



Keeping Commitments

Q2/05 Investor Presentation

May 26, 2005

**Forward-Looking Statements
And Other Information**

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Q2/05 Overview

 Bank Financial Group

- EPS reported basis (diluted) \$0.86
- EPS before amortization of intangibles (diluted) \$0.99
- Segment net income before amortization of intangibles:
 - P&C Banking = \$401MM, up 16% YoY, down 5% QoQ
 - US P&C Banking = \$19MM (one month)
 - Wealth Management = \$99MM, down 3% YoY, up 1% QoQ
 - Wholesale Banking = \$150MM, down 7% YoY, up 6% QoQ
- Capital ratios:
 - Tier 1 = 10.0%
 - Tangible common equity = 6.9%

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Q2/05 Earnings Reconciliation

 Bank Financial Group

| Amortization of Intangibles | | <u>(MM)</u> | <u>EPS</u> |
|---|----------------|-----------------|------------|
| Reported basis net income applicable to common shares | | \$ 599 | \$ 0.86 |
| Amortization of intangibles (<i>after-tax</i>) | | 90 | 0.13 |
| Net income before the amortization of intangibles | | \$ 689 | \$ 0.99 |
| Items of note reported in the corporate segment | | | |
| | <u>Pre-Tax</u> | <u>Post-Tax</u> | <u>EPS</u> |
| | (MM) | (MM) | |
| AcG-13 impact | \$ 51 | \$ 33 | \$ 0.05 |
| Non-core sectoral PCL recovery | \$ 43 | \$ 24 | \$ 0.03 |
| Wholesale restructuring charge | \$ (22) | \$ (15) | \$ (0.02) |
| Internal restructuring tax charge | | \$ (25) | \$ (0.04) |
| Banknorth timing impact | | | \$ (0.03) |
| Excluding above items of note and Banknorth impact | | | |
| | | | <u>EPS</u> |
| Reported basis net income applicable to common shares | | | \$ 0.87 |
| Net income before the amortization of intangibles | | | \$ 1.00 |

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Canadian Personal & Commercial Banking

U.S. Personal & Commercial Banking

Wealth Management

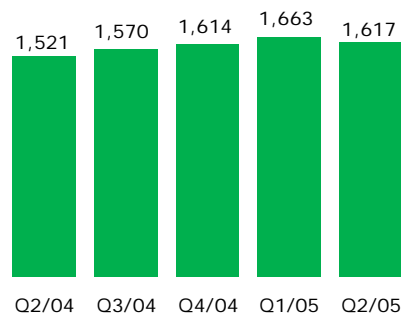
Wholesale Banking



Total Revenue & Net Interest Margin (NIM)

Canadian Personal & Commercial

Total Revenue (\$MM)



Notes

- Total revenue \$1.6 billion:
 - Up 6.3% from Q2/04 but down 2.8% from Q1/05
 - Double-digit volume growth in RESL, savings and business deposits
 - Insurance revenue growth from improved claims experience and new sales
 - Liberty contributed \$23MM YoY
- Net interest margin down QoQ

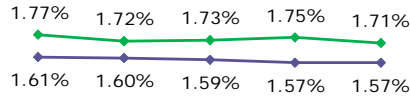
Net Interest Margin (NIM)

Notes

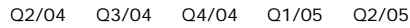
NIM on average earning assets



NIM on deposits



NIM on loans

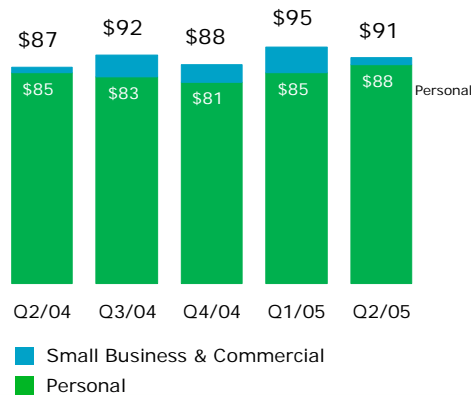


- Margin on average earning assets down 7 bps versus last quarter
- Reflects change in mix toward lower margin products
- Margin expected to decline further over remainder of year, but at a lesser rate

Provision for Credit Loss (PCL)

Notes

PCL (MM) (excluding impact of securitization)



- PCL \$91 million (before securitization):
 - Down \$4 million from Q1/05
 - New delinquent personal loan formations still low
 - Credit quality remains strong in the Commercial portfolio
- PCL securitization impact:
 - \$9 million for Q2/05 (\$13 million in Q2/04)

