



Q2 2003 Operating Performance

Dan Marinangeli, CFO

Q2 2003 Overview

- EPS (operating cash basis): \$(0.26)
- EPS (GAAP basis): \$(0.46)
- Write-downs and restructuring \$0.95
- TDCT operating cash basis net income \$306MM, up \$42MM or 16% YoY
- Wealth Management operating cash basis net loss \$(299)MM versus operating cash basis net income of \$31MM last year
 - *TD Waterhouse operating cash basis net loss \$(318)MM vs. operating cash basis net income of \$4MM in Q2/02*
 - *Restructuring and write-downs: \$328MM after-tax*
- TDS operating cash basis net loss \$(120)MM, versus operating cash basis net income of \$35MM last year
 - *Non-core net income \$13MM*
 - *Restructuring and write-downs: \$289MM after-tax*
- Total Q2/03 PCL expense of \$98MM
 - *Compared to \$400MM specific PCL in Q2/02 and \$112MM in Q1/03*
 - *Sectoral provision draw down of \$170MM versus \$236MM in Q1/03*
- Tier 1 capital ratio: 8.8%



Earnings Reconciliation

	Q2 2003	
	\$ million	EPS
Reported GAAP earnings to common	\$(295)	\$(0.46)
Amortization of intangibles	(127)	(0.20)
Reported cash earnings to common	\$(168)	\$(0.26)
Special items	--	--
Operating cash earnings to common	\$(168)	\$(0.26)



Impact Of Restructuring

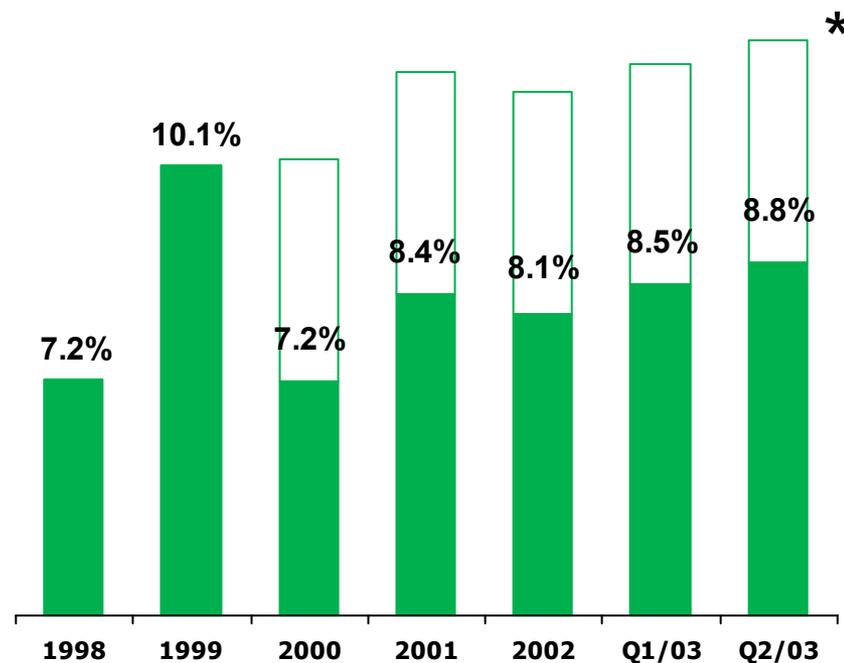
	<u>Pre-tax</u>	<u>After-tax</u>	<u>EPS Impact</u>
TD Waterhouse International			
U.K. Restructuring charge	\$ 21	\$ 15	\$ 0.02
Investment write-downs - Revenue	39	39	0.06
Goodwill write-down - Expense	274	274	0.42
	<u>\$ 334</u>	<u>\$ 328</u>	<u>\$ 0.50</u>
TD Equity Options			
Restructuring charge - Revenue	\$ 6	\$ 6	\$ 0.01
Restructuring charge - Expense	66	50	0.08
Goodwill write-down	350	233	0.36
	<u>\$ 422</u>	<u>\$ 289</u>	<u>\$ 0.45</u>
Total charges	<u>\$ 756</u>	<u>\$ 617</u>	<u>\$ 0.95</u>



Capital Ratios

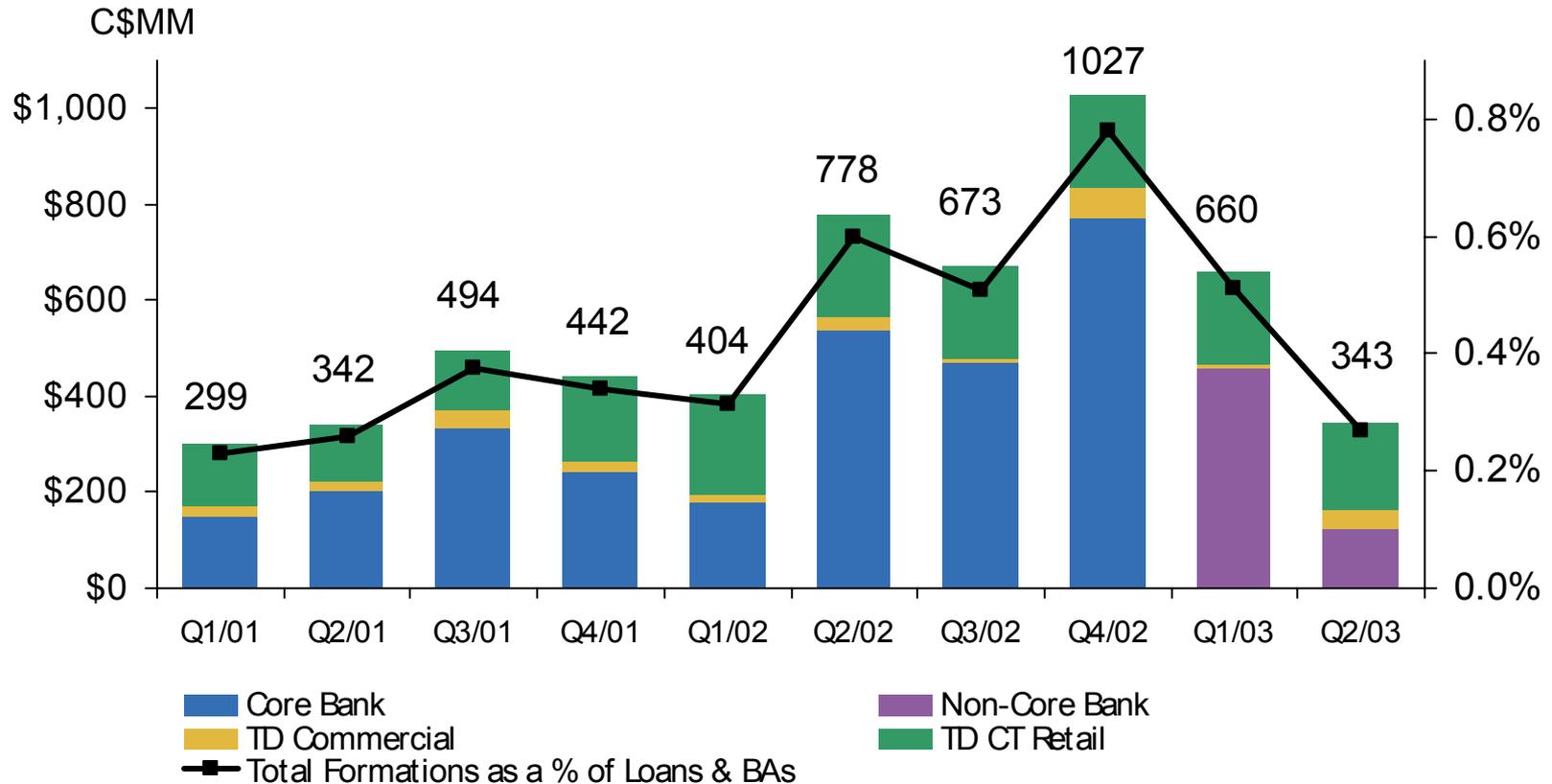
- Tier 1 = 8.8 %
- Tangible common equity = 6.7%
- Total capital = 12.4%

Tier 1 Ratio



* Excluding write-off of TDCT intangibles

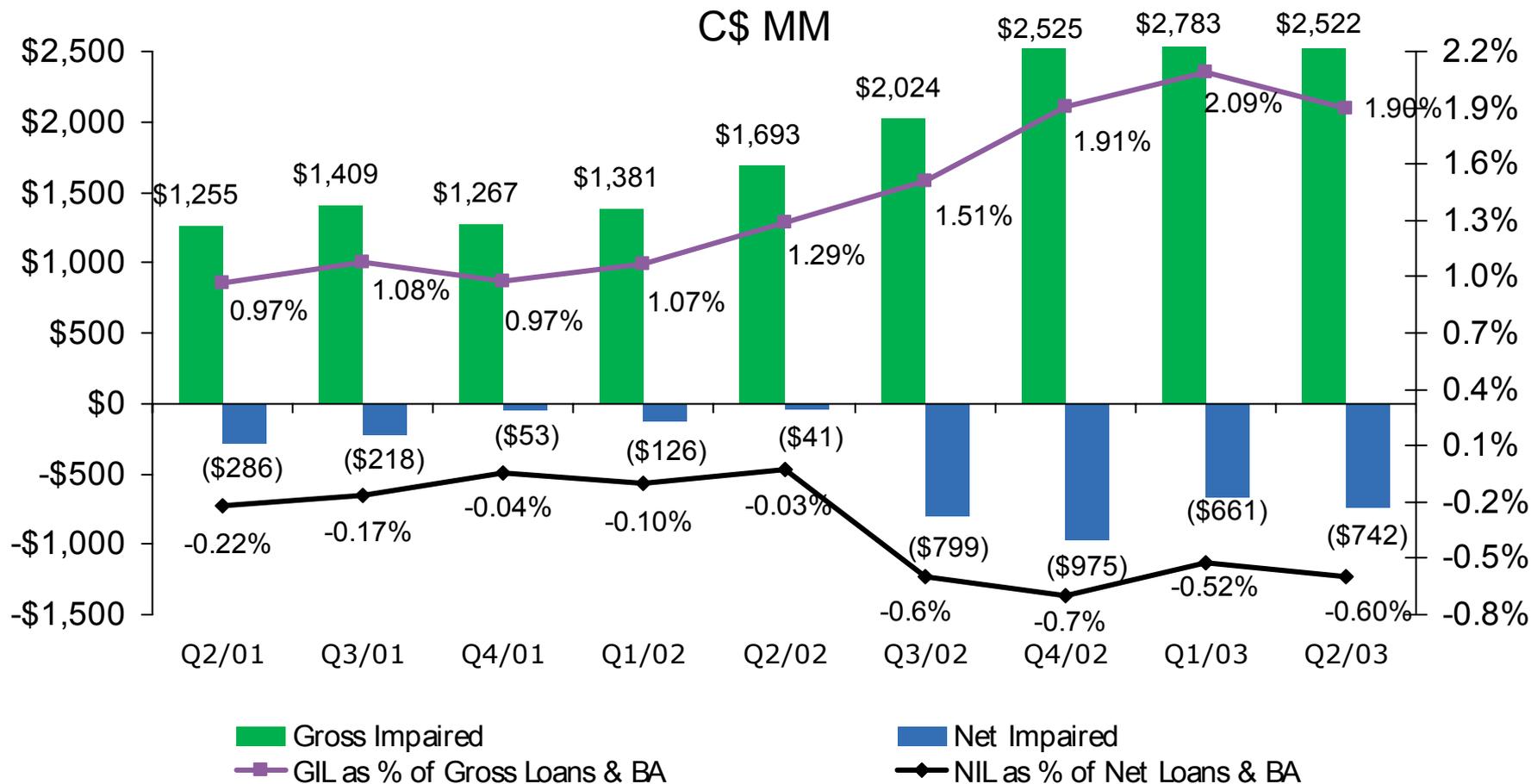
New Formation Of Impaired Loans And Loan Substitutes¹



