# TD BANK FINANCIAL GROUP
# NOMURA NORTH AMERICAN EQUITIES CONFERENCE
# MAY 17, 2010

## DISCLAIMER



## FORWARD-LOOKING INFORMATION

From time to time, the Bank makes written and oral forward-looking statements, including in this presentation, in other filings with Canadian regulators or the U.S. Securities and Exchange Commission (SEC), and in other communications. In addition, representatives of the Bank may make forward-looking statements orally to analysts, investors, the media and others. All such statements are made pursuant to the "safe harbour" provisions of applicable Canadian and U.S. securities legislation, including the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements include, among others, statements regarding the Bank's objectives and priorities for 2010 and beyond and strategies to achieve them, and the Bank's anticipated financial performance. Forward-looking statements are typically identified by words such as "will", "should", "believe", "expect", "anticipate", "intend", "estimate", "plan", "may" and "could".

By their very nature, these statements require the Bank to make assumptions and are subject to inherent risks and uncertainties, general and specific. Especially in light of the uncertainty related to the current financial, economic and regulatory environments, such risks and uncertainties – many of which are beyond the Bank's control and the effects of which can be difficult to predict – may cause actual results to differ materially from the expectations expressed in the forward-looking statements. Risk factors that could cause such differences include: credit, market (including equity, commodity, foreign exchange and interest rate), liquidity, operational, reputational, insurance, strategic, regulatory, legal and other risks, all of which are discussed in the Management's Discussion and Analysis (MD&A) in the Bank's 2009 Annual Report. Additional risk factors include changes to and new interpretations of risk-based capital guidelines and reporting instructions; increased funding costs for credit due to market illiquidity and competition for funding; the failure of third parties to comply with their obligations to the Bank or its affiliates relating to the care and control of information; and the use of new technologies in unprecedented ways to defraud the Bank or its customers and the organized efforts of increasingly sophisticated parties who direct their attempts to defraud the Bank or its customers through many channels. We caution that the preceding list is not exhaustive of all possible risk factors and other factors could also adversely affect the Bank's results. For more detailed information, please see the Risk Factors and Management section of the MD&A, starting on page 65 of the Bank's 2009 Annual Report. All such factors should be considered carefully, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements, when making decisions with respect to the Bank and undue reliance should not be placed on the Bank's forward-looking statements.

Material economic assumptions underlying the forward-looking statements contained in this presentation are set out in the Bank's 2009 Annual Report under the heading "Economic Summary and Outlook", as updated in the First Quarter 2010 Report to Shareholders; and for each of the business segments, under the headings "Business Outlook and Focus for 2010", as updated in the First Quarter 2010 Report to Shareholders under the headings "Business Outlook".

Any forward-looking statements contained in this presentation represent the views of management only as of the date hereof and are presented for the purpose of assisting the Bank's shareholders and analysts in understanding the Bank's financial position, objectives and priorities and anticipated financial performance as at and for the periods ended on the dates presented, and may not be appropriate for other purposes. The Bank does not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by or on its behalf, except as required under applicable securities legislation.

## CORPORATE PARTICIPANTS

**Tim Thompson**
*TD Bank Financial Group - Senior Vice President, Investor Relations*

## PRESENTATION

**Unidentified Speaker**

Ladies and gentlemen, next presentation is Toronto-Dominion Bank by Mr. Tim Thompson, Senior Vice President and Head of IR. So, could you please?

**Tim Thompson *- TD Bank Financial Group - Senior Vice President - Investor Relations***

Thank you. Hi, everyone. Good afternoon. Thanks for having me. Tokyo is a great city. My second visit, so I'm very happy to be here. I'm glad the weather's cooperating.

Today what I'd like to do is give you an overview of the TD Bank Financial Group, some highlights from our Q1 2010 results, and give you a few highlights and insights into our Canadian and US personal and commercial banks.

Just before I begin, I just want to get some legalities out of the way. I need to mention that we're in the middle of our quiet period. Our fiscal second quarter ended on April 30th and our Q2 results will be released next week on May 27th. Therefore, my discussion today will be limited to the presentation materials and any responses to questions on earnings strategy and other developments will be based on publicly available information.

Certain material assumptions were applied in making statements today, and you can find additional information about such assumptions and the material risk factors that could cause actual results to differ in our Q1 2010 MD&A and annual report for 2009, which can be found on our website at td.com.

So, with the legalities out of the way, just a little bit of background about the bank. We're a bank that's anchored in Canada. We're a top-ten bank in North America in terms of our total assets, our deposits, earnings, and our market capitalization. Our strategy is to be a growth-oriented North American bank with a focus on lower-risk retail businesses.

