



Bank Financial Group



Ed Clark

President and CEO, TD Bank Financial Group

**SCOTIA CAPITAL
FINANCIALS SUMMIT 2003**

September 9, 2003



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Forward-looking statements include, among others, statements regarding TD’s objectives and strategies to achieve them, the outlook for TD’s business lines, and TD’s anticipated financial performance. Forward-looking statements are typically identified by words such as “believe”, “expect”, “may” and “could”. By their very nature, these statements are subject to inherent risks and uncertainties, general and specific, which may cause actual results to differ materially from the expectations expressed in the forward-looking statements.

Some of the factors that could cause such differences include: the credit, market, liquidity, interest rate, operational and other risks discussed in the management’s discussion and analysis sections of TD’s latest annual and interim reports and other regulatory filings made in Canada and with the SEC; legislative and regulatory developments; the degree of competition in the markets in which TD operates, both from established competitors and new entrants; technological change; changes in government and economic policy including as to interest rates; the health of the global economic, business and capital markets environments; and management’s ability to anticipate and manage the risks associated with these factors and execute TD’s strategies. This list is not exhaustive. Other factors could also adversely affect TD’s results. All such factors should be considered carefully when making decisions with respect to TD, and undue reliance should not be placed on TD’s forward-looking statements. TD does not undertake to update any forward-looking statements, written or oral, that may be made from time to time by or on our behalf.



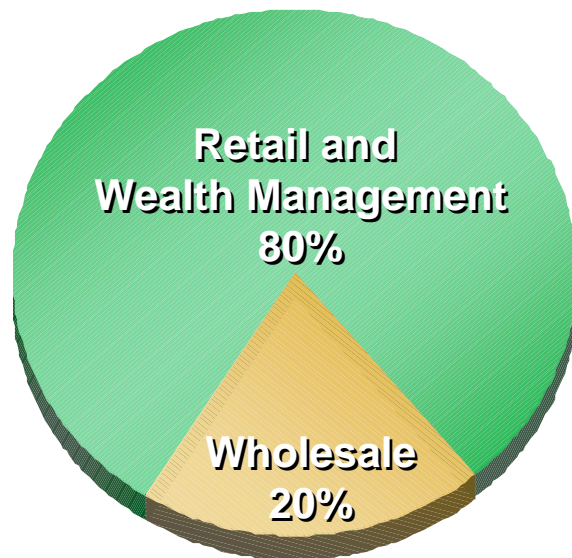
Repositioned

- ❑ The bank is repositioned
- ❑ Tier 1 capital is strong: 9.7%
- ❑ Non-core portfolio net exposure reduced by 47%
- ❑ Core portfolio high quality - 83% of net exposure is investment grade
- ❑ All three core businesses contributing to improving performance



