sustains jobs in the process, spurs the production of products, and stimulates innovation and growth.

In 2004, we authorized a total of \$97.1 billion by way of debt financing to more than 222,000 firms in Canada (refer to the tables on page 13). Through TD Securities®, we play a key role in raising debt and equity capital to help large companies commence or expand their businesses, and we raise debt for governments to fund their programs.

Small businesses, an important engine fuelling national growth, are a particular focus for TD Canada Trust, representing over 90% of our business borrowing customers. In fact, we have the second-largest portfolio of small business customers among Canadian banks. Year in and year out, TDBFG consistently stands behind small businesses, aiding their start-up and development by offering diverse, innovative, and flexible financing products and programs, sometimes through collaboration with governments and local organizations (see page 44).

Our support of Canadian businesses extends beyond loans and financial products and services since informed and progressive business leadership is essential too. We provide assistance to educational programs that enable businesses from all sectors to broaden their perspectives and expand their networks. In 2004, we hosted a series of **Leaders in Business** learning forums across Canada to explore timely growth issues (see page 10). We also reaffirmed our support of the agricultural industry by becoming a lead sponsor of the **Advanced Agricultural Leadership Program** in Ontario. This is a series of seminars that help participants hone their leadership skills, increase their knowledge of the agri-food system, and share different perspectives on the challenges of feeding a changing world.

A Major Taxpayer

TDBFG also makes a valuable economic impact as a major Canadian taxpayer. Our tax dollars help the federal and provincial governments provide vital services to Canadians. We paid a total of \$1.01 billion in income and capital taxes in 2004. The Canadian banking industry consistently ranks among the payers of the largest amount of taxes in Canada, both in absolute dollars and relative terms.

More info: TDBFG Annual Report 2004: Additional info on taxes paid

Income and Capital Taxes Paid by TDBFG in 2004

(thousands of dollars)	Income Taxes	Capital Taxes	Total
Tax Jurisdiction			
Federal	\$663,943	\$ 11,144	\$ 675,087
British Columbia	19,272	18,712	37,984
Alberta	19,648	-	19,648
Saskatchewan	2,663	2,506	5,169
Manitoba	3,387	6,101	9,488
Ontario	172,767	58,413	231,180
Quebec	6,338	14,930	21,268
Newfoundland and Labrador	466	660	1,126
New Brunswick	1,291	1,335	2,626
Nova Scotia	2,803	2,801	5,604
Prince Edward Island	309	400	709
Yukon Territory	139	-	139
Northwest Territories	53	-	53
Nunavut	0	-	0
Total	\$893,079	\$117,002	\$1,010,081

The above figures represent the total amount of income and capital taxes paid or payable by TDBFG during its 2004 fiscal year (Nov. 1, 2003–Oct. 31, 2004), broken down by the total amounts paid or payable to federal and provincial governments.

TDBFG DEBT FINANCING TO BUSINESSES IN CANADA

Total Amount Authorized to Firms in Canada

(thousands of dollars)	\$0– \$24,999	\$25,000– \$99,999	\$100,000– \$249,999	\$250,000– \$499,999	\$500,000– \$999,999	\$1,000,000– \$4,999,999	\$5,000,000 or more	Total
Province/Territory								
Alberta	\$255,645	\$390,068	\$460,821	\$409,994	\$383,205	\$936,409	\$2,839,071	\$5,675,213
British Columbia	259,030	234,441	279,567	268,504	255,408	820,063	2,111,607	4,228,620
Manitoba	43,853	67,475	90,046	88,996	101,846	280,568	1,006,753	1,679,537
New Brunswick	21,098	22,795	22,484	19,124	11,344	18,909	98,807	214,561
Newfoundland and Labrador	4,980	11,732	16,717	14,140	10,209	22,308	11,952	92,038
Nova Scotia	33,346	33,348	30,571	27,621	36,850	81,820	493,601	737,157
Ontario	1,168,407	1,193,706	1,524,850	1,368,720	1,495,792	4,170,354	69,670,063	80,591,892
Prince Edward Island	4,210	5,763	7,662	9,796	7,777	18,742	6,636	60,586
Quebec	107,874	130,408	227,293	234,825	221,862	713,145	1,386,790	3,022,197
Saskatchewan	44,419	84,021	123,030	97,457	76,894	116,326	208,778	750,925
Territories	7,406	3,973	7,319	4,973	4,079	14,358	–	42,108
TOTAL	\$1,950,268	\$2,177,730	\$2,790,360	\$2,544,150	\$2,605,266	\$7,193,002	\$77,834,058	\$97,094,834

Number of Firms in Canada to Whom Debt Financing Was Authorized

	\$0– \$24,999	\$25,000– \$99,999	\$100,000– \$249,999	\$250,000– \$499,999	\$500,000– \$999,999	\$1,000,000– \$4,999,999	\$5,000,000 or more	Total
Province/Territory								
Alberta	18,828	7,739	2,998	1,210	563	487	156	31,981
British Columbia	19,469	4,752	1,870	799	378	379	125	27,772
Manitoba	2,877	1,285	581	258	150	132	60	5,343
New Brunswick	1,452	454	159	55	16	10	6	2,152
Newfoundland and Labrador	587	250	109	39	15	13	#	1,013
Nova Scotia	1,982	668	203	82	56	35	23	3,049
Ontario	88,189	24,174	9,942	4,038	2,224	2,007	1,259	131,833
Prince Edward Island	287	116	54	28	11	9	#	505
Quebec	7,141	2,505	1,485	713	321	345	113	12,623
Saskatchewan	2,783	1,547	790	288	115	57	13	5,593
Territories	232	73	49	14	6	7	–	381
TOTAL	143,827	43,563	18,240	7,524	3,855	3,481	1,758	222,248

Notes:

The above authorizations are based on fiscal year end balances as at October 31, 2004. In prior reports authorizations were based on gross authorizations made available throughout the fiscal period.

Indicates that data have not been reported to protect the privacy of individual borrowers, who might otherwise be identifiable. Information for the Yukon, Northwest Territories, and Nunavut has been consolidated for the same reason in both debt financing charts.