



**Remarks by Ed Clark
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TD Bank Financial Group
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(Check Against Delivery)

Thank you John,

I am also delighted to be back in Ottawa and want to congratulate you on your 150th anniversary.

Ottawa is a fascinating city.

It's unusual to find a centre of political power that is also one of the most livable cities in Canada and a fast growing centre of business innovation.

That's what makes it great.

Our history here goes back to 1896 when the Ottawa Trust and Deposit Company first opened its doors.

We're very pleased that we've had the good fortune to grow with you.

This year TD Bank Financial Group is also celebrating its 150th anniversary.

We've come a long way in a century and a half.

But no matter how long you've been in business,

No matter how great your history,

People always want to know,

What have you done for me lately and what will you do for me in the future?

So let me focus my remarks on our performance in 2004 and on our future.

When I talk to financial analysts about our performance every quarter, I always talk about our weaknesses as well as our strengths.

That's part of the TD culture.

We'd rather be good than think we're good.

But it's hard not to blow your own horn a little when you come off a year like 2004.



Two years ago, when I became CEO, I said we were going to build a better bank. In 2004 we set out to show that we could build on the solid foundation established the previous year and deliver sustainable and growing earnings. That's exactly what we did. Our results were excellent. Adjusted earnings were up 26 percent from 2003, our economic profit rose to \$1.1 billion in 2004.

Each of our three main businesses had double-digit earnings growth. On the same basis, TDCT was up 16 percent, Wealth Management up 45 percent, the Wholesale bank up 11 percent.

The non-core bank that we set up to deal with problem loans two years ago was wound down a year ahead of schedule with significantly better results than we had anticipated. We increased dividends by 17 percent and bought back 7.6 million shares while increasing our capital.

Our net tangible common equity to risk weighted assets-- a key measure of our balance sheet strength -- went from 6.9 percent to 9 percent.

We freed up \$1.6 billion of tangible common equity to help fund our growth.

We set out to redeploy our excess capital in ways that created shareholder value and positioned the bank for long-term growth.

We did that by acquiring 51 percent of Banknorth.

A deal we closed March 1.

We completed the integration of 57 Laurentian branches and we bought the personal lines of Liberty Mutual's Canadian property and casualty insurance operations.

We delivered a total shareholder return that on average in each of the last two years exceeded 32 percent, 15 percent higher than our peer average.

What a year!



We owe our employees a moment of acknowledgement for this great performance. They are committed to the bank, they care about our customers and they think like shareholders.

We don't celebrate their accomplishments enough.

So please join me in thanking our employees and retirees in this room and in every part of TD Bank Financial Group for a job well done.

Looking at 2005 and beyond, our mission once again is to continue to deliver sustainable earnings growth.

We are very well positioned for the future.

We have a simple growth strategy.

We have four strong growth businesses

- personal and commercial banking,
- wealth management,
- wholesale banking
- and our new US personal and commercial banking platform TD Banknorth.

Where our businesses have areas that are mature by virtue of their market share or the evolution of the market,

-- we will deliver superior results by having a better business model or better operating efficiencies.

We will focus on growing revenue faster than expenses.

Take our retail bank: we have delivered consistent double-digit earnings growth.

We are focused on investing in technology and developing processes to make things simple, fast and easy for our employees and our customers

-- and at the same time permanently lower our costs.



In discount brokerage both in Canada and the United States we have introduced greater efficiencies

- and lowered our break-even point
- so we can make money in good markets and bad.

In our wholesale bank we have lowered our risk and the volatility of earnings and we are investing in areas where we can generate higher than average Return on Equity.

We do not believe that our strong Canadian franchise has to be a slow growth franchise. Quite the contrary.

Each of our businesses has islands that can provide better than average growth.

This distinguishes us from our competitors.

In our wholesale bank for example, we have grown our institutional equities market share dramatically to match our fixed income position.

We now intend to ramp up our issuer business as we diversify our investment banking.

We have opportunities in our wealth management advice areas,

in small business and commercial banking, insurance

and credit cards, because in these markets,

- we have less than our natural market share,
- we have room to grow
- and we have the ability to cross sell.

In the United States, TD Waterhouse is in an inherently faster growth market,

- and TD Banknorth gives us an important personal and commercial banking foothold with lots of room to grow.

One of the things we liked about Banknorth was the quality of its leadership team.

Leadership matters in every part of the bank.

To be the better bank you have to be the best run.

You have to have a simple strategy.

You have to have a culture where everyone is following the same principles

- and you have to execute with excellence.



Right across the bank we have introduced a set of guiding principles that tell our employees how we do business around here.

The principles are simple but powerful:

- Be customer driven,
- Respect each other,
- Execute with excellence,
- Know your business,
- Enhance the brand, and
- Increase shareholder value.

Across a diversified set of businesses and geographies they tell all our employees what is expected of them.

They are our values and their power lies in their simplicity and genuineness.

We also have a set of management practices that we've been training our managers to use.

Better management creates a better workplace,

-- leads to more loyal employees,

-- and is the core of operational excellence.

But in a complex organization competing in a tough economic environment, leadership becomes vital,

-- and leadership is more than good management.