Highly Focused And Efficient Execution Of Our Strategy

Business Mix Objective 3-5 Years Out

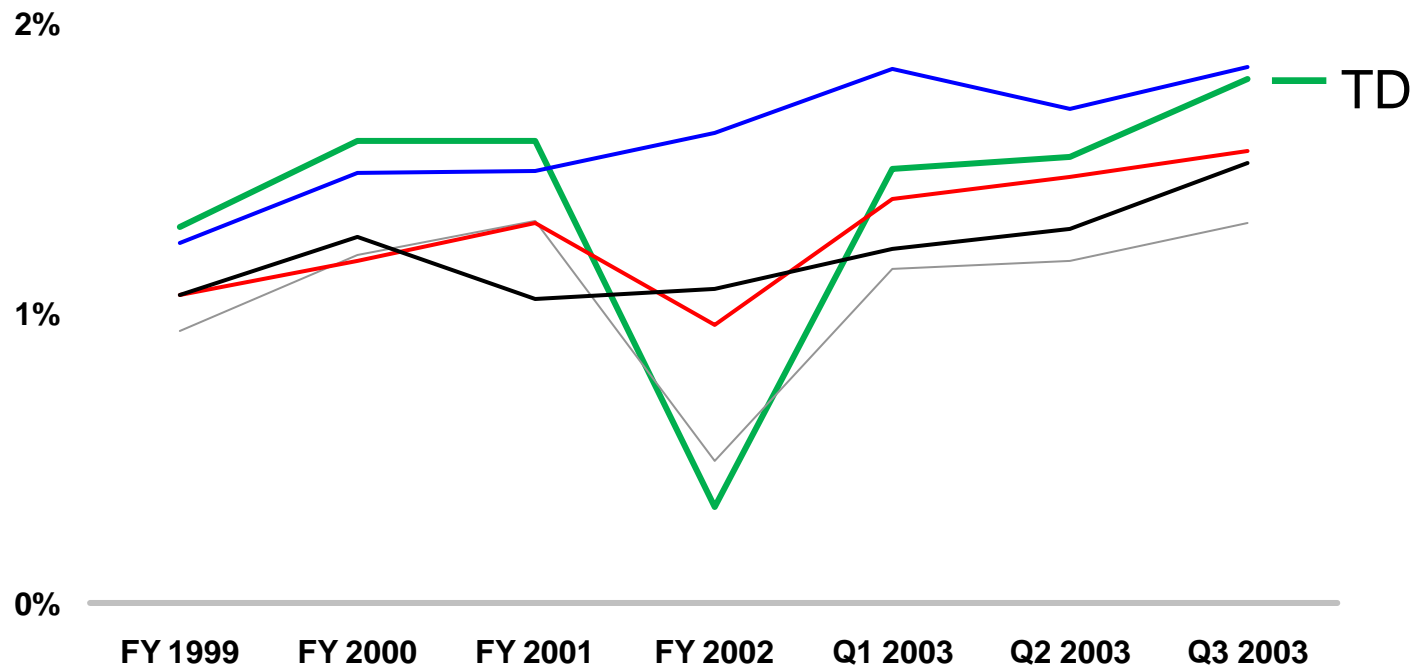


- Shift business mix to a higher concentration of retail
- Invest in and grow our three main businesses for the long-term
- Permanently lower risk profile
- Deliver superior service and premium brand experience
- Rigorous and unrelenting emphasis on operational excellence



Disciplined Execution Yields Improving Financial Results And Shareholder Value

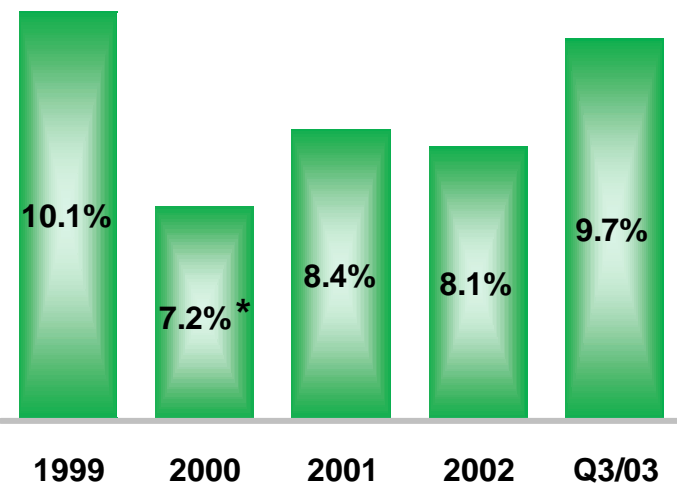
Cash Return on Risk-Weighted Assets





Strong Performance And Capital Position Drive Dividend Change

Tier 1 Ratio



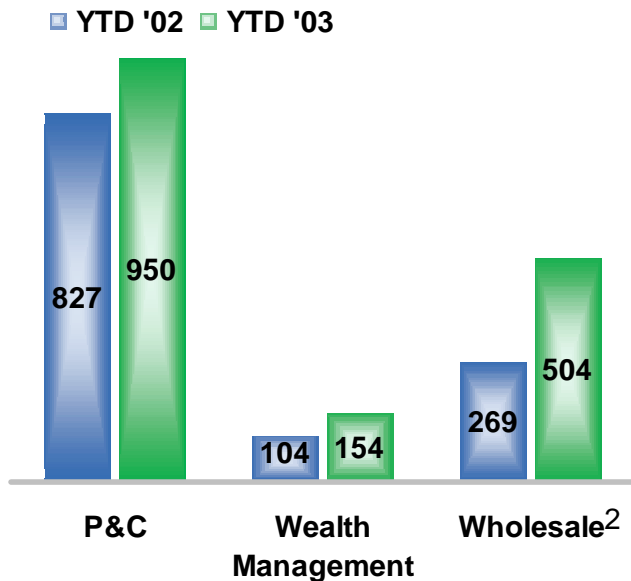
* Acquired Canada Trust in Q1 2000 for cash, which reduced capital ratio by approximately 300 bps according to the rules for calculating Tier 1 capital.

- ❑ Strong Tier 1 capital ratio
- ❑ Increased dividend payout ratio to 35-45% to reflect:
 - ❑ change in business mix
 - ❑ lower risk profile
 - ❑ higher degree of certainty around earnings
 - ❑ management's confidence in future
- ❑ Increased quarterly dividend by \$0.04 to \$0.32 per share



Long-Term Future Is Based On Building Three Main Businesses

Underlying Net Income¹ (\$MM)



