

TD Securities announces acquisition of Newcrest

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- Deal with Canada's leading independent firm strengthens TD Securities' position as a full-service provider
- Newcrest CEO Bob Dorrance to join TD Securities' senior management team

TORONTO, Nov. 7 /CNW/ - TD Bank Financial Group announced today that it has agreed to acquire Newcrest Capital Inc. subject to regulatory approvals. The transaction will combine the strengths of Newcrest as a leading Canadian investment banking and institutional equities firm, with the global capabilities of TD Securities, the wholesale side of TD Bank Financial Group. The deal, which adds to TD Securities' existing strengths in investment banking and institutional equities in Canada, further positions TD Securities as a full-service provider of investment banking services in North America and in selected markets around the world.

"I am delighted to announce our acquisition of Newcrest, Canada's leading independent Equities and Investment Banking firm," said A. Charles Baillie, Chairman and Chief Executive Officer of TD Bank Financial Group. "Through this acquisition, we will capitalize on the strengths of both firms and build an even stronger competitive platform from which to enhance shareholder value."

A Winning Combination: Donald A. Wright, Chairman and Chief Executive Officer of TD Securities added, "TD Securities gains tremendous strength in investment banking and institutional equities with this deal. Acquiring Newcrest's capabilities further enhances our platform in those areas and supplements our recognized and impressive strengths in M&A, corporate banking, debt capital markets, derivatives, merchant banking and foreign exchange. We believe this deal significantly enhances our ability to deliver outstanding service to our clients. It's an excellent strategic fit that provides TD Securities with a solid base for further expansion in the U.S. and in other global markets."

Robert Dorrance, Newcrest's current Chief Executive Officer will head up the institutional equities group to be marketed under the name "TD Newcrest", and will join TD Securities' senior management team as a Vice Chair. Andrea Rosen will lead the integration efforts as a Vice Chair of TD Securities. Mike Mueller, also Vice Chair of TD Securities, will continue his responsibilities as head of investment banking.

"We are very pleased to be joining forces with TD Securities", said Bob Dorrance of Newcrest. "Combining our people, our expertise and our entrepreneurial approach as a boutique dealer with the existing integrated financial, advisory and distribution clout of TD, is bound to be a winning combination."

Terms of the Deal:

Under the terms of the agreement, TD Bank has agreed to acquire the shares of Newcrest for \$224 million. It is expected that the purchase price would be met through the issuance of approximately 75% of that amount in TD Bank shares to the Newcrest shareholders, with the remainder in cash. There is a retention program in place through the deferral of a portion of the purchase price.

TD expects the deal to be immediately accretive to TD Bank's cash earnings. Goodwill of approximately \$160 million resulting from the transaction will be amortized on a straight-line basis over a period of 10 years. Revenue enhancements and expense savings are expected as a result of the transaction.

The effective date of the transaction is October 31, 2000, and closing will occur upon receipt of all applicable regulatory approvals under bank and securities legislation as well as by the Competition Bureau.

Integration Plans:

While awaiting approvals, TD Securities and Newcrest will take steps to serve Investment Banking and Institutional Equities clients on an integrated basis starting immediately under the name TD Newcrest, and with a view to proceeding with full integration once approvals are received.

To ensure seamless transition in client service and coverage and to minimize disruptions to employees during all stages of the integration, TD Securities and Newcrest have developed a detailed integration plan. As expected, when combining organizations, some duplication and redundancies will exist in the areas of Investment Banking, Institutional Equities, and related support functions. Total staff requirements will be determined over the next few weeks.

Both Newcrest and TD Securities will continue to be located in the premises they currently occupy in all the Canadian cities where they have offices - including Toronto, Montreal, Calgary and Vancouver. The future locations of the firm will be reviewed as part of the integration process with a view to bringing both organizations together in common premises in each city.

For further information:

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