

2004 HIGHLIGHTS:

**INDUSTRY-LEADING BRANCH HOURS • TOP-RATED WEB
BANKING AND BROKERAGE SERVICES • 1,004 BRANCHES
AND 2,462 ABMS, • APPROXIMATELY 13 MILLION CUSTOMERS
WORLDWIDE • 540,000 SMALL BUSINESS CUSTOMERS**

The future matters to our customers

Our customers are why we exist, so paying serious attention to what counts to them is the overarching focus that propels our business.

Customer satisfaction. We're acutely aware it's one of our most cherished assets, so we expend every effort to be a leader in delivering it. Excelling in customer satisfaction means more than just being a financial services provider for the individuals, families, companies, and organizations that give us the privilege of having their business. Customers want us not only to help them manage their day-to-day money, but also to assist them in building their financial futures and make them feel comfortable dealing with us – secure, respected, important. We know this through continual research and surveying we do to learn about our customers' experiences with us and their evolving preferences.

This section highlights some of the services, policies, and practices we've established, including those introduced in 2004, to strengthen customer loyalty and ensure we always remain focused on satisfying the present and future needs of customers.

ACHIEVING FINANCIAL GOALS

At TDBFG, the customers we serve have a far-reaching span of financial goals. We've responded by offering a wide choice of flexible and accessible products and services. Among the most diversified financial companies in North America – providing personal, commercial, and wealth management

services for individuals, and capital markets expertise for corporate and institutional clients – we're also a leader in many areas and continually recognized by outside organizations for our achievements. For example:

- Our Personal and Commercial Banking franchise, TD Canada Trust, is well-known for industry-best branch hours – open an average of 14 hours more each week than our major bank competitors – and consistently receives awards for delivering a comfortable customer experience through its various service channels.
- Our Wholesale Banking operation is a leading Canadian franchise serving corporate, government, and institutional clients around the world.
- Wealth Management, which comprises our mutual funds, discount brokerage, financial planning, and investment management businesses, is one of Canada's largest asset managers, advisers, and distributors of investment products. The investment industry recently selected TD Mutual Funds as "Fund Company of the Year", at the 10th annual Canadian Investment Awards in December 2004. This coveted award is granted to the fund company that demonstrates excellence in a range of categories including performance, management, and breadth of core fund offerings.



"My job is focused on identifying and ensuring we have accessible banking services for our customers. Accommodating all customers is something I feel strongly about, and it's a strategic priority at TDBFG, demonstrating the importance we place on ensuring a comfortable banking experience. Implementing design elements aimed at physical and/or technological accessibility produces a much more inclusive environment for the present and the future." Martha Johnson, Manager, Accessibility



AWARD-WINNING INTERNET BANKING

ON TOP OF BEING CONSISTENTLY RECOGNIZED AS A LEADER IN BRANCH BANKING, TD CANADA TRUST HAS CANADA'S NUMBER ONE INTERNET BANKING SERVICE, EASYWEB, WITH MORE THAN 4.5 MILLION WEB-BANKING CUSTOMERS.

In 2004, we won "Best Consumer Internet Bank in Canada" and "Best Consumer Integrated Site in North America" as part of the fifth annual World's Best Internet Banks competition held by Global Finance, an international financial magazine. This adds to recent awards from Speer & Associates and Investment Executive.

In the Canadian Interactive Reid Report (Summer 2004) published by Ipsos Reid, EasyWeb™ placed first in online banking satisfaction among the major Canadian banks. In the same report, TD Canada Trust was number one in online usage, making it Canada's most popular online financial institution.



Our different businesses are always evolving and continue to fine-tune and widen their product offerings for customers. Here are some highlights from 2004:

- TD Mutual Funds expanded its line-up of fund choices for investors with eight new mutual funds.
- To make home, vehicle, and other purchases easier for customers, TD Canada Trust launched several new credit products – the High Ratio Home Equity Line of Credit, the first of its kind among major Canadian banks that lets customers access up to 90% of the value of their home; the No Down Payment Mortgage; and the Payment Advantage Auto Loan™, which is similar to a lease, but eligible customers own their vehicle and can pay off the loan at any time or return the vehicle.