□ Personal & Commercial Banking

□ Wealth Management

□ Wholesale Banking

1. Operating cash basis excluding 2003 write-downs and restructuring.
2. Excluding sectoral provisions in 2002.



Building A Truly Better Retail Bank

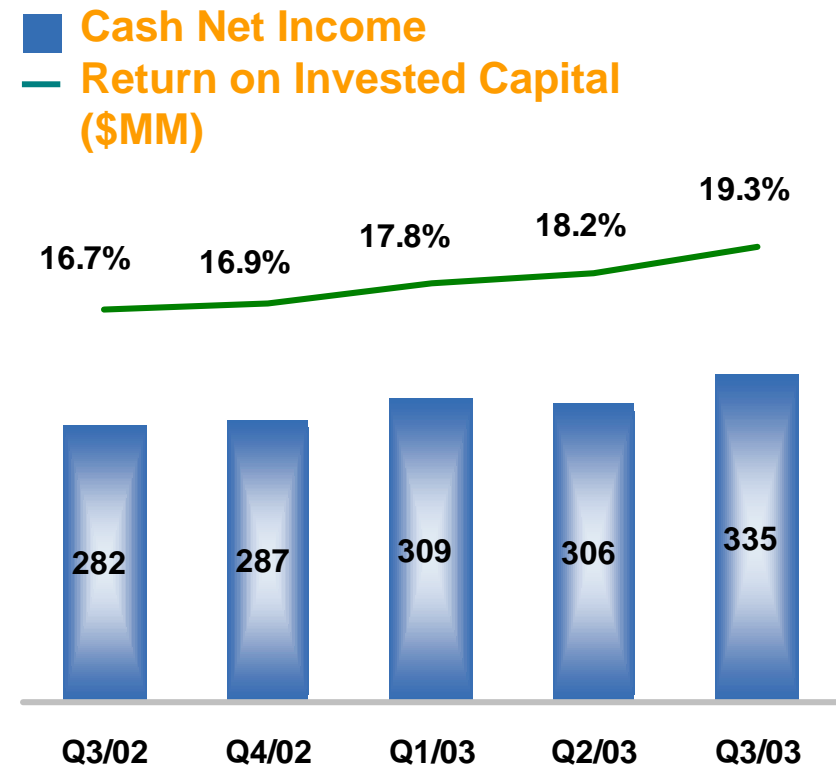
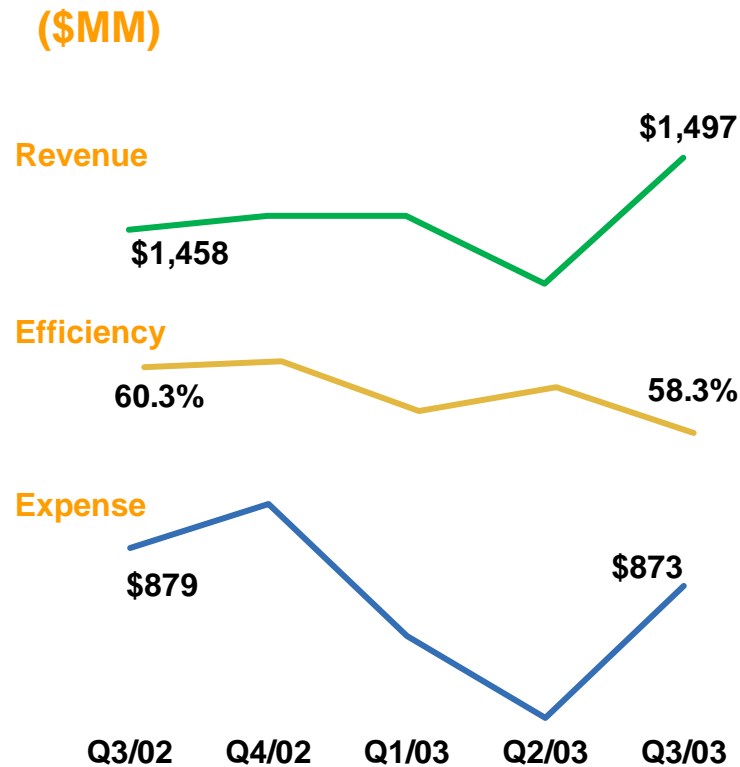
Personal & Commercial



- ❑ Disciplined execution of strategy and operational excellence key to long-term above-average growth
- ❑ Deliver superior service and a premium brand-based customer experience
- ❑ Improve efficiency and core competency in managing costs
- ❑ Grow revenue from underdeveloped businesses
- ❑ Optimize credit risk management



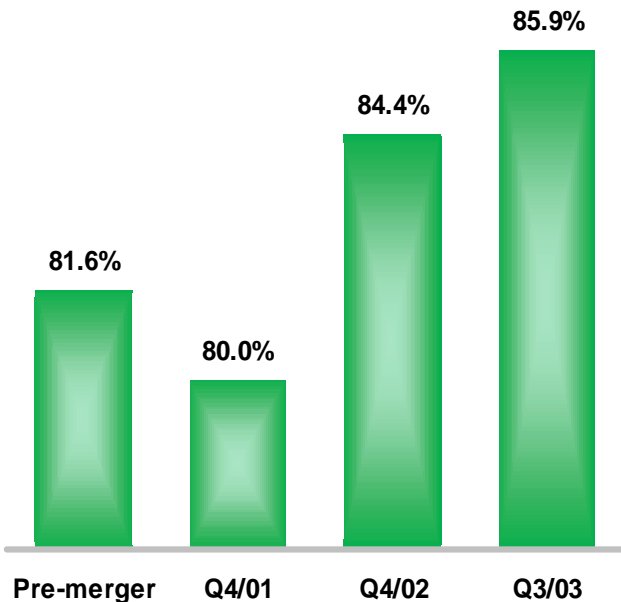
P&C Delivering Growing And Sustainable Financial Results