1. Before write-offs



Impaired Loans





Q2 2003

Personal and Commercial Banking

Operating Performance

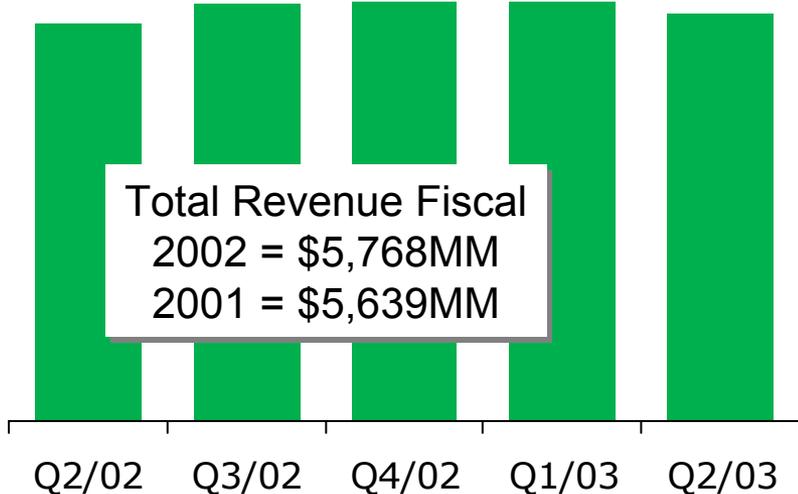


Total Revenue And Net Interest Margin

Margin



\$1,394 \$1,458 \$1,465 \$1,465 \$1,428



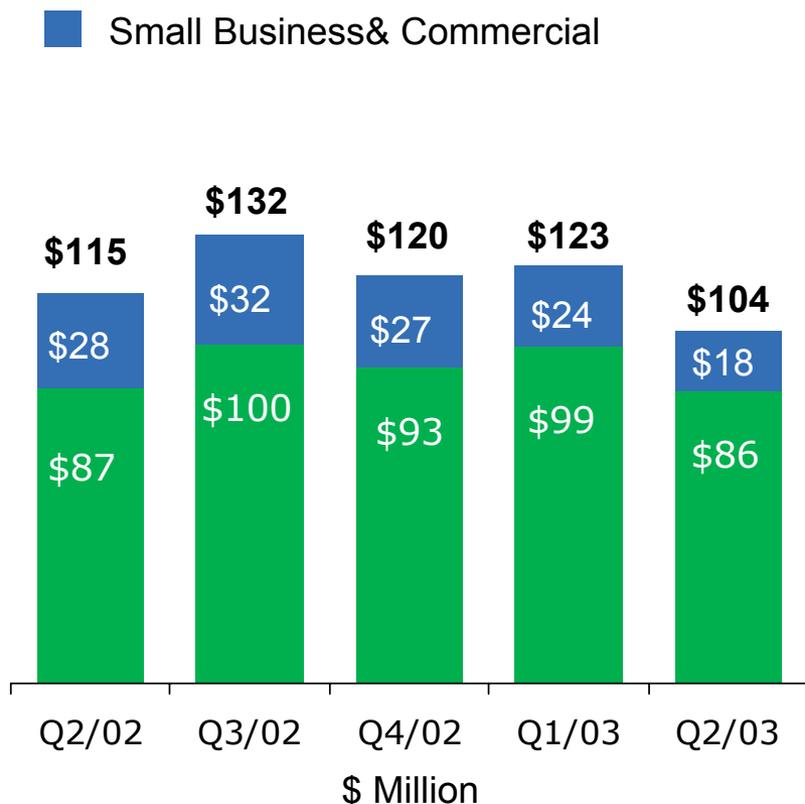
Total Revenue Fiscal
 2002 = \$5,768MM
 2001 = \$5,639MM

\$Million

- Total revenue \$1.428 billion:
 - \$34 million or 2.4% higher than Q2/02
 - Negative impact of 3 fewer days totaled \$34MM
 - Solid and improving volume and fee growth offset by lower margins and reduced sales of wealth products (primarily mutual funds) in branches
- Net interest margin:
 - 3.34% this quarter, down 6 basis points from last year and down 2 bps from last quarter due to product mix



Quarterly Provision For Credit Loss¹



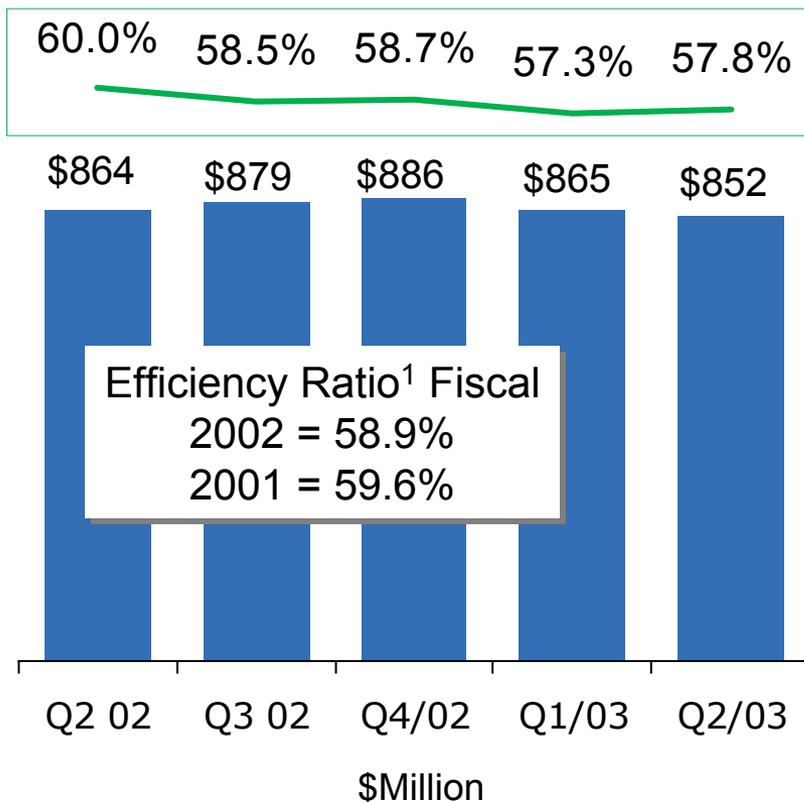
- PCL \$104 million (before securitization):
 - Q2/03 PCL in TDCT is down \$19 million from Q1/03 and \$11 million from Q2/02
 - Personal delinquencies trending down over the last 4 quarters reflecting continuous improvement in our retail lending processes. We expect this trend to flatten during the balance of the year
 - PCL securitization impact is \$7 million for Q2/03 (\$16 million in Q2/02)

1. PCL excludes impact of securitization.



Total Expenses And Operating Efficiency Ratio¹

Efficiency Ratio

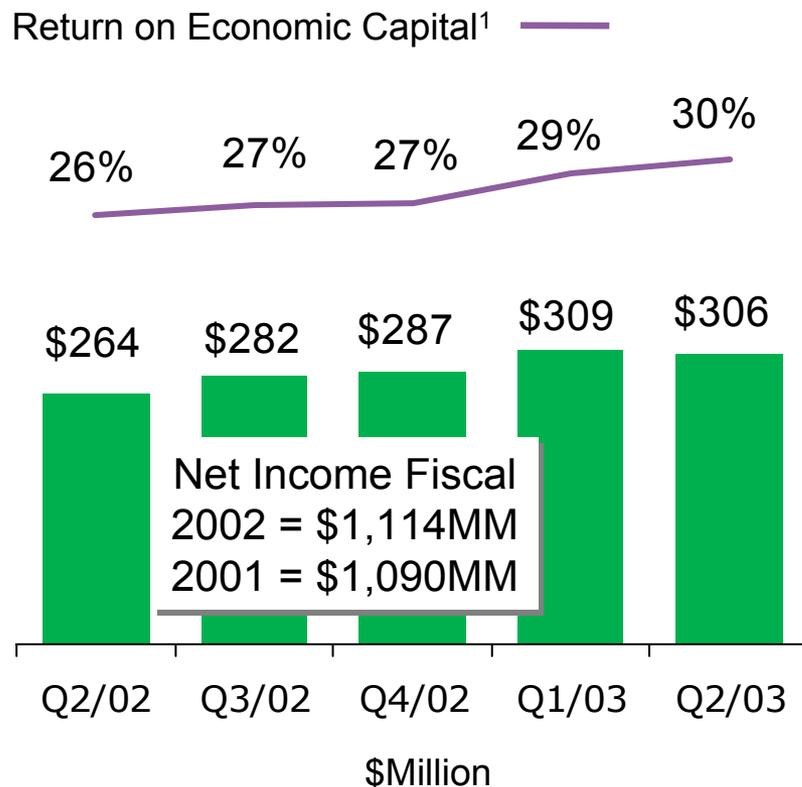


- Total Expenses \$852 million:
 - \$12 million or 1.4% lower than last year due mainly to 5% fewer FTE’s
 - \$13 million or 1.5% less than Q1/03 mostly due to fewer days
 - Operating cash basis efficiency ratio 57.8% this quarter up from 57.3% in Q1/03 as the negative impact from days is greater on revenue than expenses
 - 220 basis points improvement from 60.0% in Q2/02 on 3.8% spread between revenue growth and expense decline

