

Sharing knowledge across generations

In 2001, Nozithelo Ncube (left) fled political unrest in her native Zimbabwe to seek refuge in Canada. Since then she has focused on raising a daughter alone and integrating into her new society. She joined an Ottawa-area women's group, has volunteered for a hospital and is active in the Passages to Canada Speakers' Bureau. This is a national initiative, supported by TD, where immigrants and refugees share their stories of coming to Canada with youth and community groups.



Involved with *Canadians*

With our origins predating Confederation, TD and Canada have evolved together. We're proud of our involvement in helping to develop cities, communities and the country as a whole over multiple generations.

As a beneficiary of and contributor to Canadian society, we have a natural interest in the country's well-being, not just our own. TD's business is only as strong as the communities and economies in which we operate.

We make a positive impact that's highlighted by our everyday contributions to community economic development and job creation, not just through the loans and investments we make, but also as a major employer, taxpayer, supplier and purchaser. Another way we are making a difference is through our active involvement in community projects outside our organization, such as diversity outreach programs and public policy discussions on making Canada's cities vibrant and strong.

2005 Highlights

- **Supported the Canadian economy through \$112.3 billion in loans to businesses and \$3.6 billion spent on goods and services from suppliers.**
- **Made a three-year commitment of \$540,000 for a mentoring program to help new Canadians prepare for the work force.**
- **Contributed insights on revitalizing Canada's cities with new studies on welfare reform and productivity.**



Proactive for Our Cities

Should corporations care about civic matters? Can they play a role in tackling tough societal issues like welfare, poverty and the reform of cities? At TD, we believe that the resources and knowledge of business can be applied to address challenges facing society and that stepping forward beyond our walls is a must. One such challenge is urban renewal, and TD has been very publicly involved in this area.

Generating ideas for urban renewal

A few years ago, TD laid out a goal for Canadians: to raise the country's standard of living above U.S. levels within 15 years. In 2002, we hosted the TD Forum on Canada's Standard of Living, which brought together Canadians from all walks of life to develop practical suggestions for how to translate the standard of living challenge into reality.

In support of that goal, our in-house economics team, TD Economics, has been busy focusing on ways of strengthening cities and urban centres – which are the locus of economic activity and population growth in the country and the main battleground where the standard of living challenge will be won or lost. Deteriorating urban infrastructure, unused immigration talent, lack of affordable housing and a widening gap between rich and poor are all factors impeding economic progress.

“Poverty advocates have been speaking of similar ideas for years. But change is never going to happen until we engage all sectors of our society in the debate. By weighing in, Drummond and the TD Bank Financial Group have given the cause of poverty relief new credibility and a greater sense of urgency.”

Helen Connell

*executive director of the United Way
of London and Middlesex
and regular columnist for The London Free Press*

To raise awareness of the problems and generate ideas for change, TD Economics has published a series of important studies over the past few years, including three in 2005:

- **Canada's Productivity Challenge:** TD Economics prepared a “scorecard” to keep a spotlight on the standard of living issue. The verdict? The gap between real Canada-U.S. per capita income has narrowed only slightly. In fact, the country's productivity – as measured by output per hour worked – came to a virtual standstill in 2003 and 2004. “Productivity has been tepid in terms of absolute growth rates and relative to the growth and levels recorded in other major economies. If the trend is not reversed Canadian income and employment growth will be undermined, and this, in turn, could jeopardize Canada's social system as demographic pressures mount,” stated the report.
- **Welfare to Work in Ontario: Still the Road Less Travelled:** Inspired by, and contributing to, the work of the Task Force on Modernizing Income Security for Working Age Adults, this major paper was praised by journalists, economists and various politicians. It identified failings in the present income security system and laid out a road map for reform. The study said that “decisions about the amount of income support to provide have to be balanced by careful consideration of how this support will affect recipients' motivation to find and maintain employment.”
- **An Investor Approach to Charitable Giving:** Charities play a vital role in society, especially in cities, but are facing intense pressure finding skilled staff and stable financing. Last year TD Economics published a third study on charities, this time focusing on what donors can do. “Canadians can be more effective in their philanthropic efforts if they treat them as investments,” the report said. Charities can benefit tremendously, for instance, when individuals make regular, consistent donations.