Fundamentally we understand that we're trustees of one of Canada's great long-standing institutions.

We are constantly building on that foundation.

We expect a lot from our leaders and see leadership as a differentiating strength.



Just as you can't leave it to osmosis and hope people figure out what your principles are, -- you can't expect leaders to figure out what it takes to be a great leader in your culture.

You have to be explicit.

So we've created a set of leadership attributes that help our leaders know what's expected of them.

Let me share them with you.

In our organization you can't be a leader if you don't make an impact.

You have to get things done.

That means you have to deliver superior results for all of our stakeholders -- our customers, our employees, our community, and our shareholders.

In a simple phrase, it's not what you say, it's what you do.

You have to build for the future.

You have to have a vision.

Leaders know where a company has to go and they build the capacity to deal with the competitive challenges of tomorrow.

They inspire the will to win.

They have a tremendous passion for their business that excites everyone.

At TD you can't be a leader unless you can work in teams. Our huge competitive advantage is the ability to tap into the vast resources that we have in this organization.

But equally importantly, our leaders are expected to engage others effectively without giving up their own sense of responsibility and ownership of their results.

Of all the values in this organization, our core value is transparency.

It's something our leaders have to live every single day. You've got to say what you believe.

You have to bring forward bad news as well as good.

You don't round corners.

We expect our leaders to recognize their own strengths and weaknesses; to admit and learn from their mistakes.



We also expect leaders to have good judgment -- that pragmatic ability to blend intellect, common sense and street smarts to determine the sensible thing to do in any circumstance.

And finally, you can't be a great leader in our culture without having integrity.
In the end, what do people want to look up to?

They want to know that their leaders will always put the interests of the organization before their own personal interest.

They want an organization of which they can be proud. They want leaders, on a day by day basis, to treat people with respect.

When I look forward and say what else do we need to do to build a better bank?
-- the answer is that we have to build the capacity to have a great management team well into the future.

Great talent is scarce.

We have to attract the brightest and the best
-- and ensure we're a place where our customers feel comfortable doing business with us. We've come a long way in increasing the diversity in our workforce but we need to do even better.

What would we like to look like in five years?

We want to make real progress in diversity
-- in ways that build on our performance-driven culture.

We have to continue to grow the role of women in our executive ranks.

We need more visible minorities in leadership roles.

Canada is in fundamental change.

Our population growth will be fueled entirely by immigration.

We need leaders that reflect our new society.

We want to be a barrier-free environment for people with disabilities.

We've made some progress but this has to be an area of focus for us.



We must be a company where everyone's sexual orientation is supported. This means that our gay and lesbian employees should feel comfortable applying for same sex benefits, -- and all employees, whatever their sexual orientation, believe that they will be accepted for who they are.

All of these elements help to create a genuinely diverse employee population. In five years we want diversity to be just part of how we do business at TD. We want it to become second nature.

We want to do more than simply reflect the communities where we live and work. We want to help them be strong and vibrant.

We know that we can only do as well as the economies in which we operate. Those economies only thrive if the communities are decent places to live. In our community support activities we have focused on three areas that can make a difference to the communities' well-being and where we hope to make a real and lasting impact

– children's health, education and literacy, and the environment.

Last year, as part of this program, we gave more than \$1 million in the Ottawa region.

And we disbursed a further quarter of a million dollars through the TD Friends of the Environment Foundation.

But there are times when circumstances call for something beyond these three areas. The tsunami in South Asia was just such an example. I'm enormously proud of our employees' response.

Through their efforts and our corporate support we were the largest contributor among the Canadian banks to the tsunami relief effort.

Before I close I'd like to say that I'm very fortunate to have John Thompson as our Chairman. A CEO needs someone to talk to and to get advice from -- especially today when business is complex, stakeholders' expectations are constantly evolving and it's tougher to always know what are the right decisions.



John understands that management must be left to run the business day to day.

And in the end we should be held accountable for our decisions and their results.
But when there are big questions and challenges he's a thoughtful sounding board and gives excellent advice --

-- and helpfully, he's backed by an equally strong Board.

A board that will give management a rough time if we haven't thought things out,

-- but is also supportive if we're working through tough issues.

I'd also like to acknowledge and thank our customers. Many of them have been with us for generations.

Thank you for your trust and loyalty.

Thank you too, to the shareholders who have invested in our vision of banking as we've evolved and grown over the years.

TD has made a number of bold moves – buying Waterhouse, acquiring Canada Trust, taking a 51% stake in Banknorth.

These moves were not without risk – but they have reshaped the institution to make it a survivor, indeed a leader in the decades to come.

Our shareholders have stood behind us and we appreciate their loyalty.

How do I feel about where we are and our future?

I feel very optimistic.

2004 was a great year for TD Bank Financial Group and 2005 has got off to a great start.

TD is about keeping commitments.

We have a simple strategy and it's working.

We're delivering what we promised.

We're a company on the move.

I'm confident that we will continue to build on our solid foundations

--and deliver sustainable results for our shareholders.

I look forward to reporting back to you on our commitments next year.

Thank you.