1. Excludes acquisition funding cost



Net Income And Return On Economic Capital¹

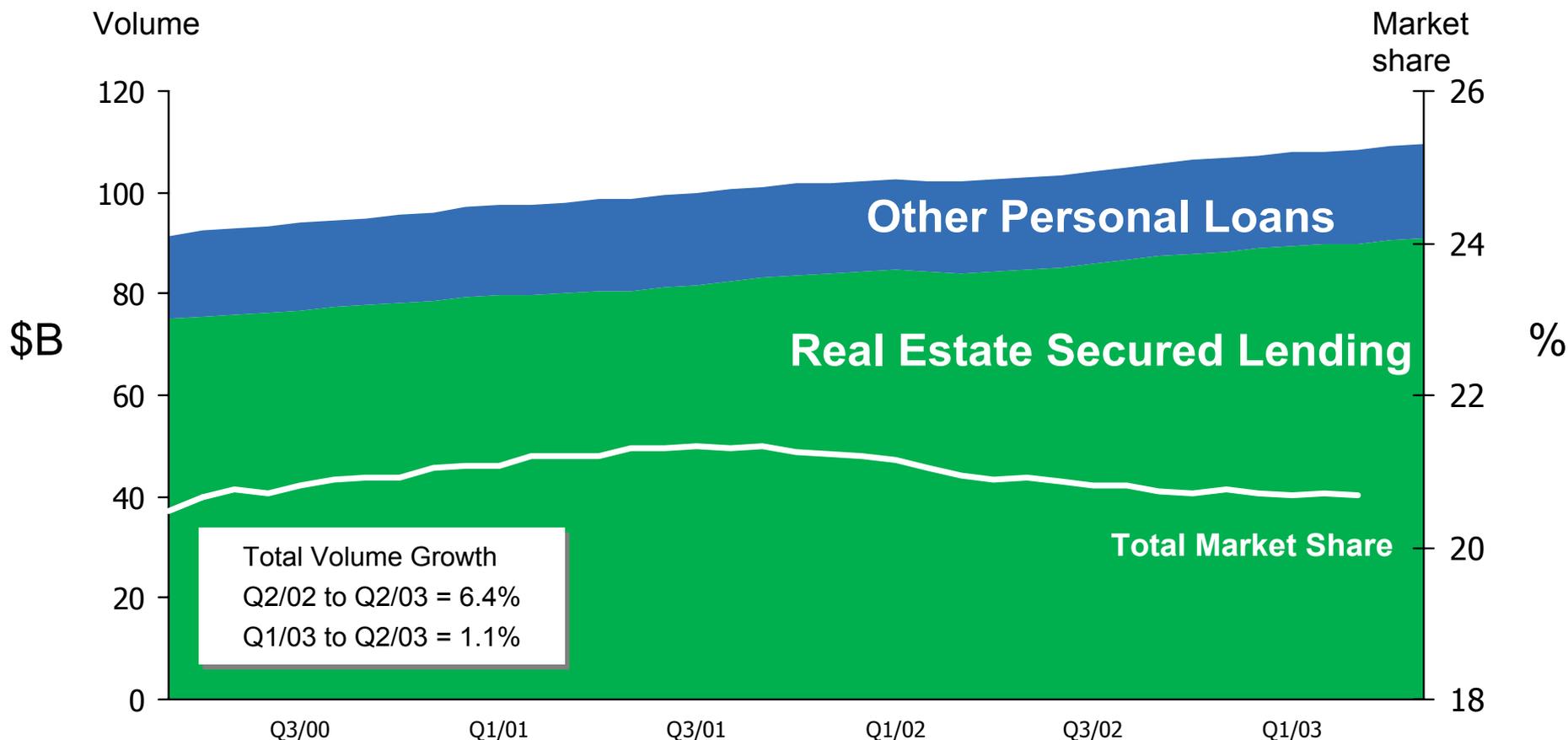


1. Excludes acquisition funding cost

- Cash basis net income of \$306 million for the quarter
 - Down \$3 million or 1.0% from last quarter, with a higher earnings run-rate excluding days impact
 - Up \$42 million or 16% from last year
 - Solid volume and fee growth
 - Lower staffing levels
 - Lower PCL
- ROEC¹ improving:
 - Q2/03 30% versus 29% in Q1/03 and 26% in Q2/02



Real Estate Secured Loans¹ And Other Personal Loans²

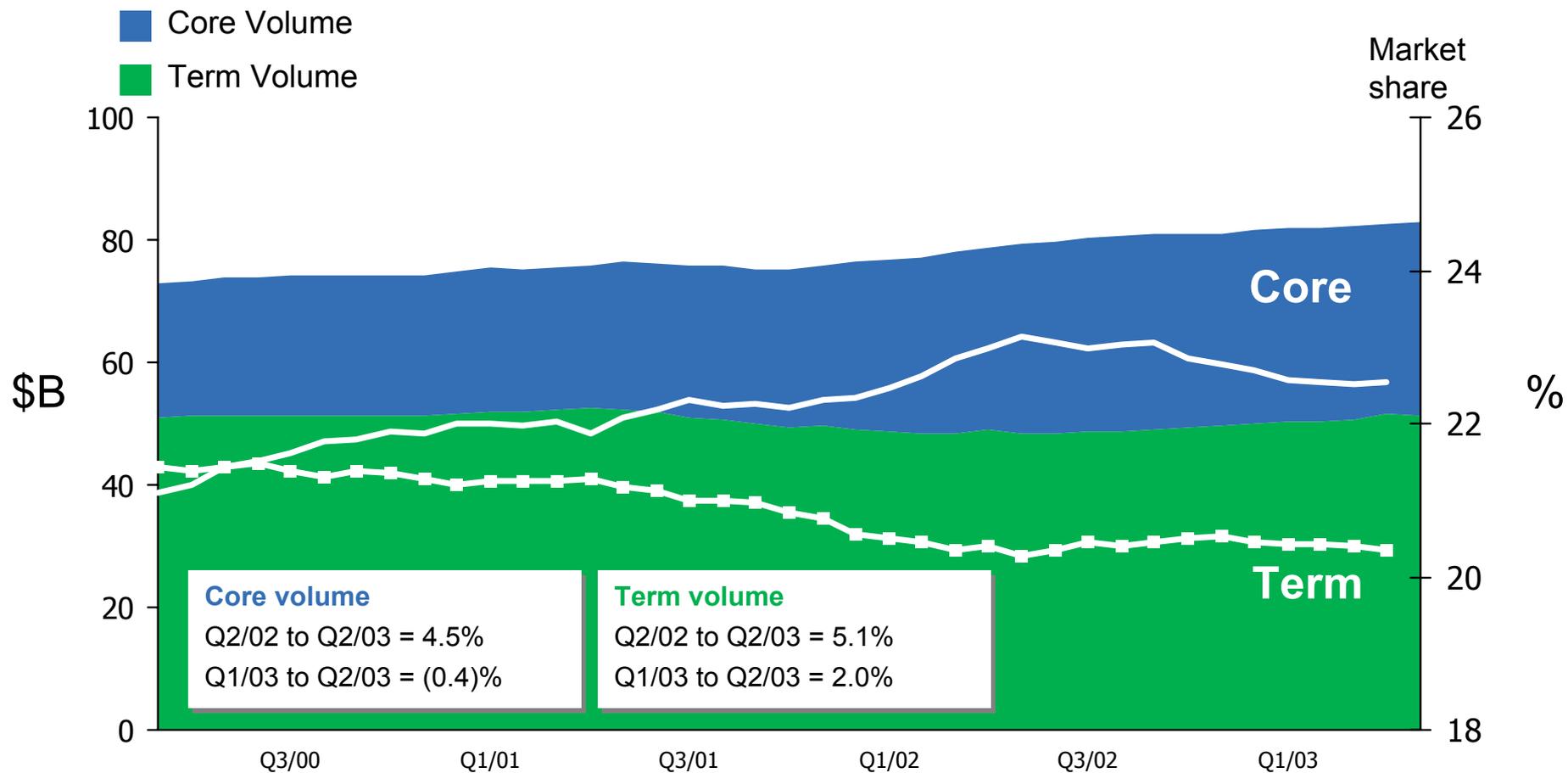


¹ Includes mortgages and HELOCs (including securitized amounts)

² Includes other personal loans and cards (including securitized amounts). Canadian and U.S. currency. Market share two month lag.