Superior Customer Experience Provides Key Advantage

TDCT's Customer Satisfaction Index



- ❑ Consistent, high quality, market leading customer service is part of corporate culture and not easily replicated
- ❑ Premium customer experience provides foundation for long-term continuous growth
 - ❑ Increases customer retention
 - ❑ Attracts new customers
 - ❑ Increases share of business from current customers



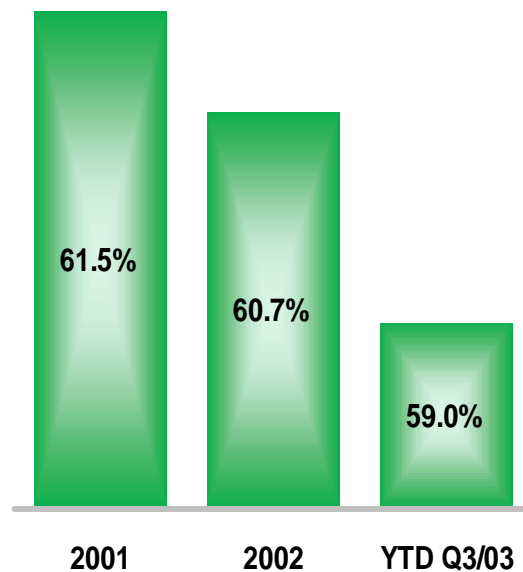
Well Positioned To Deliver Earnings Growth In Challenging Revenue Environment

- ❑ Volume growth is solid
- ❑ But revenue growth is currently difficult due to:
 - ❑ change in product mix, reflecting a change in customer preferences towards products with lower margins
 - ❑ competitive pressures
- ❑ On the operations side, our task is clear: restructure our expense base and focus on maximizing operational excellence



Expense Opportunities Augment Earnings Growth

P&C Efficiency Ratios

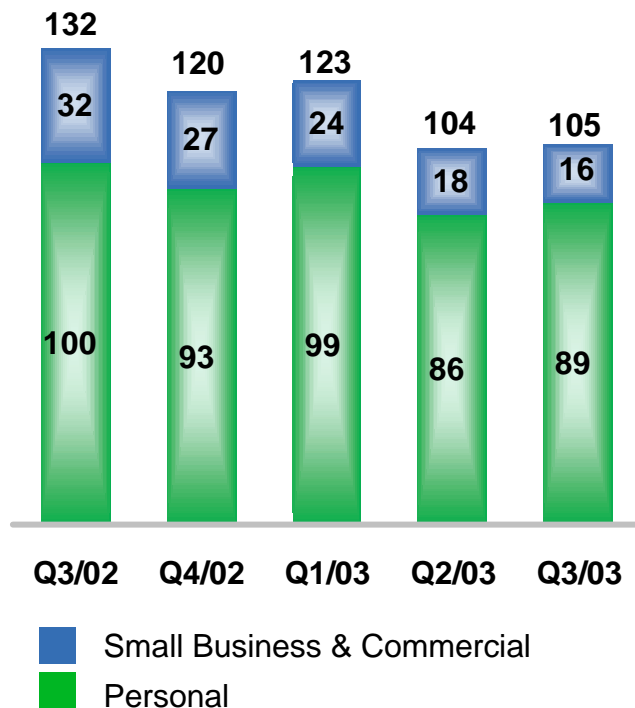


- ❑ Process management is key to success in this intensely competitive marketplace
- ❑ We use disciplined long-term approach to process optimization & expense management
- ❑ Currently spending money to save money -- investing in process re-engineering to reduce errors and lower costs
- ❑ Plus, we are managing everyday costs by eliminating duplication and redundancy



Credit Risk Management Plays Role In Growing & Sustainable Earnings

Provision For Credit Loss ¹
(\$MM)



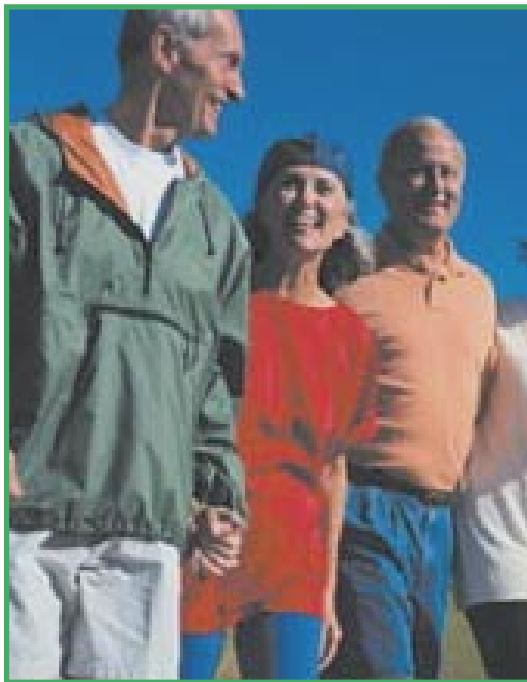
- Building new risk management platform over next two years
- Efforts to improve adjudication have been working -- delinquencies have been trending down
- Have benefited from low commercial loan losses