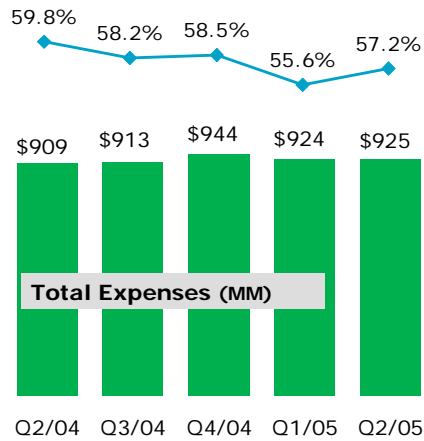
| Total PCL (\$MM) | | |
|------------------|-------|-------|
| F2002 | F2003 | F2004 |
| \$505 | \$460 | \$373 |

Expenses & Efficiency Ratio (before amortization of intangibles)

TD Bank Financial Group

Canadian Personal & Commercial

Efficiency Ratio (%)



Notes

- Expenses before amortization of intangibles \$925 million:
 - Up 1.8% from Q2/04 and 0.1% from Q1/05
 - Spread of 4.5% pts between revenue and expense growth
 - Liberty contributed \$12 million YoY

| Efficiency ratio | |
|------------------|-------|
| 2003 | 2004 |
| 59.2% | 58.7% |
| Ex acquisitions | 58.0% |

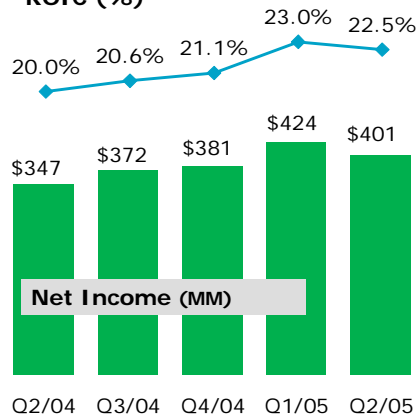
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Net Income & Return on Invested Capital (ROIC)

TD Bank Financial Group

Canadian Personal & Commercial

ROIC (%)



Notes

- Net income before the amortization of intangibles of \$401 million:
 - Up 15.6% or \$54 million from Q2/04 but down 5.4% from Q1/05
 - Days impact \$21 million

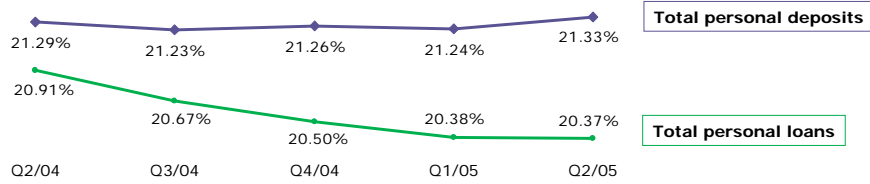
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Market Share Trend

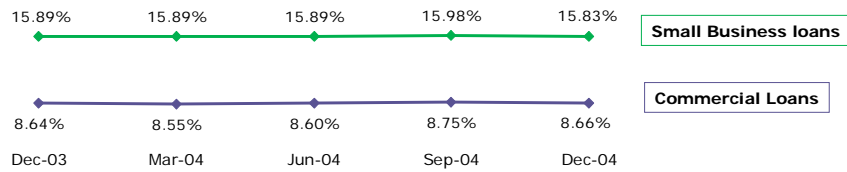
TD Bank Financial Group

Canadian Personal & Commercial

Personal loans & deposits (including securitized loan amounts)



Business loans & deposits



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Q2/05 Operating Performance

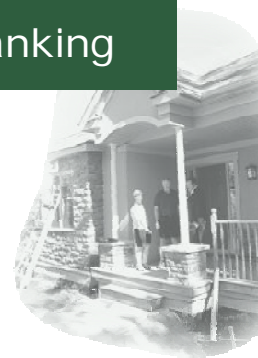
TD Bank Financial Group

Canadian Personal & Commercial Banking

U.S. Personal & Commercial Banking

Wealth Management

Wholesale Banking



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One Month Results

| | 2005 Q2 |
|---------------------------------------|------------|
| Net interest income | \$ 99 |
| Other income | 39 |
| Total revenue | 138 |
| Provision for credit losses | (7) |
| Non-interest expenses | 83 |
| Net income before taxes | 62 |
| Income taxes | 22 |
| Non-controlling interest | 21 |
| Net income | \$ 19 |
| | |
| Economic profit (loss) | \$ (20) |
| Average Invested Capital (\$billions) | 5.1 |
| Return on Invested Capital | 4.5 % |

Notes

- Business segment reporting compared to TD Banknorth financial reporting is:
 - in Canadian dollars
 - based on Canadian GAAP
 - before the amortization of intangibles
 - inclusive of allocated capital
- 1 month net income \$19MM and ROIC of 4.5%:
 - PCL recovery following recent favorable loss factors replacing higher historical factors, partially offset by an extra month of funding costs