Multi-stakeholder collaboration

Consistent with our commitment to empowering Canadian cities, TD is a key participant (as a member, sponsor or both) in multi-stakeholder initiatives focused on civic issues. Examples include:

- **Canadian Urban Institute:** Through research and events, this not-for-profit group works to connect people, money and ideas to projects that advance the understanding of urban agendas.
- **Institute on Municipal Finance and Governance:** This new program of the University of Toronto's Munk Centre for International Studies facilitates research on public policy issues. TD's financial commitment was recognized as crucial to getting the Institute off the ground and in contributing to public policy on cities in Canada.
- **Support for our home city:** Headquartered in Toronto, TD both supports and benefits from the continued health of Canada's largest city. For instance, we are an active member of the Toronto Financial Services Alliance, a public-private sector collaboration to protect and enhance the city as a leading financial centre. TD's Chief Economist was a member of an advisory panel to the Toronto Board of Trade (TBOT) last year, which helped the TBOT develop a position on revisions to the *City of Toronto Act*.
- **Canadian Ditchley Foundation (CDF):** TD is a long-time sponsor of CDF, including their 2005 conference held in Canada on the subject of the world's cities. CDF brings together senior people from academia, government and industry to discuss policy issues of common concern.

More info: td.com/economics



This historic building in Montreal had operated as a TD branch since 1903. We donated the facility to Concordia University last year to play an integral role in the school's expansion plans, underscoring our commitment to education and neighbourhood revitalization.



TD's Don Drummond, Chief Economist, and Gillian Manning, Economist, co-authored a highly praised research study on welfare reform.

Celebrating 150 Years with Canadians



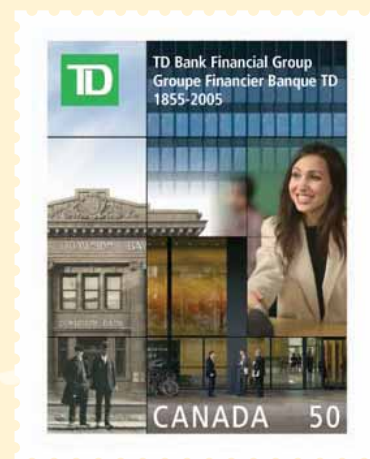
“We’ve served generations of Canadians and are privileged to have been part of Canada’s creation and growth.”

Ed Clark

President and Chief Executive Officer

March 18, 2005 marked the 150th anniversary of our foundation as a bank. Since we first opened our doors in 1855, TD has grown from a small, single-branch bank for grain millers and merchants to a global financial services company. To highlight this important milestone, we created a schedule of unique events:

- **Customer Appreciation Day:** On May 19, customers were encouraged to visit their TD Canada Trust branch or TD Waterhouse Investment Centre to enjoy an array of activities and contests. Print and radio ads, plus messages on our telephone and Web banking channels, thanked customers for their long-time support.
- **Employee Appreciation Week:** From June 6 to 10, each of our businesses arranged “Proud to be TD” activities to thank and recognize employees’ tremendous contributions. All executives received kits of tools to help them and their teams organize events.
- **Community Volunteer Week:** To celebrate the long history of our community involvement, we designated September 11–18 so that employees could use work time to pitch in for their favourite causes. The week was a huge success as thousands of our people volunteered.
- **Thanking Canada in other ways:** We teamed up with national institutions to give Canadians activities to enjoy. For example:
 - With the National Gallery of Canada, we have organized a six-city tour over 2005 and 2006 to display our company’s unique Inuit art collection. With more than 650 works, it is one of the most comprehensive collections of this distinctly Canadian style of art and beautifully relays the culture and history of the country’s most northern territories. Last year alone in excess of 70,000 people visited the exhibition.
 - With the Royal Canadian Geographical Society and *Canadian Geographic* magazine, the first interactive, Web-based Canadian atlas was launched. The atlas makes learning about Canada’s geography fun and enjoyable for kids, and there are lesson plans included for teachers to fit into curricula.



(Top left) Protecting beautiful B.C. are employees Silvia Livingston (left) and Corin Rempel. They helped tidy Vancouver's Stanley Park as part of TD Community Volunteer Week.

(Top right) Capturing a slice of our history, employees get ready to serve cake as part of customer and employee appreciation festivities.

(Centre left) Guests at the TD Inuit Art exhibit in Ottawa admire a stone and ivory musk-ox by Nunavut artist Kananginak Pootoogook. From left, Marie Clair Morin, President of the National Gallery of Canada Foundation; Rob MacLellan, Executive Vice President and Chief Investment Officer; Pootoogook and his translator Jimmy Manning.