1. Excludes impact of securitization of \$7MM in Q2/03 and \$14MM in Q3/02.



A Straightforward Approach To Growing Wealth Management

Wealth Management

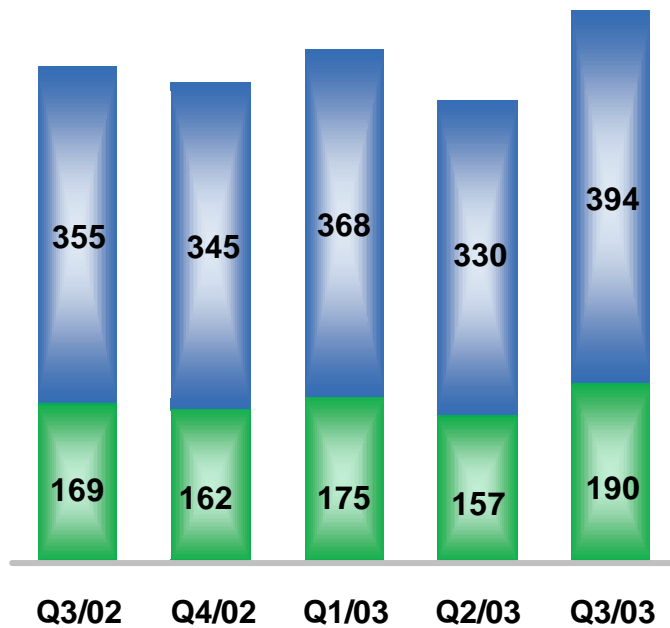


- ❑ Leverage our customer bases
- ❑ Deliver superior client experience
- ❑ Grow AUA / AUM
- ❑ Shift to more fee-based revenue
- ❑ Optimize cost structure for growth

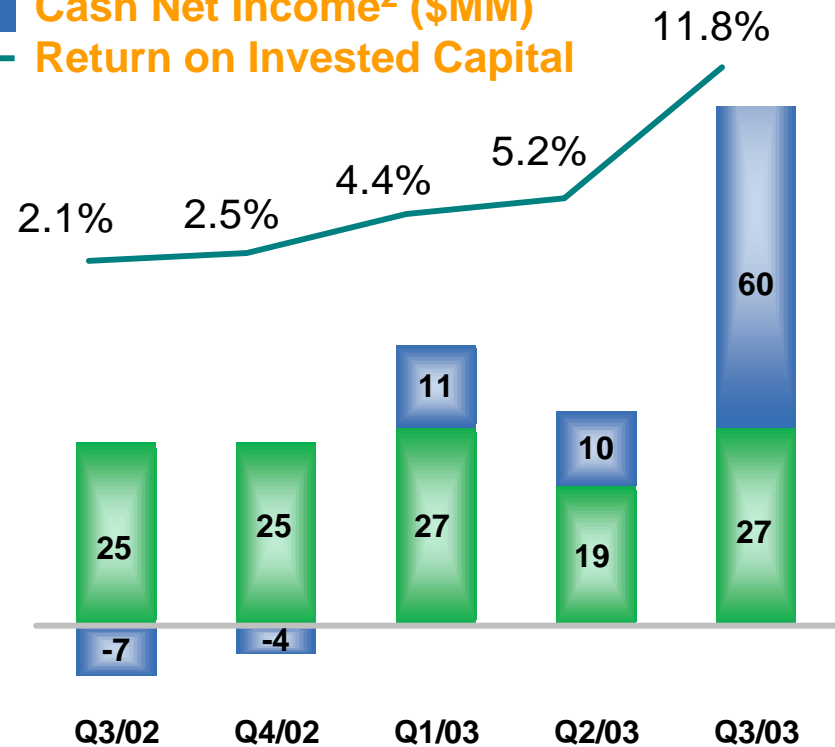


Wealth Management Shows Strength

Revenue¹
(\$MM)



Cash Net Income² (\$MM)
Return on Invested Capital



TD Waterhouse component

1. Revenue excludes write-downs of \$39MM in Q2/03 due to other than temporary impairments in certain international joint ventures.
2. Operating cash basis excluding 2003 write-downs and restructuring.