IMPROVING THROUGH STRATEGIC CHANGES

Growing our customer base

In October 2003 we purchased 57 Laurentian Bank branches in Ontario and Western Canada. During 2004 we successfully integrated the branches within our network and welcomed the holders of 140,000 accounts and hundreds of employees into our organization. Fifty-two of the branches merged into 52 existing TD Canada Trust locations, and the remaining five branches stayed in their location but now operate under the TD Canada Trust banner.

Laurentian customers were kept informed at all times of our progress, received a personalized guide explaining the changes they'd see to their specific products, and had access to a dedicated toll-free number to ask questions. Based on feedback, our new Laurentian-heritage customers are pleased overall with the



Opposite page: Bonnie Lutes (left) of TD Canada Trust helps Kathy Shultz of Laurentian Bank get ready for conversion/merger weekend.

This page: TD Waterhouse opened new, state-of-the-art investor centres in Quebec City and West Vancouver, offering investors access to free educational seminars, financial planning advice, WebBroker trading, and real-time data feeds from stock exchanges.

high level of service, which in many cases is being provided by Laurentian-heritage employees. We had anticipated that integration would result in reduced hours or the elimination of at least 250 jobs; we were able to minimize the overall loss to 150 jobs.

Pursuing growth opportunities in the U.S.

In August 2004, TDBFG signed a definitive agreement to acquire majority interest in New England-based Banknorth Group, Inc., one of the 30 largest publicly traded personal and commercial banks in the U.S. and recognized by Forbes magazine as the best-managed bank in America. The acquisition will provide TDBFG with a significant personal and commercial banking footprint in the U.S. The acquisition is subject to shareholder and regulatory approval.

LISTENING TO OUR CUSTOMERS

At TDBFG, we have clear and open communication channels in place for our customers. We want to be recognized as a company that listens to its customers....and responds.

Survey a key feedback tool

How do we know if our service is up to par? We find out by frequently surveying our customers. It's part of our focus of paying serious attention to what counts to our customers. We need to know what we're doing right and where we're falling short, so TD Canada Trust continually monitors service quality through Customer Service Index (CSI) research. Customers are surveyed within a few days of their banking experience in our branches or

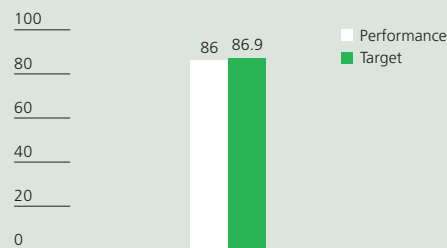
via telephone, electronic channels, or business banking services. Each year, we set targets linking customer service levels to employee compensation.

In 2004, approximately 400,000 customers were surveyed and, on a corporate composite basis, we surpassed our 2003 results and nearly achieved our 2004 target. The categories in which we performed particularly well (exceeding scores of 95%) included:

- treating customers in a respectful manner;
- processing transactions quickly and accurately;
- handling customer requests; and
- giving undivided attention.

We learned that the customer sales experience can be further improved in terms of giving advice based on customers' needs, helping customers work toward achieving their goals, and explaining services in a way that is easy to understand.

**Customer Service Index (CSI) Scores
TD Canada Trust**





This page: TD Securities traders successfully launched the largest ever single Canadian government bond on behalf of Canada Housing Trust, helping to sell out the mammoth \$5.5 billion transaction at record speed.

Opposite page: In 2004, we enhanced many of our administrative procedures so that employees like Financial Advisor Margaret Hiscock could devote more time interacting with customers.