(Centre right) Canada Post unveiled a limited-edition 150th anniversary commemorative stamp to mark TD's significant contribution to Canada's development.

(Lower left) The team at the Quispamsis branch in New Brunswick got in the spirit of our 150th anniversary by donning costumes to thank customers with gifts and in-branch draws.

Promoting Canada's Diversity

TD participates in many outreach efforts with the aim of recognizing, encouraging and celebrating Canada's diversity and building long-term relationships with our communities.

Bridging the gap for new Canadians

Mentoring is an important part of the settlement process, and TD has taken a leadership role in a great new program that matches skilled immigrants with established professionals who share the same occupation. Launched in November 2004, The Mentoring Partnership is an initiative of the Toronto Region Immigrant Employment Council (TRIEC). TD has pledged \$540,000 in support over three years, and 47 TD employees are volunteering as mentors, making us one of the program's most active corporate participants.

Career Bridge, an innovative program that helps place new Canadians, is also supported by TD. Aiming to break the cycle of "no Canadian experience, no job; no job, no Canadian experience," Career Bridge allows employers to help skilled newcomers integrate and contribute to the economy. TD helped launch the program and is a participating employer, providing 15 internships in 2005 and 21 since the program's inception in late 2003.

Facilitating research and understanding

- **Passages to Canada:** Run by the Dominion Institute with TD as a major sponsor, Passages to Canada is a network of community leaders who have immigrated to Canada and are trained to share their experiences with schools and community groups. In 2005, TD provided \$125,000 and worked with Members of Parliament to nominate individuals as potential speakers for the program.
- **The Learning Partnership (TLP):** TD's Chief Economist co-chairs the research committee of this multi-stakeholder collaboration, which is undertaking a major assessment of changing student demographics, such as rising immigration and the depopulation of rural areas, and its

impact on public education. The group recently completed a study of students at risk. TD provided a \$135,000 donation to TLP in 2005.

- **Anti-racism efforts:** The new Canadian Museum for Human Rights, slated to open in Winnipeg, Manitoba, in 2010, received a major \$750,000 commitment from TD to help promote human equality and dignity. It will be the largest human rights centre in the world and have a special focus on equipping young people to become human rights leaders. Additionally, TD continues to back anti-racism groups and causes such as the Canadian Race Relations Foundation, the Scadding Court Community Centre Anti-Racism Awards and the Urban Alliance on Race Relations.
- **Conference Board of Canada seminars:** We were the sponsor of major seminars held in Vancouver and Toronto on promoting visible minorities to senior positions. TD senior executives also participated.

Financial aid for the next generation

Promoting culture is also about ensuring youth of different backgrounds can reach their fullest potential. For example:

- The University of Saskatchewan, which has more Aboriginal students than any other university in Canada, received a major gift from TD in 2005 to fund the creation of the Aboriginal Graduate Scholarship. It will help Aboriginal students pursuing a masters or PhD in education to realize their educational goals. Also, a total of six *Foundation for the Advancement of Aboriginal Youth* (FAAY) scholarships of \$2,000 each were granted last year thanks to TD funding.
- TD has supported the *Harry Jerome Scholarship Fund* since 1998, which awards two scholarships a year, valued at \$7,000 each, along with summer employment at TD to African-Canadian students who demonstrate academic excellence, community leadership and financial need. See page 22 for more scholarships.

Committed to the gay and lesbian community

TD has made a commitment to increase its support for the gay and lesbian community. In 2005, for example:

- With a \$50,000 contribution, TD was the second-largest sponsor of Pride Toronto and its world-renowned Pride Parade. In addition to sponsorship, local branches were kept open all weekend, and TD issued a joint news release with Pride Toronto to help promote the event.
- TD was presenting sponsor for the Youth Line Community Youth Awards to recognize outstanding achievements made by lesbian and gay youth and supporting agencies. We also contributed funds to the Toronto District School Board's Triangle Program, which helps disadvantaged gay teens.

TD provides financial assistance to organizations taking the lead in the fight to address HIV and AIDS. For example, Quebec's leading AIDS fundraising organization, the Farha Foundation, received TD funding to assist with their masquerade ball in Montreal and in three major cities – Montreal, Vancouver and Toronto – TD sponsored the AIDS Walk for Life. Also, TD has pledged to be the official bank of the XVI International AIDS Conference being held in Toronto in August 2006.