Bank Financial Group



TD WEALTH MANAGEMENT

TD WATERHOUSE
Investment Advice
Financial Planning
Discount Brokerage

PRIVATE CLIENT GROUP
Private Banking
Estates & Trusts
Private Investment Counsel

TD MUTUAL FUNDS

Building A Scaleable And More Profitable Business In Canada

- ❑ Fill in the gaps in our offering:
 - ❑ increase proactive sales force to service large retail customer base
 - ❑ enhance customer-focused uniform referral system
 - ❑ align incentive compensation with cross-selling initiative
 - ❑ focus on cost management
- ❑ Exploit our current assets:
 - ❑ established premium brand
 - ❑ large retail banking customer base
 - ❑ upgraded technology



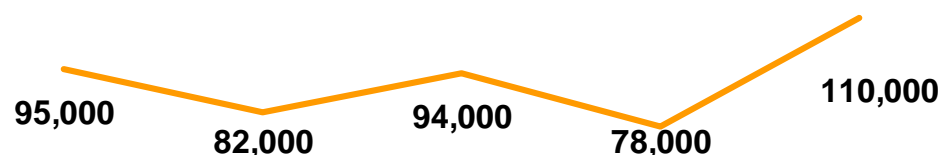
TD Waterhouse Poised To Benefit From Market Recovery And Long-Term Opportunities In U.S.

- ❑ TD Waterhouse has worked to optimize business model
- ❑ Focused on operating excellence and controlling fixed costs
- ❑ Re-priced customer base -- every customer is profitable
- ❑ Improved customer satisfaction
- ❑ Strategically clarified premium brand profile of TD Waterhouse



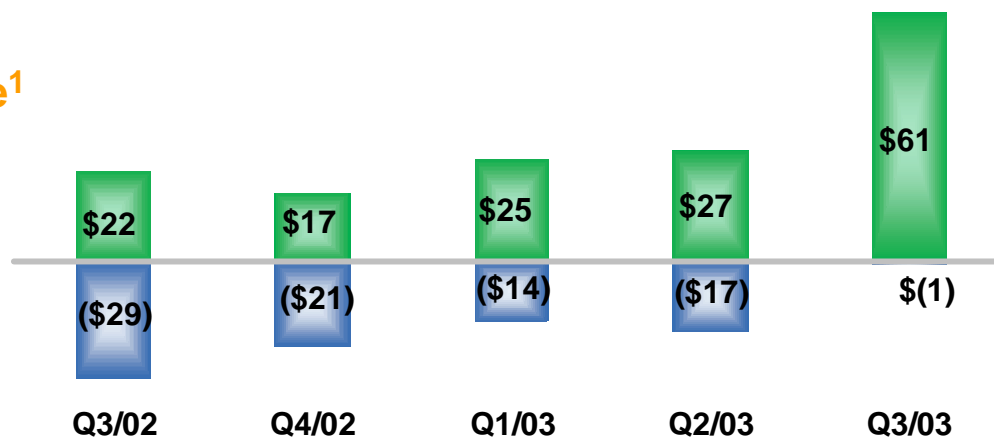
TD Waterhouse's High Leverage To Trades Per Day Makes Significant Contribution To Q3 Earnings

Trade Volume
Trades per day



TD Waterhouse
Cash Net Income¹
(\$MM)

North America
 International



¹ Operating cash basis excluding Q2 and Q3 2003 write-downs and restructuring.