Resolving customers' concerns

To ensure that problems are addressed in a consistent and comfortable way, we have a comprehensive Customer Problem Resolution Process in place, which is described in our *If you have a Problem or Concern...* brochure. Enhancing the problem resolution experience is an ongoing endeavour, and every year we continue to make improvements based on customer feedback. In 2004, we provided additional training for employees and we also worked on building a specific computer system that employees at all levels could use to better record, manage, and track the resolution of customers' problems.

The majority of customer problems are resolved by the front line employees and management of the business unit where the customer deals, however, for problems that remain unresolved, customers can contact the TD Office of the Ombudsman. The Ombudsman acts as an independent intermediary between customers and TDBFG, striving to resolve all problems fairly and impartially.

In 2004, 174 new files were opened for investigation by the Ombudsman's office, dealing with processing and transaction issues across TDBFG's product base. In 36% of these cases, the TD Ombudsman ruled in full or partial agreement with the customer. Investigations opened by the TD Ombudsman were down 40% from the 285 investigations opened in 2003, in part due to changes made in some of the business units that have successfully addressed ongoing issues. A total of 47 files investigated by the TD Ombudsman were escalated by customers to the financial industry's Ombudsman for Banking Services and

Investments (OBSI), representing a decrease of 11% from the 53 files escalated in 2003.

More info: td.com/ombudsman_report.jsp

Continuous improvement in making customers comfortable

Internal studies indicate our branches spend too much time performing non-customer-facing or administrative duties. To address this challenge, we've been streamlining many of our procedures so employees can spend more time with customers. Some major enhancements realized in 2004, including a new, improved Bank Account Opening process and the elimination of unnecessary time-consuming branch activities, have created hundreds of thousands of hours employees can now use to serve customers. There are many technological enhancements planned for 2005, such as upgrades to our mutual fund and loan systems, that will improve branch processes and continue enhancing the overall customer experience.

PROTECTING OUR CUSTOMERS

We're dedicated to helping our customers conduct their financial affairs in a safe, private manner.

Privacy

TDBFG is one of the top nine most trusted companies in Canada when it comes to customer privacy, according to a September 2004 survey of Canadian consumers by the U.S.-based Poneman



Institute. We've had a Privacy Code since the early 1990s, and our policies and practices comply with applicable federal and provincial privacy laws about the collection, use, disclosure, and protection of personal information. An executive privacy council and management committees regularly review Bank operations to ensure privacy compliance.

More info: td.com/privacy

Information Security

A dedicated team of more than 60 security professionals have specific responsibility for ensuring that there are thorough security standards to protect our systems and customer information against unauthorized access and use. This group keeps up to date with ever-evolving security issues, tools, and methodologies and ensures that appropriate security controls are built into our procedures and software. They also facilitate efforts to minimize service disruptions to customers in the unlikely event of virus hits on computer systems.

More info: td.com/security

Anti-Money Laundering

TDBFG has comprehensive policies and programs in place to combat the serious international problems of money laundering and terrorist financing, estimated at \$17 billion per year in Canada alone. Working closely with industry and government organizations, such as the Financial Transactions and Reports Analysis Centre of Canada, we build our deterrence and detec-

tion infrastructure on an ongoing basis with employee training in anti-money laundering and terrorist financing procedures, risk management measures, and sophisticated tracking tools to monitor suspicious transaction activity.

TDBFG has implemented the procedures outlined in the Canadian government's Proceeds of Crime (Money Laundering) and Terrorist Financing Act. This Act sets out requirements for financial institutions, including: client identification; retention of files; and reporting and record-keeping requirements for large cash transactions, suspicious transactions, and international electronic funds transfers. TDBFG also participates actively in the Canadian Bankers Association's Bank Crime Prevention and Investigation Office, the purpose of which is to protect bank customers against financial crime including money laundering, terrorist financing, and credit and debit card fraud.