In Canada, we have about 1,100 branches from coast to coast and a similar number of branches in the United States, mostly on the East Coast, in the Northeast, but also an emerging franchise in the Florida area. Over the past four quarters, we earned close to C$4 billion in adjusted retail earnings, which is more than any other of our Canadian peers and number two compared with our North American bank peers. In fiscal 2009, about 80% of our adjusted earnings came from our retail businesses, with the remainder coming from our wholesales business.

Our strategy is to build and run franchise businesses that create sustainable and growing earnings streams, and to be relentless on building both customers and relationships. The obvious example of this is in our retail bank. We believe that if you have branches that are in better locations, that are open longer and you give better service, then it's hard to see how you don't end up taking market share. And, in fact, our experience demonstrates that we do.

So whether we're in Canada or in the United States, our goal is to put a branch on a corner, and if other banks are on the other three corners, that we'll take more than 25% of the market share on that given corner. Another example of how we look at our franchise businesses is our wholesale dealer. We're focused very much on the Canadian market; we want to be a top-three dealer in Canada; we want to leverage our global situation to the benefit of our Canadian clients. It's a very different kind of strategy than some of our Canadian peers.

The last thing I'll mention on this slide is at the bottom of the slide around risk discipline. This does form a strong foundation for our entire bank. We have a pretty strong credit culture and balance sheet, and best-in-class capital and liquidity management. Our key mantra is to avoid risks we don't understand. And because of our risk discipline, we're one of the few banks in the world that's largely avoided the direct impact of the financial crisis, something we're quite proud about. So, we have a pretty simple strategy to focus on retail businesses. We work on it every day and we deliver consistently strong results. Let me move a little deeper.

On the next slide, you'll see some metrics. So as I mentioned, we're a top-ten North American bank. In Canada, number one and two, depending on what you look at. And in terms of North America, you see our return on risk-weighted assets we're number one. We're actually five times higher than some of our US peers on that metric. You see we're second, as I mentioned, in adjusted retail earnings in North America, and you can see the other metrics there.

In terms of our capital, we have a strong position at 11.5% Tier 1. Interestingly with that capital ratio, we're fourth out of Canadian peers, so that's a very high level, which is hard to believe. And we do have a AAA credit rating from Moody's -- one of two Canadian banks that have that coveted rating.

Just a quick overview of some of our key businesses on the next slide. You see, we have four business segments -- our Canadian personal and commercial bank, our wealth management segment, our US personal and commercial bank, and our wholesale segment. In terms of the earnings contributions, you see the contributions there as of the end of our first quarter -- wholesale about 25%, US retail about 20%, and Canadian retail about 55% or so.

Looking at the various brands. In Canada if you were walking down a street in Canada, you would see TD Canada Trust branches on the corner. In the US, you'd see TD Bank, America's Most Convenient Bank. If you've visited New York recently -- New York City -- you will have seen our branches throughout Manhattan. We also own a 45% ownership stake in TD Ameritrade, the biggest online brokerage operation in the United States.

So in terms of the various businesses, just a couple of highlights. In our wealth management business, we're the number one online brokerage operation in Canada with about [inaudible] market share. I mentioned TD Ameritrade. We also have an online brokerage operation in the UK and it's the number one online brokerage in that country. We're looking to expand that business into Europe.

Our US personal and commercial bank, we get a lot of questions from investors on that business. I'll talk about that in a little more detail as I move through the presentation. And the wholesale business, which I mentioned already, we've gone through a transformation of this business. And again, we believe we've emerged as a new kind of broker, a lower risk kind of broker.

The next slide, slide number six, gives you a view of our earnings. There's quite a few stories from this slide that I'm going to highlight. The first one is if you look at this trajectory of earnings, our five-year CAGR for earnings growth is 14%; that's right through the financial crisis. And our adjusted earnings per share, 7%. We think that's a great, phenomenal performance over this period. You see our Q1 earnings on the far right-hand side of the slide, C$1.4 billion was a great start as well.

The second thing I'd like to highlight is the purple-shaded part of the bars; that's our US personal and commercial bank. We made our first foray into the US in 2005, buying 51% of Banknorth, and you see that those earnings have been growing since through both organic and acquisition earnings.

The next thing I'd like to point out is the green bar; that's our Canadian personal and commercial bank earnings. You see that they've been steadily growing over time.

So let me talk a bit more about our Canadian business. This is the foundation of our bank. It's the single-largest business in the TD Bank portfolio. So, the business philosophy behind TD Canada Trust is to offer the best customer service in the business and the most convenient. We're a power house. We own the premium service brand in the country. J.D. Power, a surveyor – we've won the J.D. power award for customer service in banking four years in a row. In terms of convenience, our hours of operation are 50% longer than our competition – 50%, that's 5-0, longer than our competition. We have a saying that we'll open from 8:00 six days straight, so open in the morning from 8.00 a.m. On Thursdays and Fridays, we're open until 8:00 p.m., 12 hours of operation. And on Saturdays, from 8.00 until 4.00.