For her contributions to the South Asian community, TD's Renu Sodhi (left) of Brampton, Ontario, joined by Anna Iacobelli, District Vice President, receives a certificate of recognition from the Hon. Gurbax Singh Malhi, M.P. Renu is a prominent community figure and serves clients in five languages, including Hindi and Punjabi.

Celebrating Ethnicity and Culture

TD supports a wide range of organizations and events that are dedicated to preserving and celebrating ethnicity and culture. Here are some of them:

- Aga Khan Foundation Canada
- The Academy of Heru Auset
- Black Business and Professional Association
- Canadian Council for Aboriginal Business
- Chinese Christian Wing Kei Nursing Home Association
- Indo-Canada Chamber of Commerce
- MASC (Multicultural Artists in Schools and Communities)
- Multicultural Society of Pakistani Canadians
- National Aboriginal Achievement Foundation
- Obsidian Theatre Company
- South Asian Heritage Festival
- Tamil Chamber of Commerce
- Yee Hong Community Wellness Foundation



These Toronto employees took part in the AIDS Walk for Life, inspired to raise funds for research and to generate awareness of the deadly illness.

Supporting the Political System

To bolster Canada's democratic process, every year TD donates to various political parties and candidates and supports public policy forums such as:

- **Women, Public Service and Politics**, a national roundtable forum discussing political and socioeconomic obstacles affecting women. The forum was sponsored by TD and organized by the Canadian Unity Council and Equal Voice, the latter being an advocacy group working for the election of more women in government.
- **The Arthur Kroeger College of Public Affairs Leadership Forum** at Carleton University in Ottawa, which connects leaders from the private, public and voluntary sectors to discuss perspectives on emerging national issues.
- **Ontario Premier Dalton McGuinty's Postsecondary Review Advisory Panel**. TD's Chief Economist was a member of the panel, which tabled its report in February 2005 on enhancing the province's postsecondary education system.

Giving the next generation an opportunity to experience the parliamentary process is why we support the federal Parliamentary Internship Programme and the Ontario Legislature Internship Programme. Another is the Forum for Young Canadians, which brings students from across Canada to Ottawa each spring to spend a week on Parliament Hill and see firsthand how the national government works.

Political Contributions Made by TD

	2005	2004	2003
Federal*	\$2,000	\$75,000	\$149,000
Municipal	\$107,700	\$140,000	\$151,000
Provincial	\$300	\$5,000	\$12,000
Total	\$110,000	\$220,000	\$312,000

*Starting in January 2004, changes in political financing rules at the federal level limited contributions that corporations could make to political parties.



From left, Pat Meneley, Andrew Phillips and Bob McKee of TD Securities are instrumental in raising long-term capital for large companies seeking to commence or expand operations.

Contributing to Canada's Economy

Creating jobs, purchasing responsibly

With more than 43,600 people from coast to coast, TD is one of Canada's largest employers. We also indirectly support thousands of jobs in other sectors as a major purchaser of goods and services. In 2005, for example, we spent \$3.6 billion in Canada on goods and services from external vendors, ranging from information technology to office supplies. Our Strategic Sourcing team is involved in major purchases for the company. In choosing our suppliers, we encourage the use of local firms in procurement and strive to purchase goods and services responsibly, applying a best practices selection methodology that ensures a fair, transparent and defensible process for our supplier community.

Local economic development

In 2005, 246,790 companies across Canada were authorized to receive more than \$112.3 billion in debt financing by TD. Through our many lending and investment activities, we help create jobs in the economy and stimulate innovation and growth.

A major taxpayer

TD makes a valuable economic impact as a major Canadian taxpayer. Our tax dollars, including \$700.1 million paid in income and capital taxes last year (see the chart on page 15), help federal and provincial governments provide vital services to Canadians.

Canadian Employment (2005)

Province/Territory	Full-Time	Part-Time	Total
British Columbia	2,331	1,395	3,726
Alberta	2,924	1,377	4,301
Saskatchewan	287	226	513
Manitoba	432	229	661
Ontario	22,283	7,668	29,951
Quebec	2,657	698	3,355
Newfoundland & Labrador	74	40	114
New Brunswick	282	91	373
Nova Scotia	396	161	557
Prince Edward Island	31	23	54
Yukon Territory	14	7	21
Northwest Territories	7	6	13
Total	31,718	11,921	43,639

Figures as at October 31, 2005. For global figures, see page 46.