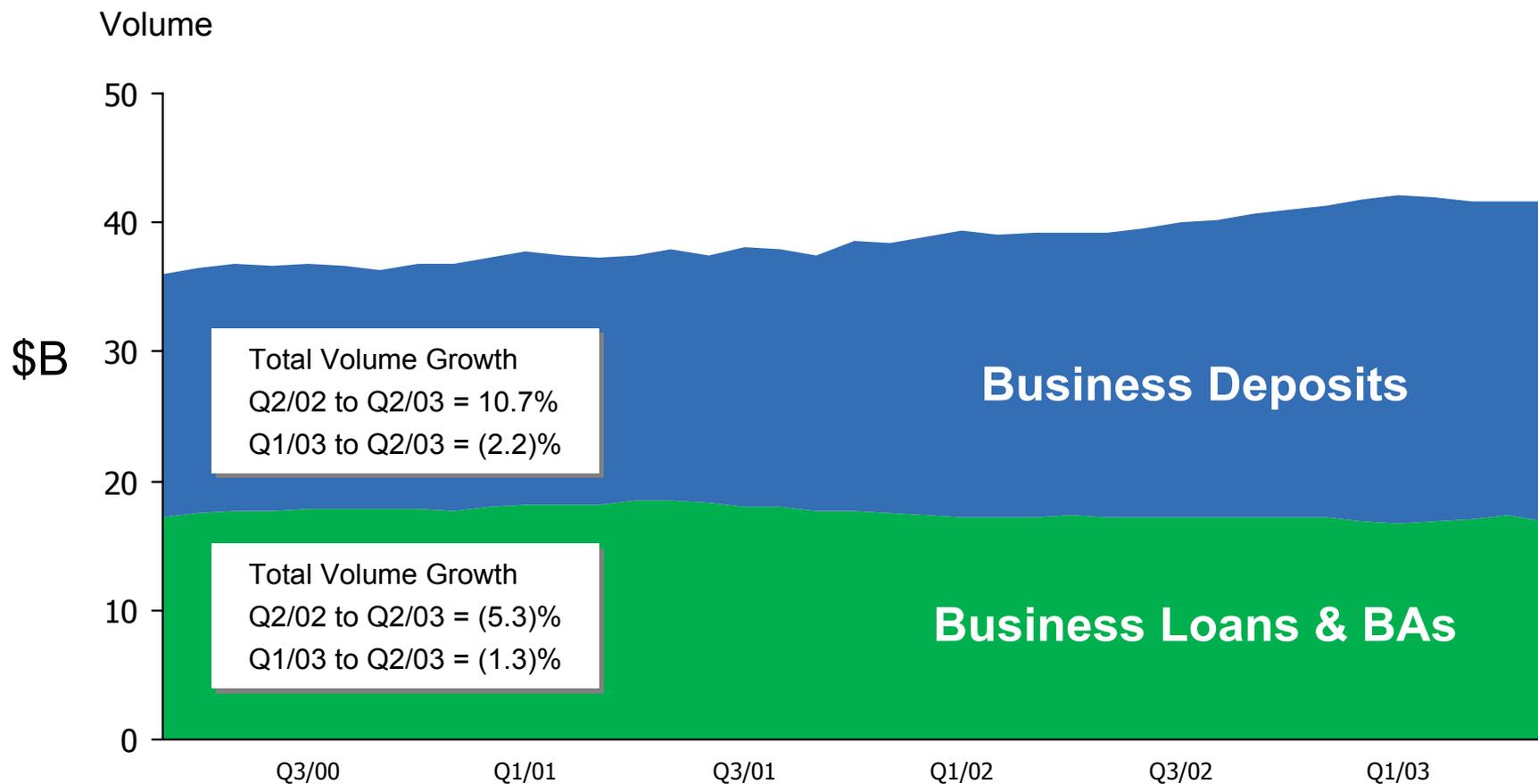
Personal Deposits



Canadian and U.S. currency. Market share one month lag.



Business Loans And Deposits



Canadian and U.S. currency. Business loans and deposits include both commercial and small business.



Q2 2003

Wealth Management

Operating Performance

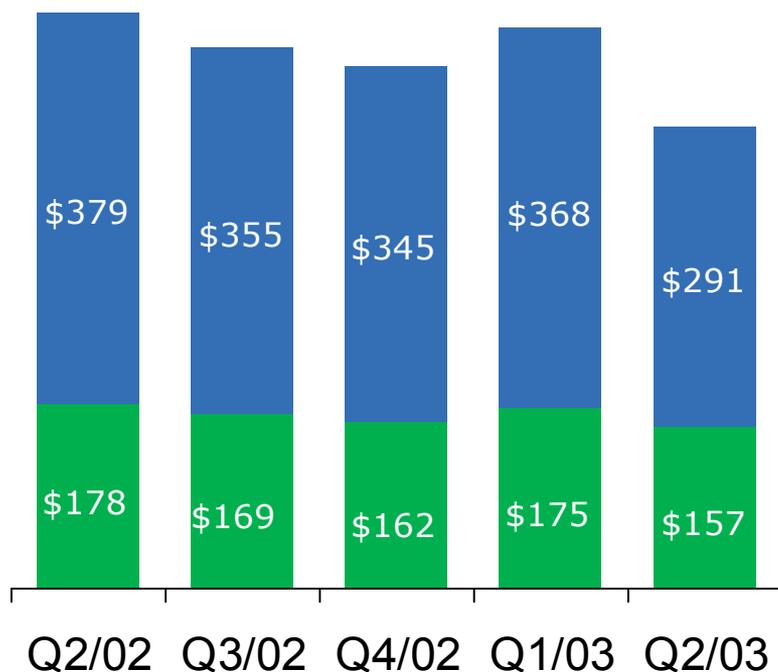


Operating cash basis

Wealth Management

Revenue

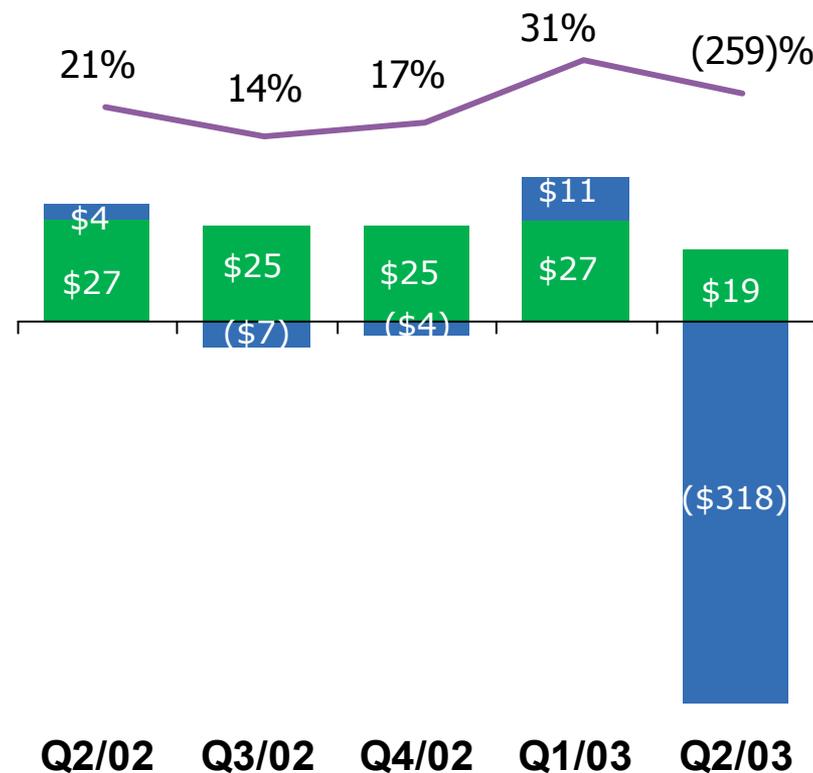
\$ Millions



■ TD Waterhouse component¹

Cash Net Income

\$ Millions



— Return on Economic Capital

¹ Revenue includes write-downs of \$39 million in Q2/03 as a result of other than temporary impairments in certain international joint ventures.