Federal Consumer Protection Measures

TDBFG implements the federal government's consumer protection measures for financial institutions. These cover clear and timely disclosure of charges, terms, interest rates, and conditions; acceptable sales processes; customer problem resolution procedures; and branch closures, among other things. We're committed to respecting each customer's right to freely choose financial products, services, and providers, and to providing information to enable educated decisions. TDBFG also meets federal government Access to Basic Banking Services (ABBS) regulations, which spell out identification requirements to open new personal deposit accounts and cash federal government cheques. TDBFG works hard to ensure our compliance with these measures at all times by implementing policies, ongoing assessment procedures, and organization-wide training.

More info: td.com/customer.jsp

Employee Ethics

To uphold the highest standard of ethical business and personal conduct at all times, our people are bound by TDBFG's formal code of ethics as a condition of employment. Known as our "Guidelines of Conduct and General Regulations," they state the fundamental principles, norms, and behaviours that are expected of all employees, officers, and directors worldwide in the course of their jobs; in particular, dealing with customers and customer information. These include policies on: bribery; corruption; theft; substance abuse; money laundering; trading



Left: Janet Howel, Regional Risk Advisor, TD Canada Trust, Ontario Central Region conducts a “lunch and learn” workshop with employees to review things like fraud detection tips and the latest process improvements.

Right: TD Asset Management’s Margot Naudie (left), who successfully manages several mutual funds in the energy and resources sectors, checks in with equity trader Judy Nishimura to keep up on market trends.

Opposite page: Ensuring our ABMs and branches are accessible to all customers is an ongoing priority at TDBFG.

on inside information; commission sharing; harassment and discrimination in the workplace; confidentiality of customer information; among others.

We have an annual online attestation process in place to ensure all employees sign and acknowledge their understanding of these and other key policies. Any breach of these policies included in the annual attestation is considered a serious offence that may lead to dismissal. Employees are obligated to report, in a timely fashion, any possible violations of the Guidelines of Conduct they may witness. In November 2004, we launched a “Financial Matters Whistleblower Program,” a new way for any TDBFG employee anywhere in the world to raise concerns about the integrity of TDBFG’s accounting, internal controls, or auditing matters. Through this program, employees can report concerns to EthicsPoint, an independent, third-party vendor providing a confidential and anonymous reporting channel.

Industry Codes of Conduct

TDBFG also adheres to industry-level codes, including:

- The Canadian Code of Practice for Consumer Debit Card Services, which outlines industry obligations and the rights and responsibilities of consumers when using their debit cards in Canada;
- Principles of Consumer Protection for Electronic Commerce, which provides a framework for commerce over open networks, including the Internet;
- Code of Conduct for Authorized Insurance Activities, a set of minimum standards for bank representatives who promote authorized insurance products in Canada; and

- Model Code for Bank Relations with Small and Medium-Sized Businesses, which sets out minimum standards for bank dealings with small business.

ENSURING ACCESS TO FINANCIAL SERVICES

Our commitment to serving customers with diverse needs is underscored by our drive to deliver a comfortable, inclusive banking experience to all customers, including persons with disabilities, those with modest or no income, and seniors.

At TDBFG, we have many initiatives in place to help make our products and services accessible to everyone. There’s much more work we need to do and in 2004 we created a new position dedicated to providing expertise on issues that affect customers with disabilities and to developing programs to enhance accessibility. Here’s a glance at some of our existing activities:

- We offer monthly personal account statements in either Braille or a larger font on request for customers with visual impairments.
- Many customers with disabilities appreciate our EasyLine™ telephone banking service as a convenient way to manage their personal finances.
- We also have TTY terminals – teletype devices that use written text for communication with our customers who are deaf, deafened, or hard of hearing. Our monthly statements now include the TTY phone number.