One of the things that differentiates our bank is the way we've integrated the products from all the various businesses into the bank. We have a number one or number two market share across most retail products. Ourselves and Royal Bank of Canada tend to share the number or number two position. We're a universal bank, so we have great partnership between our wealth operations and our retail bank, as you'd expect from a retail bank.

In terms of operational excellence, our efficiency ratio is some of the best in the business. In our first quarter of 2010, it was a record level, up 47%.

And we're continuously investing in the business to grow the franchise for the long term. So we continue to build new branches, typically around the 20 or 25 branches per year level, as we reinvest. That's important in Canada because Canada has a growing population, so it's important to put bank branches where people are moving, particularly for the big growing centers of Montreal, Toronto, Calgary, and Vancouver. In fact, in the last five years of all the branches opened in Canada, one out of every three branches is a TD Canada Trust branch. We're doing it faster and better than others.

So if you just look at the retail earnings that I mentioned on the previous slide, again, you'll see phenomenal performance here -- a five-year CAGR of 11% and a record earnings level in Q1 of 2010. Our Q1 was a record for the business. We had record revenue, record net income, record efficiency, that I mentioned, a record return on invested capital, and record customer satisfaction. The business is really firing on all cylinders as we emerged from the recession caused by the financial crisis.

If we move over to the US side of our business, our US personal and commercial banking. As I mentioned, we get a lot of questions on this part of our business, considering it's a newer part of the business, but also being in the US through the financial crisis was somewhat interesting for our investors. So the goal in our US business actually mirrors what we're trying to do in Canada. Our goal is to own the customer service and convenience space in the US. Across the US network, we're open longer than any of our competitors.

With our recently announced acquisitions -- I'll touch on those in a moment -- we now have over 1,100 what will be called stores or branches in the Unites States, and we're the only bank in North America to have that kind of presence in both Canada and the US, above 2,200 branches. We operate in five of the top-ten markets in the US, which are growth markets for us, mostly on the Eastern seaboard, as I mentioned -- we like to say from Maine to Florida.

In Q1, we opened 13 new stores -- and for us, Q1 ended January 31 -- and are very pleased to start our Metro Boston strategy. We're going to open branches in downtown Boston where we're not operating currently. We have a very disciplined credit culture, very important to get through the financial crisis. And although we haven't been immune to the economic downturn in the US, we have outperformed our peers through the entire period.

Some of the keys to that success was the fact that we had plain vanilla loan products built on conservative lending practices. We also used our own distribution system and people; we didn't outsource that to others. In terms of how we differentiate ourselves from our competitors, we believe we're uniquely positioned as America's Most Convenient Bank. We have what we call a WOW! culture that enables us to provide our customers with the best customer service.

So, if some people who haven't experienced the WOW! culture say, what is that? Well, it's about being open seven days a week in the United States, 361 days a year. It's about having the best hours in all the markets where we're operating in.

We offer free coin counting machines called Penny Arcades. We issue instant debit cards. We have a live 24/7 call center. We give out free pens and we give out dog biscuits to our customers who have dogs who come into the branch. And we call hundreds of our customers every day to find out how we're doing. This is all part of our WOW!-ing customers' philosophy.

If you look at the earnings for the US retail bank, you can see their earnings have grown to about $900 million in 2009, and all of that is in organic growth, as I mentioned. If you look at the bottom of this chart, see some of the milestones. So, back in 2005 we initially entered the US retail banking market with a 51% purchase of Banknorth -- renamed TD Banknorth. In 2007, we privatized Banknorth; we bought up the other 49%. And in 2008, we acquired Commerce Bancorp in the US. Commerce was an opportunistic acquisition and quite transformational for us in that Commerce was operating a model that was similar to what we were operating in Canada at Canada Trust, with longer hours and great customer service. And then this year in 2010 in April, we announced the acquisition for an FDIC-assisted deal of approximately 70 branches in Florida, which I'll touch upon in a moment.

So in terms of our earnings, you'll see, as I mentioned, we're up C$900 million in 2009, and the first quarter of this year about C$227 million, and that's all right through the financial crisis. We are very proud of our performance to date.

Let me touch a little bit on the latest acquisition. You had lots of questions on our acquisition strategy. On April 16th of this year, we announced that we are going to acquire three banks in Florida through the FDIC. We added 69 stores, about 80 ATMs, and importantly 40 sites for future stores.

So now, we are positioned as one of the ten biggest banks in the state of Florida, about 150 total. Before, as you can see from this chart on the right-hand side, we are clustered down in the Miami area where the green dots are, and the red dots [are dots coming from the latest] three acquisitions with the FDIC deal.

Why this is important for us is it does accelerate our growth - organic growth - strategy in Florida. It's a key market for us. It's a retirement market and a growing market, despite some of the problems they've had through the financial crisis with the housing market and the building market there.