Illustration of U.S. P&C Segment and TD Banknorth EPS Accretion

| | | |
|---|-----------------|----------------------------|
| TD Banknorth: | | |
| Q2/05 IBES GAAP EPS estimate (7 analysts) | | US \$0.52 |
| Shares outstanding | | 173MM |
| Q2/05 estimated GAAP earnings | | US \$90MM |
| | | |
| TD U.S. P&C segment and net earnings from TD Banknorth: | | |
| TD share of TD Banknorth earnings (55.5%) | | US \$50 |
| FX conversion at 1.25 | | C \$62 |
| Amortization of intangibles expense (after tax) | | \$14 |
| Approximate net affect from business segment reporting | | \$(5) |
| TD U.S. P&C segment estimated Q3/05 earnings | | C \$71MM |
| Lower earnings on surplus equity reported in Corporate segment | | \$(12) |
| Net TD Banknorth earnings before the amortization of intangibles | | C \$59MM |
| | | |
| Accretion estimation: | Reported | Before amortization |
| TD Q1/05 earnings per share (before TD Banknorth) | C \$0.95 | C \$1.08 |
| Shares outstanding before TD Banknorth | 660 | 660 |
| TDBFG Q1/05 earnings | \$627MM | \$713MM |
| Add: Net TD Banknorth earnings | \$45 | \$59 |
| TDBFG earnings with TD Banknorth | \$672MM | \$772MM |
| Shares outstanding after TD Banknorth | 704MM | 704MM |
| EPS with TD Banknorth | \$0.95 | \$1.10 |
| Estimate of accretion | \$0.00 | \$0.02 |

Q2/05 Operating Performance

TD Bank Financial Group

Canadian Personal & Commercial Banking

U.S. Personal & Commercial Banking

Wealth Management

Wholesale Banking

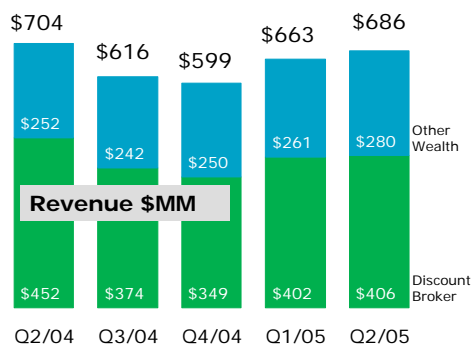


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Total Revenue & Expenses

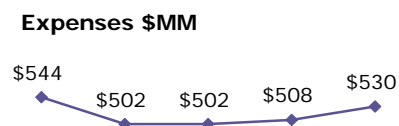
TD Bank Financial Group

Wealth Management



Notes

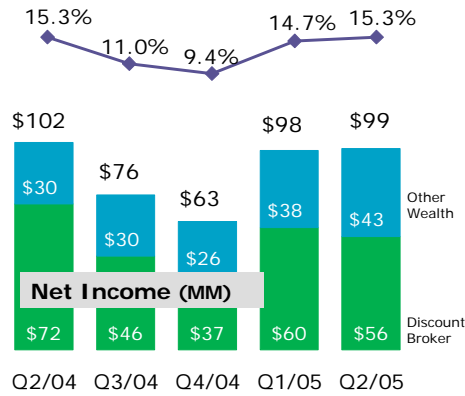
- Total revenue \$686 million
 - Down 2.6% from Q2/04 but up 3.5% from Q1/05
 - TDW trades per day down 16% versus Q2/04
- Total expenses before the amortization of intangibles \$530 million:
 - Down 2.6% from Q2/04 but up 4.3% from Q1/05



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Net Income & return on Invested Capital (ROIC)

ROIC (%)

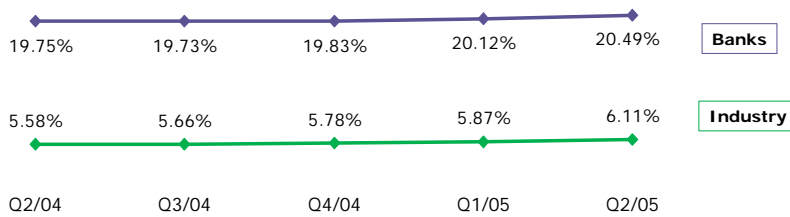


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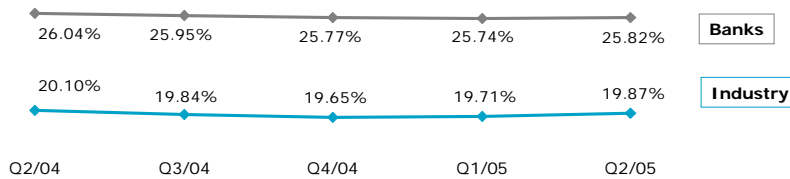
- Net income before the amortization of intangibles of \$99 million:
 - Down 2.9% or \$3 million from Q2/04 but up 1.0% or \$1 million from Q1/05