- Most of our more than 1,000 ABMs are wheelchair-accessible and incorporate lower screens and buttons, plus partial shelves to accommodate wheelchairs. In 2004, we installed Braille keypads at 100 ABMs across Canada. We're also on target for implementing the device guidelines of the Canadian Standards Association's Barrier Free Design for ABMs (B651.1) by October 2006. To this end, we're planning a host of new ABM features such as audio capability, larger screen fonts and receipts, and graphic textile (raised letters).
- We're constantly upgrading our facilities to improve customer accessibility, including 64 projects undertaken at our retail branches last year ranging from upgrading automatic door operators to creating barrier-free teller stations. All new branches and facilities that we open are designed to be completely accessible and include automated-accessible doors, vestibules and washrooms; wheelchair-friendly ramps, vaults, and service areas; side-access ABMs accessible from wheelchairs; and, where parking is provided, at least one parking space designated for customers with disabilities.
- For customers with modest or no income, we strive to deliver a simple, straightforward account opening process and offer a very affordable Value Account as part of our commitment to the Government of Canada to ensure a basic, low-fee banking plan is available.
- For customers 60 and over, we provide the Plan 60 chequing account, which features free services and discounts, including no monthly fee and unlimited full-serve or self-serve transactions.

- Extended TD Canada Trust service hours, including early morning, evening, or Saturday service at many locations, are an important part of our comfortable experience philosophy. Our hours of service continue to distinguish us from our competitors, as TD Canada Trust branches are open an average of 49 hours per week compared to an average of 35 hours per week at our major bank competitors.

REACHING ALL CULTURES

Our customers come from diverse cultural backgrounds, so we try to tailor our services for the distinct needs of each community. In certain geographic areas we actively recruit employees who can serve customers in their language of choice, and offer ABM service in Chinese, Italian, and Portuguese, as well as French and English. To meet the needs of Canada's growing Asian community, we provide Mandarin and Cantonese EasyLine toll-free numbers, offer a range of our product and marketing information in Chinese, and have over 110 Chinese-oriented branches.

To serve members of Canada's Aboriginal communities, TD Bank and Saskatchewan Indian Equity Foundation Inc. (owned by the member nations of the Federation of Saskatchewan Indian Nations) formed a strategic alliance in 1996 to create **First Nations Bank of Canada**. First Nations Bank is a financial institution conceived and marketed by Aboriginal people, for Aboriginal people, with approximately 68% of the staff of

TRAINING PROJECT STRENGTHENS CUSTOMER SAFEGUARDS

Being knowledgeable about financial products and skilled at providing good customer service are job requirements for TDBFG employees on the front lines. Plus our people must also be up-to-speed on customer protection issues to ensure the interests of our customers are safeguarded at all times. This involves understanding numerous, often complex consumer protection regulations that apply to financial institutions and being alert to ways of protecting customers and TDBFG against financial fraud.

To emphasize and enhance our focus on customer protection, during 2004 TDBFG rolled out to more than 40,000 employees a massive new online training program. The program consists of three courses dealing with (i) anti-money laundering, (ii) privacy protection, and (iii) federal consumer protection measures. This new training updates and strengthens previous learning materials and is more accessible to staff. New employees take the courses as part of their initiation and existing staff take refresher training regularly.



Reaching out to our multicultural population, we try to offer services to meet the needs of each community. For example, we make a range of our product and marketing information available in Chinese.

Aboriginal descent. It is the first Canadian bank with exclusively Aboriginal common share ownership and has been growing steadily since inception, attracting Aboriginal customers, as well as contributing to Aboriginal economic development.

First Nations Bank offers a full range of personal and business banking services and operates four full-service branches – in Winnipeg, Manitoba; Saskatoon, Saskatchewan; Walpole Island, Ontario; and Chisasibi, Quebec. In 2004 a First Nations Bank employee was posted at the TD Canada Trust branch in Whitehorse, Yukon, to service customers in that market. In an effort to provide access to financial services in small rural Aboriginal communities, First Nations Bank also operates two Community Banking Centres in conjunction with local bands on reserves in Nemaska, Quebec, and Dillon, Saskatchewan. These “mini-bank” facilities provide basic deposit and withdrawal services.