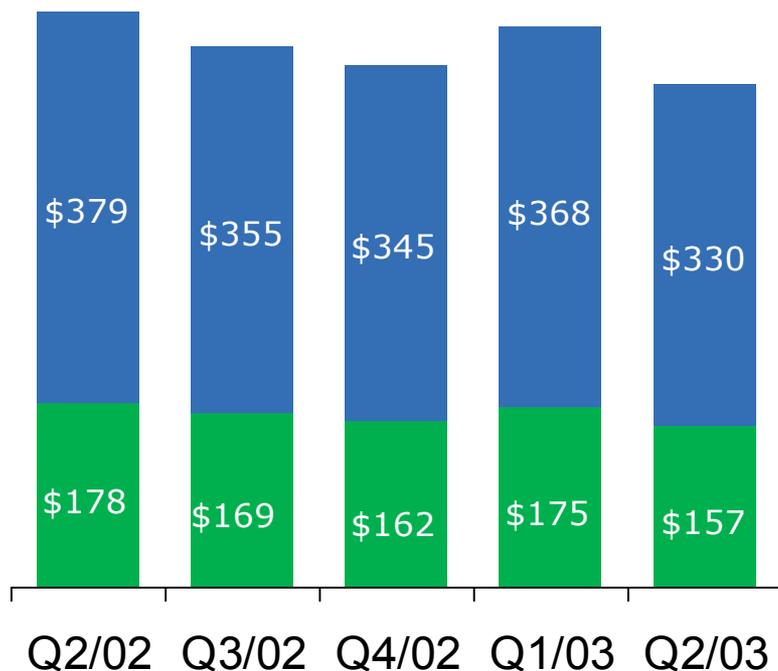


Underlying trend¹

Wealth Management

Revenue

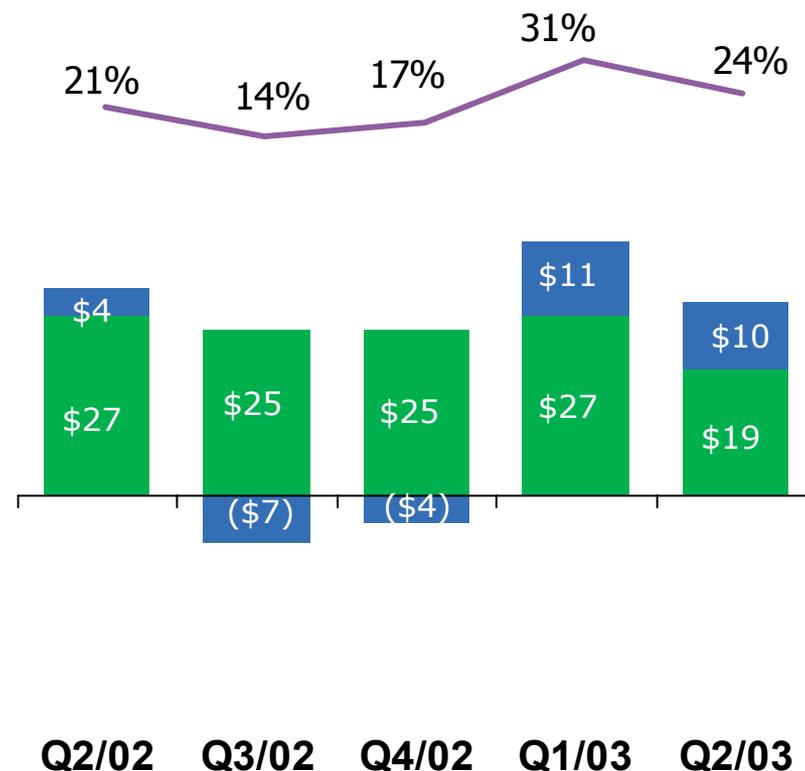
\$ Millions



■ TD Waterhouse component²

Cash Net Income

\$ Millions

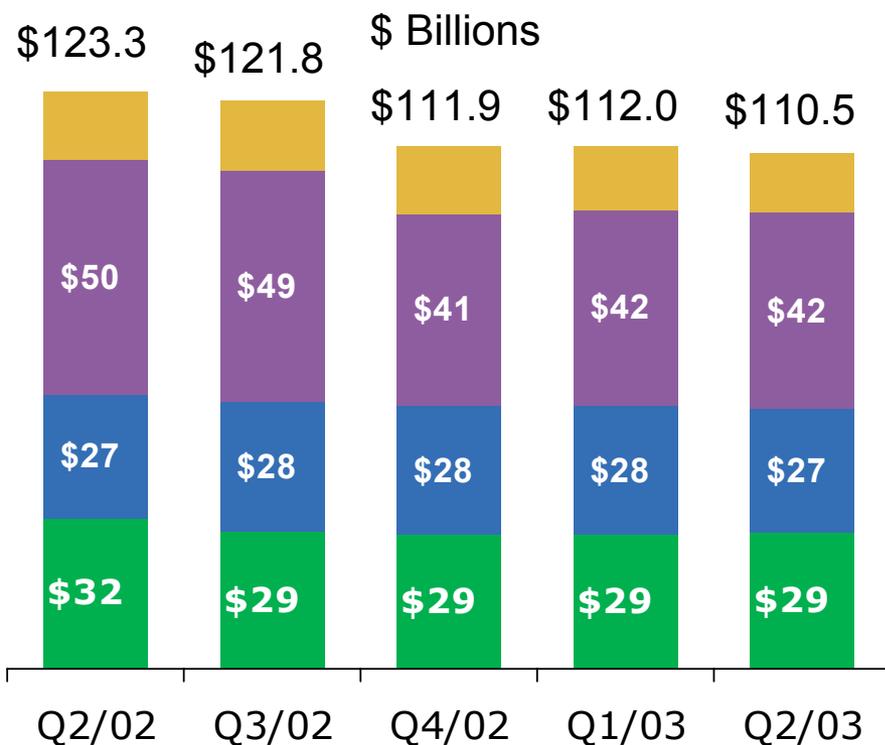


— Return on Economic Capital

1. Operating cash basis excluding Q2/03 write-downs and restructuring
 2. Revenue excludes write-downs of \$39 million in Q2/03 as a result of other than temporary impairments in certain international joint ventures .



Assets Under Management

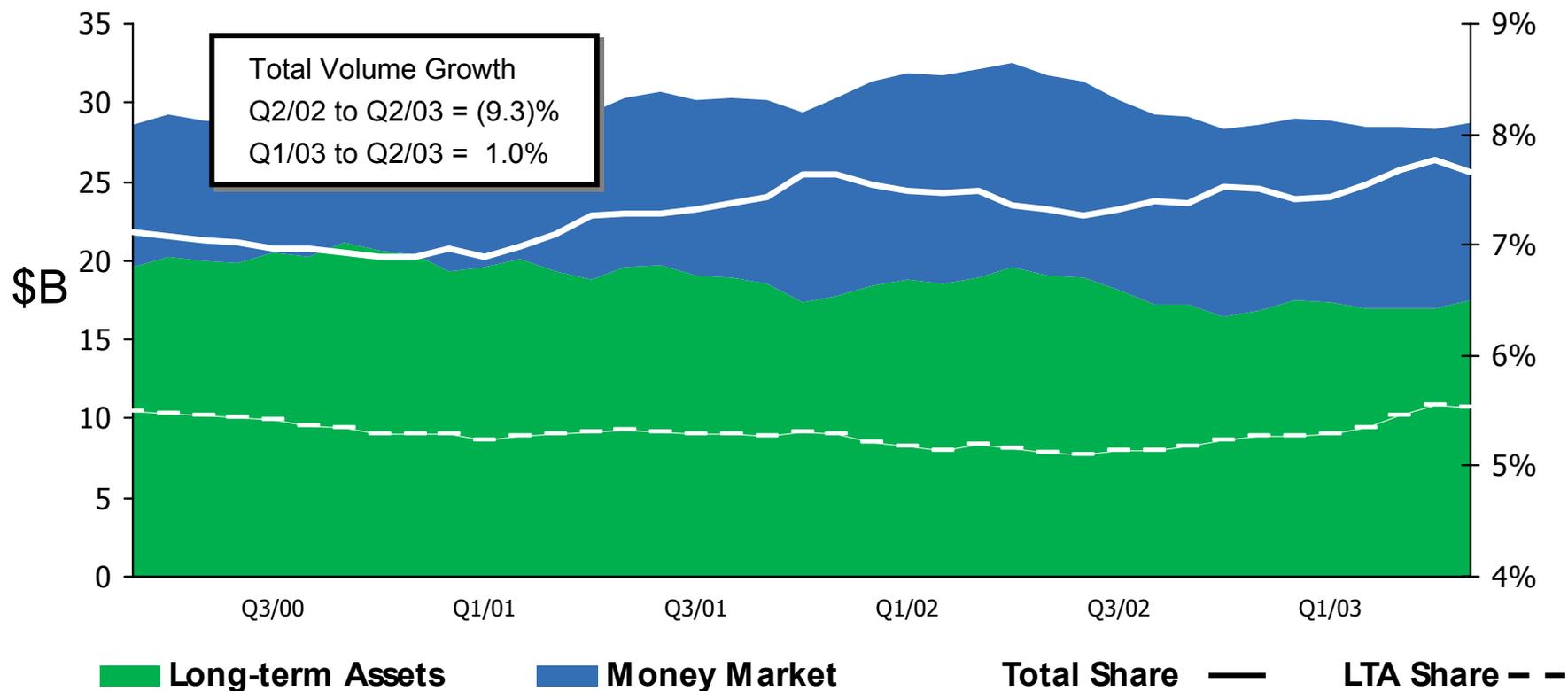


- Assets under management:
 - \$110.5 billion down versus Q1/03 and down from \$123.3 billion last year
 - WAM down on a 5.8% decrease in value of \$US

- Other Assets
- Quantitative Capital: Institutional
- Waterhouse Asset Management USA
- TDAM Canadian Retail Funds



Mutual Funds - Total Industry





TD Waterhouse¹

	2002		2003		Yr/Yr
	Q2	Q1	Q2		Change
Active Accounts (000)*	3,292	3,218	3,236		(2)%
New Accounts (000)	144	88	88		(39)%
Marketing Spend (C\$MM)	\$53	\$31	\$29		(45)%
Trades/Day (000)	104	94	78		(25)%
Customer Assets* (C\$B)	\$215	\$191	\$192		(11)%

* Represents ending amounts

1. TD Waterhouse self directed brokerage globally



Q2 2003 Wholesale Bank

Operating Performance

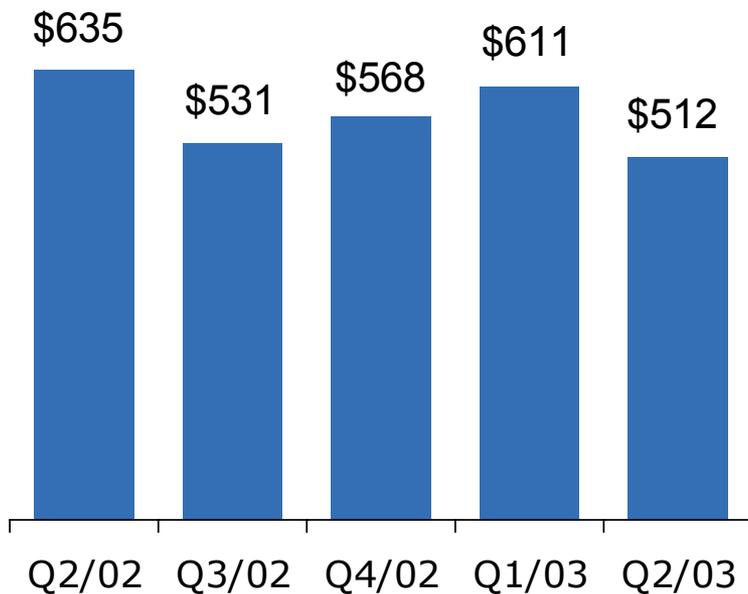


Operating cash basis

Wholesale Bank

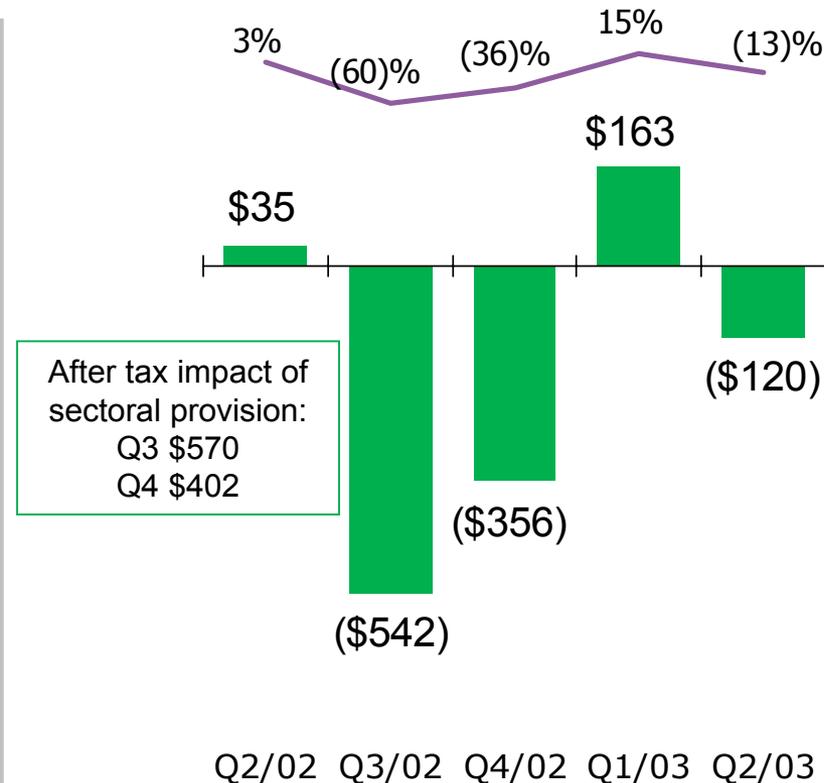
Revenue¹

\$ Millions



Cash Net Income

\$ Millions



After tax impact of sectoral provision:
 Q3 \$570
 Q4 \$402

Return on Economic Capital

¹ Revenue includes restructuring of \$6 million in Q2/03.