Focused Execution Of Wholesale Strategy

Wholesale Banking



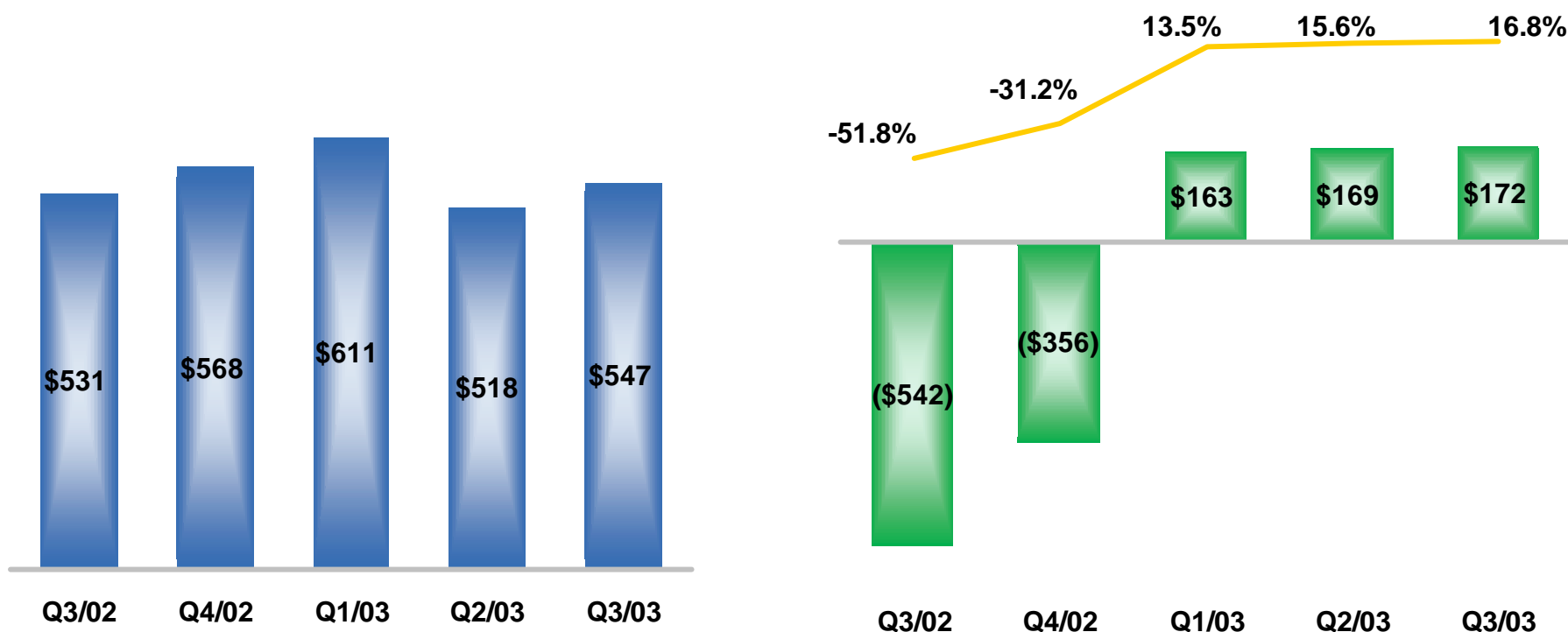
- ❑ Continue to be a leading Canadian full service investment bank building on:
 - ❑ industry leading fixed income underwriting and distribution capabilities
 - ❑ TD Newcrest's strength in equities
- ❑ Exploit our structured products & capital markets business capabilities globally
- ❑ Permanently lower risk profile by actively managing credit and market risks
- ❑ Manage costs and operate within assigned capital limits



Wholesale Is Making Good Progress

Revenue ¹
(\$MM)

Net Income ² (\$MM)
Return on Invested Capital



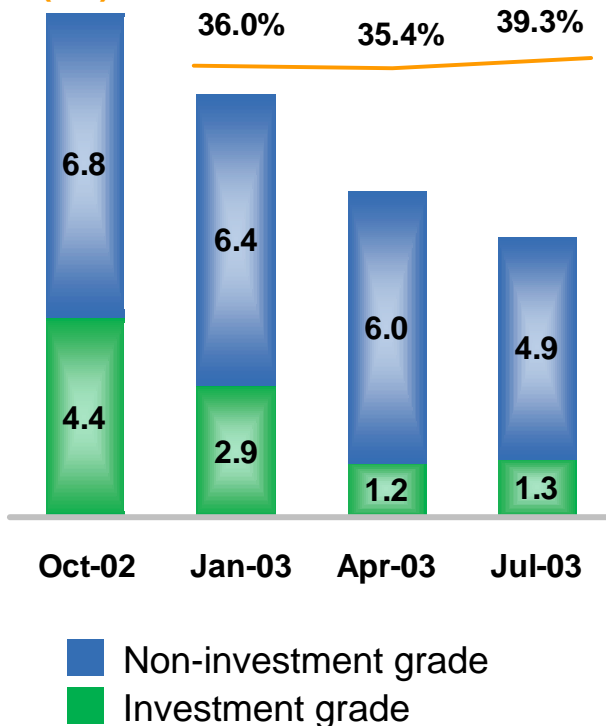
1. Revenue excludes restructuring of \$6 million in Q2/03.

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



Wind-Down Of Non-Core Book Increases Regulatory Capital

**Non-Core Portfolio
Loans & BAs
(\$B)**

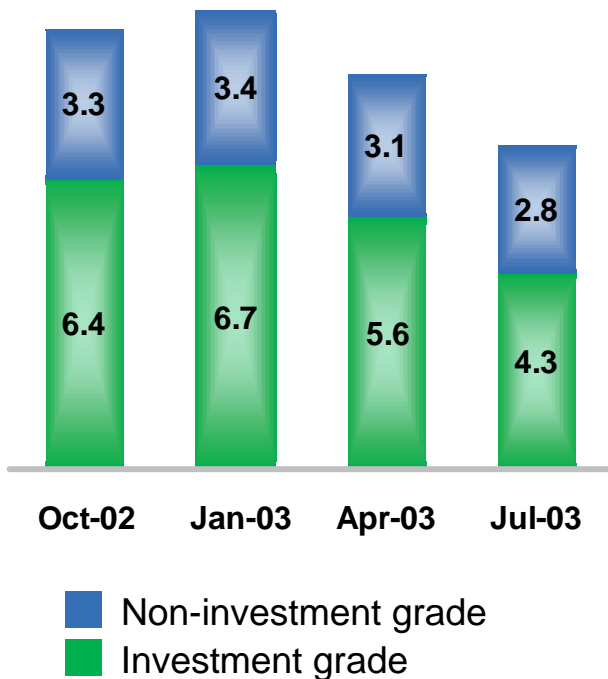


- Non-core book is heading towards a self-funded exit
- Over \$400MM of original \$1.1B in regulatory capital released to date
- Non-core portfolio is subject to disciplined quarterly review of adequacy of reserves
- \$40MM sectoral release in Q3 2003
- Credit environment will determine the amount of, and the speed with which, sectorals are released in coming quarters



