

Q1 2007
Strategic Overview
(Check Against Delivery)
Ed Clark, President and CEO

Thanks for joining us this afternoon.

Colleen will give you details on how we did in our first quarter of 2007. I'd like to share my perspective on where we are today and why we feel pretty optimistic about the future.

Obviously, it was an outstanding quarter for us. All of our businesses made an excellent contribution. It always feels good to start off the year with great performance.

We delivered adjusted earnings per share growth of 20%. As you know, our longer-term goal is EPS growth of 7 to 10%. But over the last couple years, we've been able to grow earnings and dividends by more than that.

Our confidence in our earnings is reflected in the announcement today of a 5 cent or 10% increase in our quarterly dividend. This underscores our philosophy that to outperform on dividends, you have to outperform on earnings. Next quarter, our dividend rate will be 20% higher than it was in 2006 which is in line with our year-over-year earnings growth.

Canadian Retail Operations – Record Earnings Again

We posted record earnings again in our Canadian Personal & Commercial Bank and Wealth Management in Canada, up 15% year over year.

In TDCT, the remarkable story here is that the business has managed to continue 11% revenue growth. Coupled with a continuing 3% gap over expense growth, earnings grew 14%.

Canadian Wealth Management also continues to have a remarkable story to tell - rapid revenue growth, continuing investment in the future, and 16% profit growth.

We continue to have the view that, as the year progresses, there will be a slow down in revenue growth. So with that in mind, all of our businesses are managing expense growth in line with that assumption, while ensuring on-going investments in customer-facing areas.

We're definitely not letting up on the investments we're making for the future. This quarter, we added more client-facing advisors in Wealth, more Commercial Bankers and Small Business Advisors, more sales staff in Merchant Services,

and we continued to open new branches.

Wholesale Bank – Very Strong Start

Turning to Wholesale. They delivered notably strong results in Q1.

This was Wholesale's second strongest quarter in terms of trading revenue, out of the last 10 quarters. In addition, the strength we're building in TD Securities' domestic core businesses is becoming more and more evident. We continue to focus on our goal of being a top 3 dealer in Canada.

We're very pleased with Wholesale's strong start to the year but clearly recognize that Q1 is historically Wholesale's strongest quarter. We expect this year to be no exception.

U.S. Operations – Strong Growth Platform

In terms of our U.S. operations -- TD Ameritrade delivered its best quarter ever and contributed \$64 million in Q1 to TD's bottom line.

As you heard from Joe Moglia on his earnings call, TD Ameritrade remains focused on growing assets in each of its client segments while executing this year on the smooth integration of TD Waterhouse.

TD Banknorth continues to face a tough banking environment. Bharat Masrani and his team though, are working hard to improve organic growth and reduce TD Banknorth's operating expenses in the 5 – 8% range.

As Bharat has said, some initiatives will likely result in a restructuring charge, but it is too early in the process of TD Banknorth considering its options to have a view on its order of magnitude.

On the subject of privatization – The process continues as expected. We hope soon to be setting the date for the shareholders' meeting. If the vote is successful, we would expect to close before the end of April as previously announced.

Closing

To sum up, we had a terrific first quarter launching us into a year where we have every reason to believe we'll continue to be very successful.

Clearly though, this extremely strong first quarter will be a hard act to follow.

Looking forward, there are a number of moving parts to bear in mind.

First as you know, there are fewer days in Q2. Clearly with our focus on retail banking, TD will be impacted – even more so than others – by that fact.

Second, past experience tells us that the Wholesale Bank's results typically dip in the second half of the year. And we expect that the corporate segment should return to our stated range of a loss of \$20 to \$40 million per quarter.

In addition, we remain of the view that the economy is going to slow – and with it, our revenues. So we're managing the business today to prepare for that eventuality later in the year.

Finally however, we continue to have strong momentum in our Canadian retail businesses. We expect TD Ameritrade to have a strong fourth quarter as a result of the economies of conversion, and provided the TD Banknorth shareholders vote for privatization, we will have additional Banknorth earnings.

All in, I believe our Q1 results are consistent with our view that we continue to be positioned to outperform this year, with EPS growth expected to well exceed our 7-10% range.

With that I'll turn things over to Colleen.