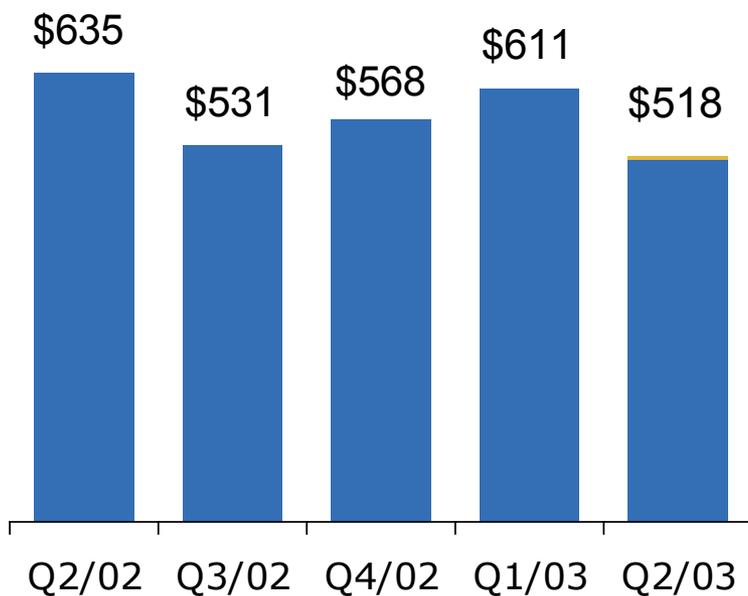


Underlying trend¹

Wholesale Bank

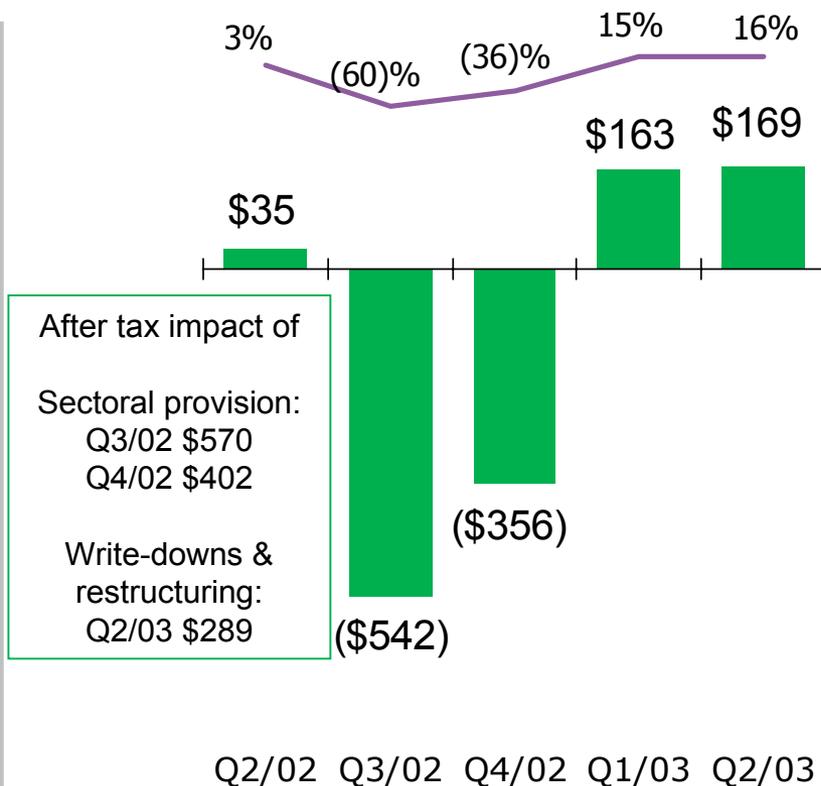
Revenue²

\$ Millions



Cash Net Income

\$ Millions



After tax impact of

Sectoral provision:
Q3/02 \$570
Q4/02 \$402

Write-downs & restructuring:
Q2/03 \$289

Return on Economic Capital

1. Operating cash basis excluding Q2/03 write-downs and restructuring
 2. Revenue excludes restructuring of \$6 million in Q2/03.

Operating cash basis

Wholesale Bank

TDS Core/Non-Core

	Core ¹		Non-Core	
	<u>Q1 2003</u>	<u>Q2 2003</u>	<u>Q1 2003</u>	<u>Q2 2003</u>
Revenue				
NII	\$ 356	\$ 273	\$ 48	\$ 40
Trading and fee income	232	208	(25)	(9)
Total	588	481	23	31
PCL	-	-	-	-
Expenses	343	716	14	8
NIBT	245	(235)	9	23
Income Tax	88	(102)	3	10
Net Income	\$ 157	\$ (133)	\$ 6	\$ 13

1. Q2/03 restructuring and goodwill impairment charges total \$289 million after-tax.

Underlying trend¹

Wholesale Bank

TDS Core/Non-Core

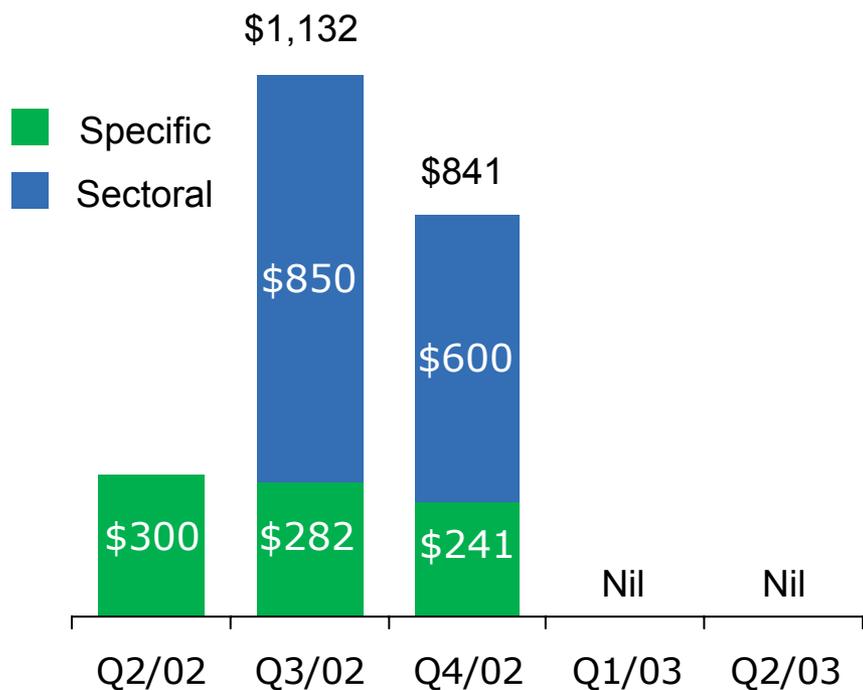
	Core ²		Non-Core	
	<u>Q1 2003</u>	<u>Q2 2003</u>	<u>Q1 2003</u>	<u>Q2 2003</u>
Revenue				
NII	\$ 356	\$ 273	\$ 48	\$ 40
Trading and fee income	<u>232</u>	<u>214</u>	<u>(25)</u>	<u>(9)</u>
Total	588	487	23	31
PCL	-	-	-	-
Expenses	343	300	14	8
NIBT	245	187	9	23
Income Tax	88	31	3	10
Net Income	\$ 157	\$ 156	\$ 6	\$ 13

1. Operating cash basis excluding Q2/03 write-downs and restructuring

2. Q2/03 restructuring and goodwill impairment charges total \$289 million after-tax.



Quarterly Provision For Credit Loss



- No specific provision for credit loss in Q2/03:
 - No specific PCL in Q1/03
 - \$300 million PCL in Q2/02
 - Sectoral draw down in Q2/03 of \$170 million

Actual specific loan loss ¹ (\$MM)				
<u>Q2/02</u>	<u>Q3/03</u>	<u>Q4/02</u>	<u>Q1/03</u>	<u>Q2/03</u>
\$300	\$282	\$426	\$236	\$170

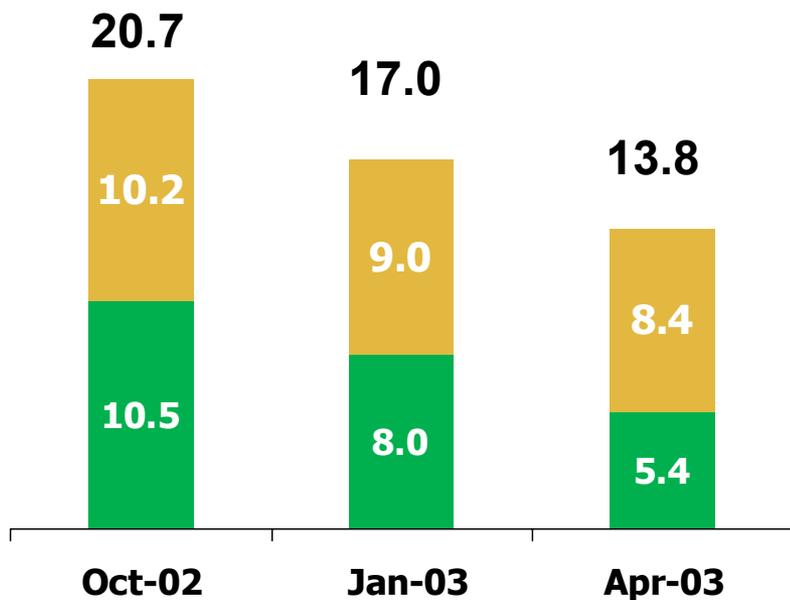
1. Specific provisions plus any draw down of sectorals



Portfolio Composition

Exposure

C\$BN



Loans & BAs

C\$BN



■ Non-investment grade
■ Investment grade



Non-Core Portfolio Analysis

	Drawn Loans & BAs	Total Net Exposure
Balance January 31, 2003	\$ 9,318	\$ 16,995
Sectoral usage for specifics	(170)	(170)
FX	(389)	(823)
Net reduction	(1,595)	(2,181)
Balance April 30, 2003	\$ 7,164	\$ 13,821

Balances at October 31, 2002 were \$11,181million for drawn loans and BA's and \$20,694 million for Total Net Exposure



Allowances For Credit Loss - Continuity

¢\$MM

Specific allowances: at Q1/03	1,099
Write-offs	(78)
FX adjustments	(58)
Transfers from Sectoral	<u>170</u>
Specific allowances: at Q2/03	1,133
Sectoral allowances: at Q1/03	1,032
Drawdowns of Sectoral	(170)
FX	<u>(49)</u>
Total Sectoral allowances at Q2/03	813