Income and Capital Taxes Paid by TD (thousands of dollars)

Tax Jurisdiction	Income Taxes	Capital Taxes	Total
Federal	\$342,030	\$46,477	\$388,507
British Columbia	17,431	24,660	42,091
Alberta	13,576	10,552	24,128
Saskatchewan	1,407	2,381	3,788
Manitoba	1,669	6,426	8,095
Ontario	113,394	80,115	193,509
Quebec	5,742	19,282	25,024
Newfoundland & Labrador	342	1,198	1,540
New Brunswick	1,249	2,539	3,788
Nova Scotia	2,510	5,923	8,433
Prince Edward Island	243	702	945
Yukon Territory	118	92	210
Northwest Territories	62	64	126
Nunavut	2	1	3
Total	\$499,775	\$200,412	\$700,187

The above figures represent the total amount of income and capital taxes paid or payable by TD during its 2005 fiscal year (Nov. 1, 2004–Oct. 31, 2005) broken down by the total amounts paid or payable to federal and provincial governments.

TD Debt Financing to Businesses in Canada**Total Amount Authorized to Firms in Canada (thousands of dollars)**

Province/Territory	\$0–24,999	\$25,000–49,999	\$50,000–99,999	\$100,000–249,999	\$250,000–499,999	\$500,000–999,999	\$1,000,000–4,999,999	\$5,000,000+	Total
British Columbia	139,348	83,781	166,662	398,861	373,152	328,094	1,229,728	2,286,369	5,005,997
Alberta	150,050	139,493	298,645	633,472	509,913	488,452	1,648,877	4,110,736	7,979,638
Saskatchewan	22,417	29,573	60,514	133,981	117,680	75,224	257,589	166,401	863,378
Manitoba	23,433	22,305	46,992	98,637	107,693	127,509	434,777	969,370	1,830,717
Ontario	1,203,905	614,711	892,254	1,882,828	1,684,327	1,707,962	7,728,089	76,583,475	92,297,552
Quebec	59,390	41,009	101,445	264,626	275,966	250,318	915,043	1,380,661	3,288,460
Newfoundland & Labrador	5,372	6,339	9,715	18,410	17,534	11,261	37,956	20,276	126,862
New Brunswick	10,948	9,390	19,165	32,575	26,885	18,790	45,653	43,924	207,331
Nova Scotia	14,684	14,429	29,135	55,930	58,110	53,058	141,317	262,969	629,632
Prince Edward Island	2,274	2,265	8,819	12,675	14,272	13,557	20,619	6,515	80,994
Territories	1,492	1,499	1,944	6,942	4,626	3,232	13,683	12,548	45,965
Total	1,633,313	964,793	1,635,290	3,538,937	3,190,159	3,077,457	12,473,331	85,843,245	112,356,525

Number of Firms in Canada to Whom Debt Financing Was Authorized

Province/Territory	\$0–24,999	\$25,000–49,999	\$50,000–99,999	\$100,000–249,999	\$250,000–499,999	\$500,000–999,999	\$1,000,000–4,999,999	\$5,000,000+	Total
British Columbia	19,559	2,540	2,564	2,625	1,113	491	530	135	29,557
Alberta	20,083	4,092	4,648	4,220	1,524	712	643	163	36,085
Saskatchewan	2,744	840	870	860	346	112	91	13	5,876
Manitoba	2,819	640	704	651	313	189	195	60	5,571
Ontario	92,436	16,950	13,695	12,398	5,006	2,555	2,759	1,331	147,130
Quebec	8,148	1,238	1,525	1,735	841	367	388	123	14,305
Newfoundland & Labrador	624	181	150	129	51	17	18	±	1,170
New Brunswick	1,463	274	288	228	75	27	22	±	2,377
Nova Scotia	2,065	427	434	373	175	76	61	16	3,627
Prince Edward Island	292	66	131	88	41	20	10	±	648
Territories	237	44	32	47	14	4	6	±	384
Total	150,470	27,292	25,041	23,354	9,499	4,570	4,723	1,841	246,790

The above authorizations are based on fiscal year-end balances as at October 31, 2005, for Corporate, Mortgage and Visa businesses.

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