



Remarks by John M. Thompson, Chairman of the Board of Directors TD Bank
Financial Group
TDBFG's 2006 Annual General Meeting
March 29, 2007
Montréal, Quebec

Introduction

Thank you and good morning.

It's become a tradition to host our Annual General Meeting in different cities. So let me begin by saying how pleased we are to be back in Montreal this year.

Our roots run deep here; pre-dating Confederation. We arrived around the same time Pont Victoria was built, which opened Montreal up to the South Shore, Eastern Townships and the United States. Not surprisingly it soon became an important commercial link.

Like the Bridge, the Bank is a part of this city's commercial landscape, as it is in many other communities across Quebec.

3,300 TD employees now call 'la belle province' home and are a big part of the Bank's ongoing success.

TD knows firsthand that Quebec is a vibrant and dynamic place to live and work, and it represents a great growth opportunity for your Bank in the years to come.

Shareholder Value

Your Bank sees growth opportunities -- not only here in Quebec and in Canada -- but also on a much broader scale. This speaks to our transformation from a leading Canadian financial institution into a leading North American one. And let me just say this transformation, is being skillfully led by Ed Clark and his executive management team.

They are responsible for TD turning in an excellent performance in 2006, and a very good year for shareholders. We were a leader with 18 percent growth in adjusted net income, and saw a Total Shareholder Return in excess of 20 percent, which included a 13 percent growth in dividends.

Linking Performance to Board Practices

Again, most of the credit goes to our dedicated employees and TD's executive management team. But performance is also, in part, a reflection of the way the Bank governs itself. And in recent years, your Board of Directors has worked hard to improve the Bank's governance model by redefining the way we work:



First of all, the Board has been dedicating more time to matters directly related to creating long-term shareholder value, like focusing on the Bank's strategy and risk-profile, as well strengthening and developing the executive team.

There has also been an increased focus on oversight and regulatory compliance, much of which falls to the Board's four Committees;

We've also worked hard to create a more constructive and transparent culture, which sets the tone at the top for the executive management team and for the culture throughout the organization. This makes for a work environment that generates a free exchange of ideas and information; open and frank discussions; good teamwork; and, the highest ethical standards.

Meaningful progress has been made and I'm proud to say your Board was recognized as a leader in corporate governance and disclosure this year by the *Globe and Mail* and the premier magazine for institutional investors, *Investor Relations*.

We'll continue to look for more ways to improve. But, most importantly, with all the increased focus on regulatory compliance, your Board is dedicated to striking the right balance between compliance and oversight, which is about meeting our legal and regulatory obligations, while also spending time on providing strategic thinking and advice, which is important to creating long-term shareholder value.

Compliance and oversight will always remains a principal focus for your Directors, but we won't allow these items to take up all our time and activity. To best serve your interests, we are also spending ample time on our future.

Key Activities in 2006

Later in this meeting you'll see a video that introduces your directors and highlights some of our key activities in 2006. But I'd also like to mention some of the Board's achievements now.

First, the Bank attained Sarbanes Oxley 404 certification this year. For shareholders this achievement further ensures that our financial controls adhere to the very best practices, and that we are well positioned for our transformation to a broader North American financial institution.

The Board also allocated considerable time thinking about the Bank's future leadership. This included reviews of the development programs for TD's leadership team, as well as succession planning. We also conducted the same exercise for the Board itself.

Next, the Board continued to align executive pay with the long-term interests of the Bank and shareholders. For instance, the use of cash compensation was further reduced in favour of equity compensation. And within the equity component of compensation, the percentage of pay awarded in stock options was further reduced in favour of performance-based shares grants.



And then, we've continued to reduce the Bank's exposure to risk. In fact TD has now achieved the highest rate of return with the lowest risk profile of any major Canadian bank and this position should help us weather downturns in the economic cycle.

The Board's Central Role to Strategy

Now, as I previously mentioned, we continue to refine the way the Board works, with the aim of striking the right balance between our oversight duties; and focusing on the strategies that create long term shareholder value.

In particular, the Board has dedicated a significant portion of every meeting to reviewing the Bank's strategic initiatives. This begins with making the right trade-offs to ensure that short term return objectives are met, while appropriate capital allocations are available for long term investments.

Our strategic focus is then directed at not only reviewing and approving the directions of the business, but constantly updating our thinking for changes in the marketplace and implementation of the initiatives. Good strategy is as much about execution as it is about creation.

This work has led to the Bank's ability and decisions to make major investments in the United States. We believe our recent acquisitions south of the border will serve shareholders well, by providing long term growth and transforming TD into a significant North American financial institution.

While the current climate in the US is not without its challenges, your board continues to believe we are on the right track to create long term growth and shareholder value.

Ongoing Commitment and Confidence

Creating shareholder value is, of course, all about creating economic returns for the shareholder. However, in today's environment that can no longer be done without giving due consideration to the needs of all of our stakeholders, including customers, employees and the communities that we do business in.

So, at TD, there is a very strong focus on meeting our customers' needs, attracting and retaining the very best employees, and sustaining our reputation and brand in the marketplace and in our communities. Because at the end of the day, these initiatives are all vital to our ability to drive growth and in turn, deliver greater shareholder returns.

Our results show we are moving in the right direction, and I'm confident we will serve your interests moving forward.

We appreciate your commitment to TD.



Bank Financial Group

Investor Relations

Thank you. I'd now like to turn it over to Ed.