Reserves Held Against Non-Core Portfolio

At April 30, 2003

C\$ MM

	<u>Investment Grade</u>	<u>Non- Investment Grade</u>	<u>Total</u>
Gross Loans/BA before Allowances (including write-offs, less cash collateral and credit protection)	1,167	7,470	8,637
Reserves			
Previous Write-offs	0	395	395
Specific Allowances	0	1,133	1,133
Sectoral Allowances	0	813	813
General Allowances	<u>0</u>	<u>300</u>	<u>300</u>
Total Reserves	0	2,641	2,641
Reserves as % of Gross Loans and BAs	N/A	35%	31%



Reserves Held Against Selected Non-Core Portfolios

April 30, 2003

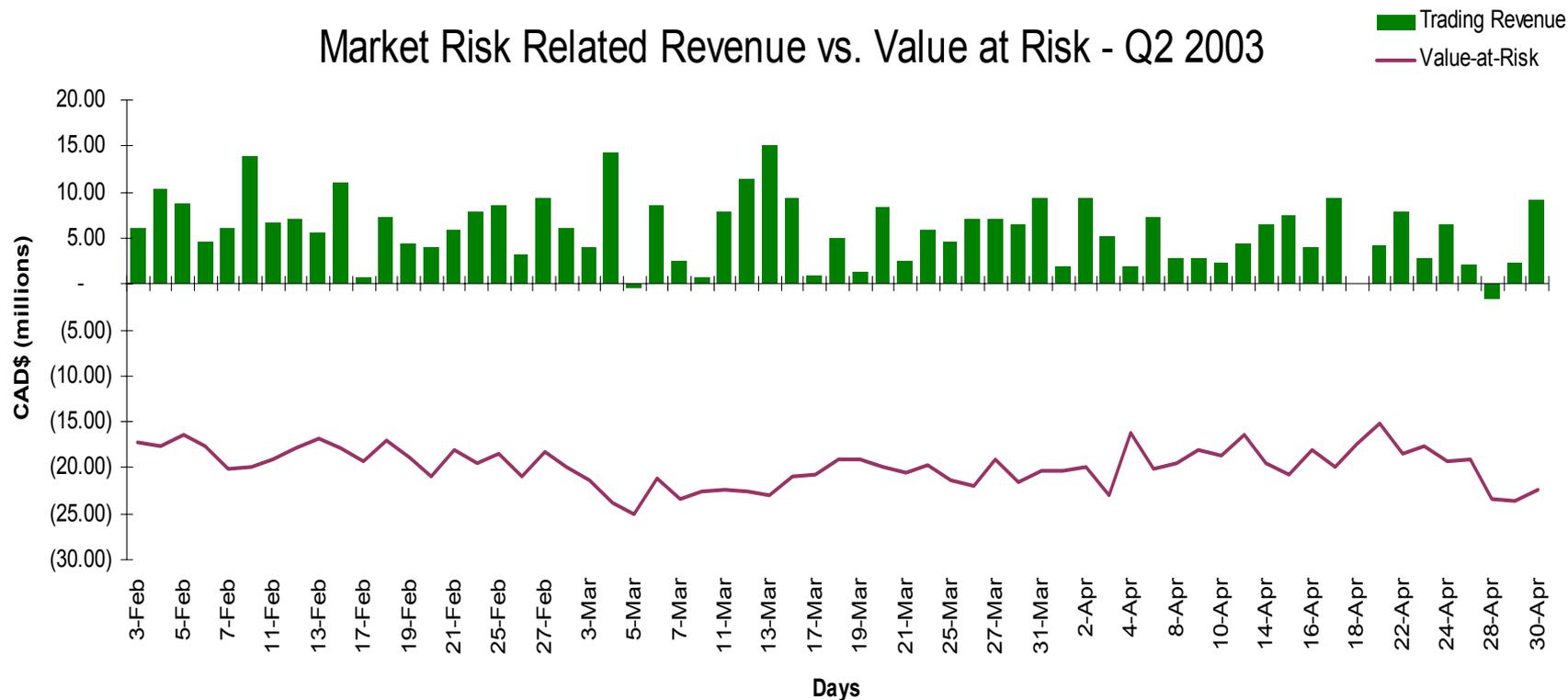
C\$ MM

	Investment Grade	Non- Investment Grade	Total
Gross Loans and BAs (net c/c, cds)			
Telecom & Non-N.A. Cable	110	2,008	2,118
Power & Power Generation	290	2,645	2,935
Other Classified Accounts	<u>0</u>	<u>1,692</u>	<u>1,692</u>
Total	400	6,345	6,745
Reserves			
Previous Write-offs		395	395
Specific Allowances		1,133	1,133
Sectoral Allowances		813	813
General Allowances		<u>300</u>	<u>300</u>
Total Reserves		2,641	2,641
Reserves as % of Gross Loans and BAs		42%	39%



Market Risk

Market Risk Related Revenue vs. Value at Risk - Q2 2003

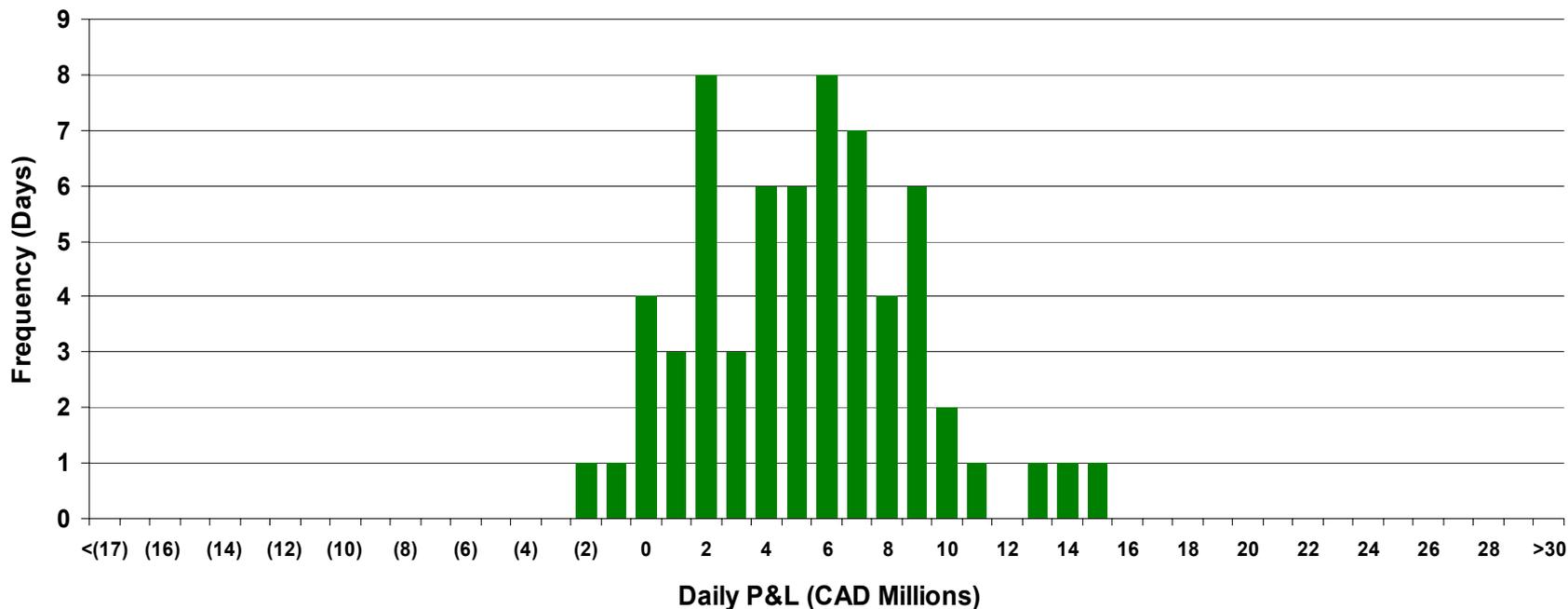


- TD Securities' average Value-at-Risk (VaR) for Q2 FY '03 was CAD 19.9 MM
- Daily trading losses did not exceed VaR during Q2 FY '03



Market Risk

Distribution of Daily Market Risk Related Revenue
Q2 - 2003





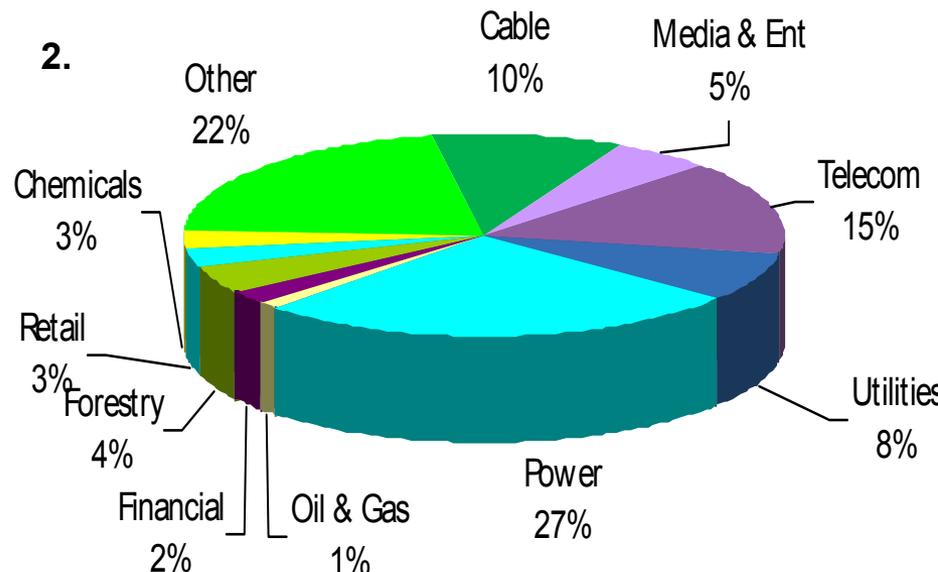
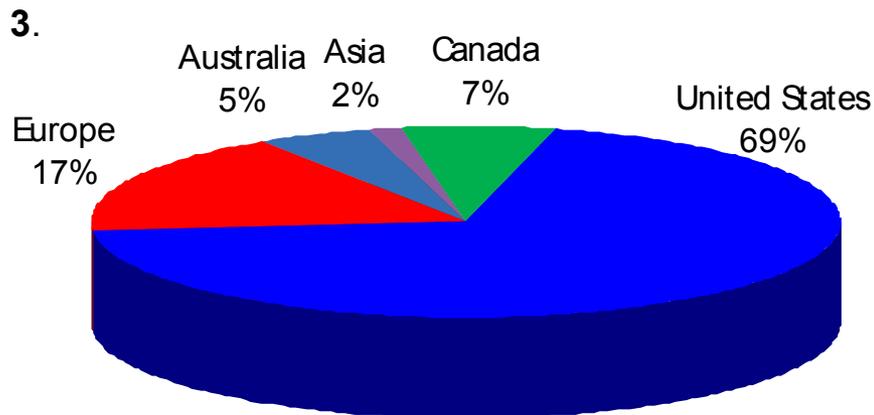
Q2 2003 Supplemental Information