More info: firstnationsbank.com

WORKING HARD FOR SMALL BUSINESS

TDBFG has the second-largest number of small business customers among Canadian banks – more than 540,000 across Canada. In 2004, we authorized over \$9.4 billion in financing of \$500,000 or less and \$4.1 billion in financing of less than \$100,000.

Small businesses matter. According to Statistics Canada, the small business sector creates 70% of all new jobs in the economy and employs a full 55% of working Canadians.

A true engine of economic prosperity, small businesses – from self-employed professionals to family enterprises – work hard to make their ventures as successful as possible. At TDBFG, we believe it's our responsibility to work just as hard to help them achieve their goals. Having a strong working relationship with their bank is important to their company and fundamental to its growth.

Access to financing

Our commitment to small business starts by facilitating access to credit. Quick, flexible financing tops the wish list of most entrepreneurs. That's why we've made our application process and information requirements streamlined and easy to understand – in many cases, it takes only minutes to approve business credit up to \$20,000. For larger amounts, credit decisions are made within 24 hours 95% of the time. Our products include secured and unsecured loans, lines of credit, and business mortgages, as well as specialized products and programs for farmers. New and renewed small business financing initiatives in 2004 consisted of the following:

- TD Canada Trust continued its participation in the federal government's Canada Small Business Financing Loan program. Businesses with annual revenue of \$5 million or less can apply for loans up to \$250,000 to finance up to 90% of equipment, leaseholds, or property purchases.
- A direct marketing venture was introduced in Quebec to provide small business access to credit in a fast, easy format. New customers were able to call a bilingual toll-free number and receive a credit decision in minutes.



Small businesses are an important customer group for TDBFG. We provide a wide range of products, services, and resources to help them start and grow their business.

- TD Canada Trust continued to offer and promote via advertising the 1% Below Prime Small Business Loan program as part of the Ontario government's Small Business Investment Tax Credit (SBITC). The loan offered a special no-hassle low rate for companies with less than \$500,000 in total assets and gross revenues.
- Participation in the P.E.I. Entrepreneur Loan Program was extended, offering government-guaranteed loans up to \$25,000 for new or existing small businesses in Prince Edward Island with sales up to \$1 million. Also, students operating a business in P.E.I. are able to apply for a \$3,000 government-guaranteed loan for the summer months with full repayment due October 31 of the year in which the loan was made.
- We renewed our involvement in the Manitoba Start program, offering a three-day business planning workshop and government-guaranteed loans up to \$10,000 to Manitobans who are either ready to launch a new business or who have been in operation for less than six months.
- We're always looking for ways to provide business the larger credit they require to improve business efficiency. We contacted 19,000 small business owners for a unique credit and deposit offer designed for borrowing needs up to \$250,000.

Specialized business services

Credit solutions are only part of what we offer. To fulfill their dreams, small business owners need banking service that's quick, efficient, and error-free. We make it easier for busy owners to

take care of their financial affairs around the clock with longer branch hours than our major competitors, Business Tellers in half of our branches, and EasyLine and EasyWeb, our convenient phone and highly rated Web banking services.

The sales people in all our retail branches are trained and equipped to meet the everyday banking needs of small businesses and their owners. Our sales people are supported by a group of several hundred small business and agricultural specialists. We also have a host of helpful tools available, such as our online Small Business Resource Centre, and our experts frequently share their knowledge with small business owners at seminars and conferences (see page 12).

We listen to small business

As with our personal customers, we regularly undertake research into the issues and concerns affecting our business clients – including through Customer Service Index surveying (see page 39) and Customer Panel processes whereby branch managers convene with four to five business owners at a time to get feedback and suggestions on how we can improve. We know that each moment counts for time-pressed entrepreneurs, so we're constantly looking for ways to speed up our processes. In 2004 we set up a new account opening system to make business account opening faster and easier.

More info: tdcanadatrust.com/smallbusiness