Market Share Trend

Long-term funds



Money market funds



Summary Statistics

| | Q2/04 | Q1/05 | Q2/05 | Yr/Yr Change |
|---------------------------|-------|-------|-------|--------------|
| Customer Assets* (C\$B) | \$240 | \$251 | \$254 | 6 % |
| Trades/Day (000) | 126 | 114 | 106 | (16)% |
| Margin Loans (C\$B) | \$6.7 | \$6.0 | \$6.2 | (7)% |
| Marketing Spend (C\$MM) | \$45 | \$31 | \$44 | (2)% |
| New Accounts (000) | 119 | 93 | 106 | (11)% |
| Margin (before marketing) | 34.9% | 31.7% | 32.7% | (2.2)% pts |

* Represents ending amounts

Q2/05 Operating Performance

Canadian Personal & Commercial Banking

U.S. Personal & Commercial Banking

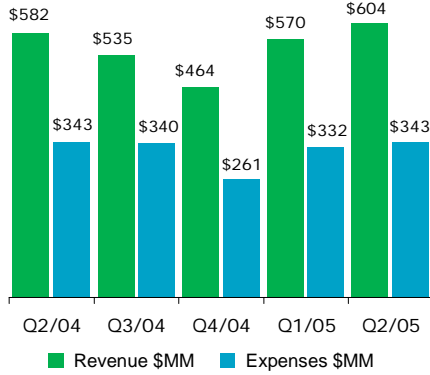
Wealth Management

Wholesale Banking



Total Revenue & Expenses

Revenue and Expenses¹



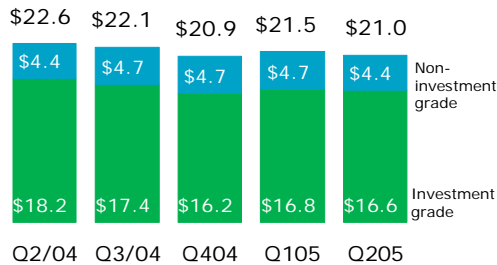
Notes

- Total revenue \$604MM
 - Up 3.8% from Q2/04 and 6.0% from Q1/05
- Total expenses of \$343MM:
 - Flat with Q2/04 but up 3.3% from Q1/05

1. Q2/05 and Q2/04 expenses exclude \$22MM restructuring charge and \$7MM restructuring recovery respectively.

Corporate Lending

Net Exposure¹ (C\$ Billion)



Credit Protection (\$B)

| Q2/04 | Q3/04 | Q4/04 | Q1/05 | Q2/05 |
|-------|-------|-------|-------|-------|
| \$4.9 | \$4.7 | \$4.4 | \$4.1 | \$3.7 |

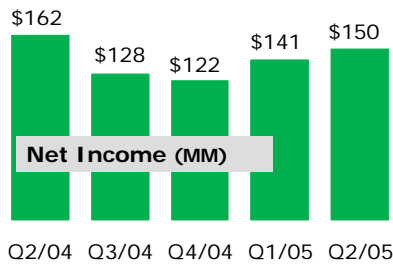
PCL & Credit Protection Expense (\$MM)

| | Q2/04 | Q3/04 | Q4/04 | Q1/05 | Q2/05 |
|-----|-------|-------|-------|-------|-------|
| CP | \$10 | \$12 | \$12 | \$13 | \$13 |
| PCL | Nil | Nil | Nil | Nil | Nil |

1. Net Exposure = Adjusted Commitment Authorized + Uncommitted Utilized - Cash Collateral - Specific Allowance - CDS

Net Income & return on Invested Capital (ROIC)

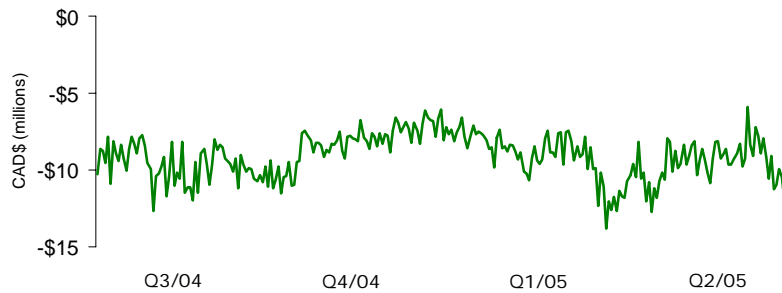
ROIC (%)



Notes

- Net income of \$150 million:
 - Down 7.4% or \$12 million from Q2/04 but up 6.4% or \$9 million from Q1/05

Value at Risk (VaR)



- TDBFG average Value-at-Risk (VaR) for Q2 FY '05 was \$9.7MM
- Daily trading losses did not exceed VaR during Q2 FY '05



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