Portfolio Composition

- Loan Exposure¹ - April 30, 2003

Non-Core - C\$13.8 BN

1. Risk Rating
2. Industry Sector
3. Geography



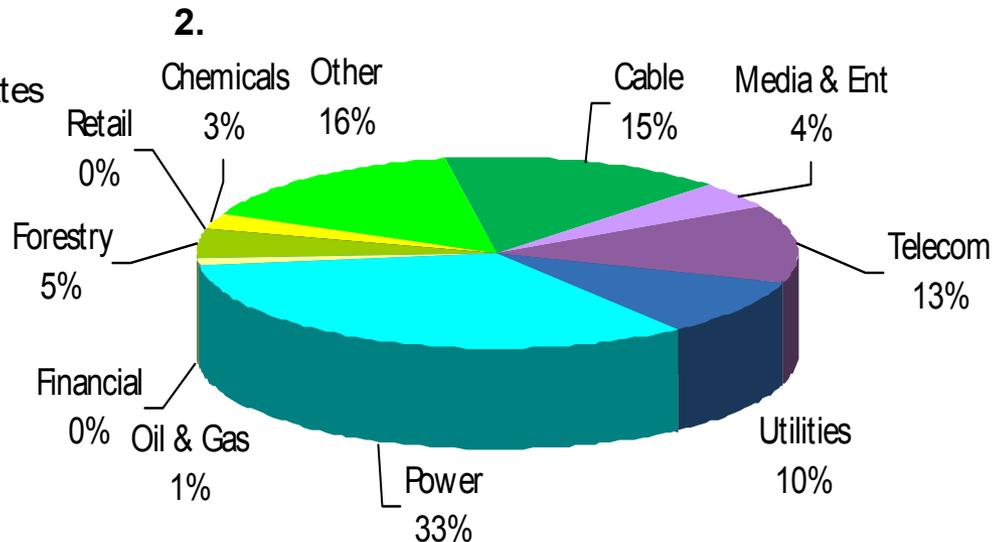
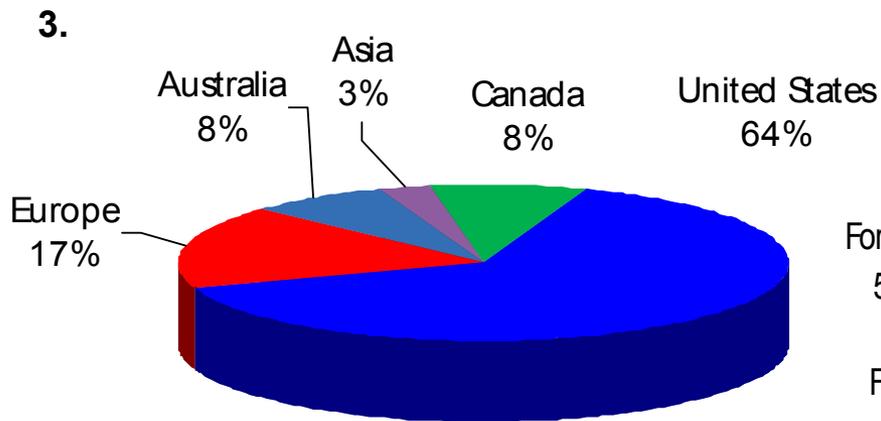
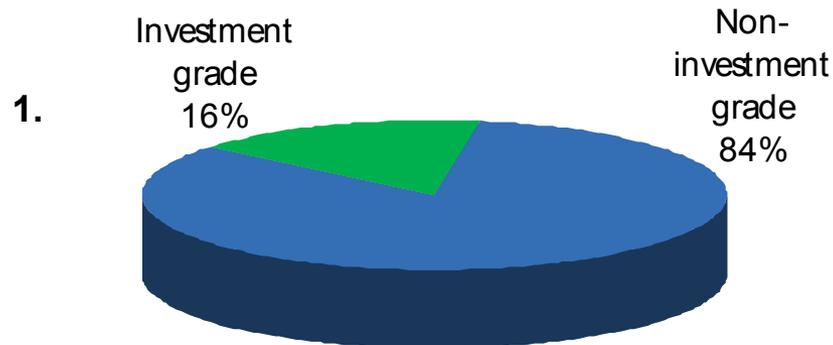
1. Exposure = Credit Commitments + Uncommitted Utilized - Specific Allowances for Credit Loss - Cash Collateral - Credit Protection.

Portfolio Composition

- Loans & BAs¹ - April 30, 2003

Non-Core - C\$7.2 BN

1. Risk Rating
2. Industry Sector
3. Geography



1. Loans and BAs = Loans + BAs - Specific Allowances for Credit Loss - Cash Collateral - Credit Protection.



Telecom & Cable - Net Loans and BAs

April 30, 2003

C\$MM

	<u>Investment Grade</u>	<u>Non- Investment Grade</u>	<u>Total</u>
Telephone Regulated	46	52	98
Unregulated Telephone			
CLEC	0	43	43
Long Haul Fibre	0	50	50
Paging	0	0	0
Wireless	64	605	669
Other	<u>0</u>	<u>76</u>	<u>76</u>
Total Unregulated Telephone	64	774	838
Telecom Equipment	<u>0</u>	<u>0</u>	<u>0</u>
Total Telecom	110	826	936
Non-N.A. Cable	0	623	623
N.A. Cable	<u>0</u>	<u>476</u>	<u>476</u>
Total Telecom and Cable	110	1,925	2,035



Telecom - Reserves

April 30, 2003
C\$MM

	<u>Gross L&BA</u> ¹	<u>Gross Impaired</u> ¹		W/Os, Allowances, Adjustments ²	Net Impaired	<u>Reserv</u> <u>e</u>
	\$ MM	\$ MM	%	\$ MM	\$ MM	%
CLEC	142	109	77	92	17	84
Long Haul Fibre	241	214	89	191	23	89
Paging	16	16	100	15	1	96
Wireless	737	97	13	43	54	44
Other	<u>196</u>	<u>147</u>	<u>75</u>	<u>120</u>	<u>27</u>	<u>82</u>
Total Telecom	1,332	583	44	462	121	79

1. Before prior write-offs. 2. Cash Collateral, Credit Protection, MTM on impaired accounts only.



Power & Power Generation - Net Loans and BAs

April 30, 2003

C\$MM

	Investment <u>Grade</u>	Non- Investment <u>Grade</u>	<u>Total</u>
Individual generation projects with power purchase agreements	204	440	644
Diversified generation	35	1439	1474
Diversified utility	<u>51</u>	<u>215</u>	<u>266</u>
Total Power and Power Generation	290	2,094	2,384
Utility - Regulated power trans./distr.	133	81	214
	423	2,175	2,598



Power & Power Generation - Reserves

April 30, 2003

C\$MM

	<u>Gross L&BA¹</u>	<u>Gross Impaired¹</u>		<u>W/Os, Allowances, Adjustments²</u>	<u>Net Impaired</u>	<u>Reserve</u>
	\$ MM	\$ MM	%	\$ MM	\$ MM	%
Individual generation projects with power purchase agreements	805	238	30	147	90	62
Diversified generation	1,776	380	21	243	136	64
Diversified utility	461	112	24	102	10	92
Sub-total	3,042	<u>730</u>	<u>75</u>	<u>492</u>	<u>236</u>	<u>67</u>
Utility-Regulated power trans./distr.	214					
Total Power	3,256	730	22	492	238	67

1. Before prior write-offs. 2. Cash Collateral, Credit Protection, MTM on impaired accounts only.



Total Bank

Telecom and Cable - Net Loans and BAs

April 30, 2003

C\$MM

	Investment Grade	Non- Investment Grade	Total
	<hr/>	<hr/>	<hr/>
Telephone Regulated	46	52	98
Unregulated Telephone			
CLEC	0	43	43
Long Haul Fibre	0	50	50
Paging	0	0	0
Wireless	156	639	795
Other	<u>3</u>	<u>129</u>	<u>132</u>
Total Unregulated	159	861	1,020
Telecom Equipment	0	0	0
Total Telecom	<u>205</u>	<u>913</u>	<u>1,118</u>
Non-N.A. Cable	0	623	623
N.A. Cable	<u>0</u>	<u>1,071</u>	<u>1,071</u>
Total Telecom and Cable	205	2,607	2,812



Telecom and Cable - Net Loans and BAs

April 30, 2003

C\$MM

	Investment Grade	Non- Investment Grade	Total
	<u> </u>	<u> </u>	<u> </u>
Telephone Regulated	0	0	0
Unregulated Telephone			
CLEC	0	0	0
Long Haul Fibre	0	0	0
Paging	0	0	0
Wireless	92	34	126
Other	3	53	56
Total Unregulated	95	87	182
Telecom Equipment	0	0	0
Total Telecom	95	87	182
Non-N.A. Cable	0	0	0
N.A. Cable	0	595	595
Total Telecom and Cable	95	682	777



Power & Power Generation - Net Loans and BAs

April 30, 2003

C\$MM

	Investment <u>Grade</u>	Non- Investment <u>Grade</u>	<u>Total</u>
Individual generation projects with power purchase agreements	240	466	706
Diversified generation	36	1,439	1,475
Diversified utility	<u>346</u>	<u>215</u>	<u>561</u>
Total Power and Power Generation	622	2,120	2,742
Regulated power trans./distr.	304	81	385
	926	2,201	3,127



Power & Power Generation - Net Loans and BAs

April 30, 2003

C\$MM

	Investment Grade	Non- Investment Grade	Total
	<u> </u>	<u> </u>	<u> </u>
Individual generation projects with power purchase agreements	36	26	62
Diversified generation	1	0	1
Diversified utility	<u>295</u>	<u>0</u>	<u>295</u>
Total Power and Power Generation	332	26	358
Regulated power trans./distr.	171	0	171
	503	26	529



Q2 2003 Quarterly Earnings Conference Call

May 22, 2003