[Second important point] is, given the FDIC assistance on this deal, they come with relatively low credit risk. There's a loss share agreement provided by the FDIC. [And this has given us] valuable experience on assisted transactions, since this is the first one we've done.

The banks we've acquired also have quality stores in the target markets where we want to operate. They're modern, attractive, and in good locations, and we believe they're a good complement to the WOW! culture that I described in customer service. With these acquisitions, we've tripled our stores in Florida. And, as I mentioned, now rank top ten by stores and number 14 by deposits in that state.

Let me just sum up. We're very excited about our strategy. We think we're building the first truly North American bank with scale on both sides of the border -- Canada and the US. Two, we have a lower-risk retail focus and a very strong balance sheet. I mentioned our Tier 1 capital and our AAA credit rating. Three, our strategy is to build and run franchise businesses and relentlessly focus on our customers and reinvest in our competitive advantages. And finally, we're disciplined managers of capital, liquidity, and risk, and we continue to manage our business with a clear focus on risk and return.

So in summary, we believe we're well positioned to continue coming out of this current environment an even stronger North American bank. So with that, I'd be happy to take any questions.

---

**Unidentified Speaker**

Thank you very much.

## QUESTION AND ANSWER

---

**Unidentified Audience Member**

Thank you very much for your presentation. Just one quick question. Could you give me - give us your dividend or payout policy, briefly, please?

---

**Tim Thompson** ***- TD Bank Financial Group - Senior Vice President - Investor Relations***

Sure. The dividend payout ratio for TD is between 35% and 45%. Given what's happened in the world over the recent history, the dividend hasn't been raised since the financial crisis began. And at this point, I think given the uncertainty in the markets around capital, I'm not sure that there's much appetite for dividend (inaudible).

---

**Unidentified Speaker**

Are there any other questions? Can I ask one question?

---

**Tim Thompson** ***- TD Bank Financial Group - Senior Vice President - Investor Relations***

Sure.

---

**Unidentified Speaker**

What kind of impact are you expecting from the new financial reforms of the US?

---

**Tim Thompson** ***- TD Bank Financial Group - Senior Vice President - Investor Relations***

The impact?

---

**Unidentified Speaker**

The impact.

---

**Tim Thompson** ***- TD Bank Financial Group - Senior Vice President - Investor Relations***

I think the impacts remain to be determined. I think there are a number of different streams of work going on in the US in terms of a financial reform, varying between impacts on wholesale businesses as well as retail businesses.

So from our point of view, in terms of any of the -- what we know at this point, the impact on wholesale businesses, I think, as I mentioned, our wholesale banking being mostly focused on Canada. Having relatively small operations in the US, more focused on our Canadian clients and on our commercial clients in the US. We don't see a lot of impact to us from those. Although again, none of these are finalized, so we can't be totally certain.

On the retail side of the changes, again, it remains to be seen what the extent of all of these that are coming through. But our view at this point would be for any of the ones that do come through there are probably ways to align businesses to take into account any kind of negatives that may come from an earnings point of view in terms of fees or charges. But that is something that can happen over time.

So I think it's a bit of a wait and see in terms of what some of these final regulations look like. Really, there are (inaudible - microphone inaccessible). But it's interesting to note that a lot of these changes are in response to the financial crisis, but the genesis of the financial crisis was really coming from a wholesale banking perspective, not necessarily coming from a retail bank perspective. It's interesting to see that some of the changes that are coming out are actually affecting retail banks.

---

**Unidentified Audience Member**

Doesn't the Canadian authority also following the same kind of regulations as the US decides (inaudible - microphone inaccessible)?

---

**Tim Thompson *- TD Bank Financial Group - Senior Vice President - Investor Relations***

In the Canadian environment, as you know, Canadian banks didn't suffer the same kind of problems that other banks did around the world. The Canadian system was quite relatively secure during the financial crisis. So in terms of the Canadian government's response, I'd say it's been pretty muted. There are always some issues that surface from the Canadian government's point of view in terms of the marketplace. We have a distinction in Canada between insurance companies and banks and what each of those entities can do, and those types of regulations are still in place. So there's definitely more [news around that front].

But in terms of actions coming directly from the financial crisis, nothing directly. And I'd also say that the Canadian government has been at the forefront of resisting efforts by some in the international community to impose a [inaudible] tax. And the government's position is that since Canadian banks didn't require any financial assistance from the government during the financial crisis, it doesn't seem to make sense that (technical difficulty).

So that's their position at this point. I think it remains to be seen what happens (technical difficulty) with the G20 and what's agreed upon (inaudible - microphone inaccessible).

---

**Unidentified Speaker**

Thank you. Are there any other questions? Thank you very much for your presentation.

---

**Tim Thompson *- TD Bank Financial Group - Senior Vice President - Investor Relations***

Thank you very much.