Reducing Core Risk Profile While Restoring Return

**Core Portfolio
Loans & BAs
(\$B)**



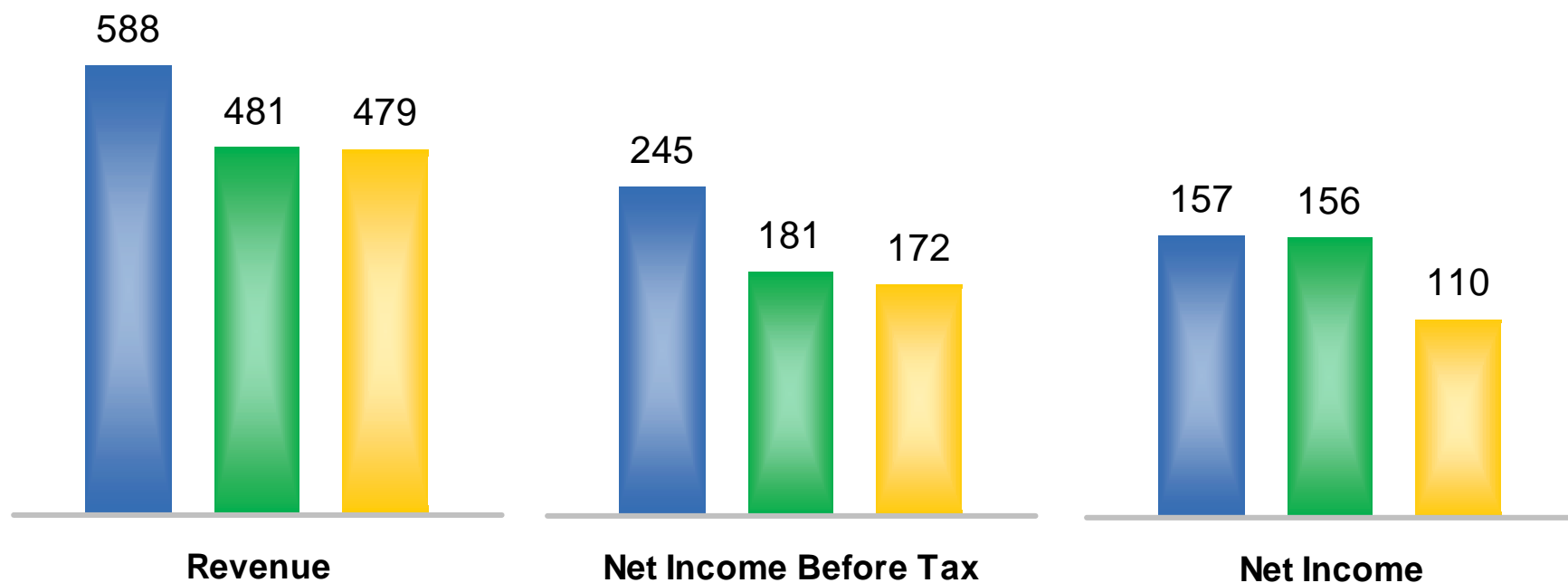
- ❑ Management team focused on delivering high quality economic profit on each client
- ❑ Reduced invested capital while growing economic profit -- YTD ROIC of 18.7%
- ❑ Mitigating loss by purchasing credit protection in core book to reduce single name concentration



On Track

Underlying Operating Performance¹ (\$MM)

■ Q1 ■ Q2 ■ Q3



¹Operating cash basis excluding write-downs and restructuring



Our Businesses Are Performing Well But There are Challenges Ahead

❑ Personal & Commercial

- ❑ Margin pressure continues
- ❑ Permanently lowering costs requires spending money to save money

❑ Wealth Management

- ❑ Will current discount brokerage volumes continue?

❑ Wholesale Banking

- ❑ Making progress but equity options is not yet breakeven
- ❑ Non-core book is leveraged to the credit environment
- ❑ Delivering moderate economic profit growth with a repositioned dealer



Taking The Challenge Of Translating Our Growing Capital And Financial Strength Into Future Earnings

- ❑ The bank is repositioned
- ❑ Three strong core businesses with growing economic profit
- ❑ Financial flexibility to pursue opportunities and prudently re-deploy capital to improve shareholder value:
 - ❑ re-invest in existing businesses
 - ❑ tactical acquisitions (e.g. Laurentian bank branches)
 - ❑ larger acquisitions
 - ❑ dividends
 - ❑ share buy-backs



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Q&A



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