



## Growth • Retention • Yield

Analyst / Investor Day • May 23, 2006

Financial Strength & Earnings Power  
Randy MacDonald • Chief Financial Officer  
& Chief Administrative Officer

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## Integration Milestones

- Staffing Reductions
- Jersey City Call Center Closed
- Closed 44 Branches
- Order Routing Transitioned
- Converted Introducing Broker/Dealer
- Clearing Conversion – Estimated Completion Jan. '07

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## Revenue Opportunities

64% Ahead of Original Goal

	LTM Mar '05 Baseline <sup>(1)</sup>	Revenue Op Goal <sup>(2)</sup>	Mar Q Avg	Adjusted Mar <sup>(3)</sup>	Midpoint FY07
Investable Assets (\$B)	\$ 22.7	\$ 24.7	\$ 24.2	\$ 27.2	\$ 28.1
Spread	2.84%	3.43%	3.61%	3.70%	3.78%
Net Interest and MMDA - annualized (\$M)	\$ 645	\$ 845	\$ 875	\$ 1,008	\$ 1,061
Annualized Increase Net Rev. from Investable Assets (\$M)				\$ 363	\$ 416
Balance Adjustment (\$M) <sup>(4)</sup>				49	88
Annualized Revenue Opportunity (\$M)		<b>\$ 200</b>	<b>\$ 230</b>	<b>\$ 314</b>	<b>\$ 328</b>
% Improvement from Rev. Opp. Goal				<b>57%</b>	<b>64%</b>

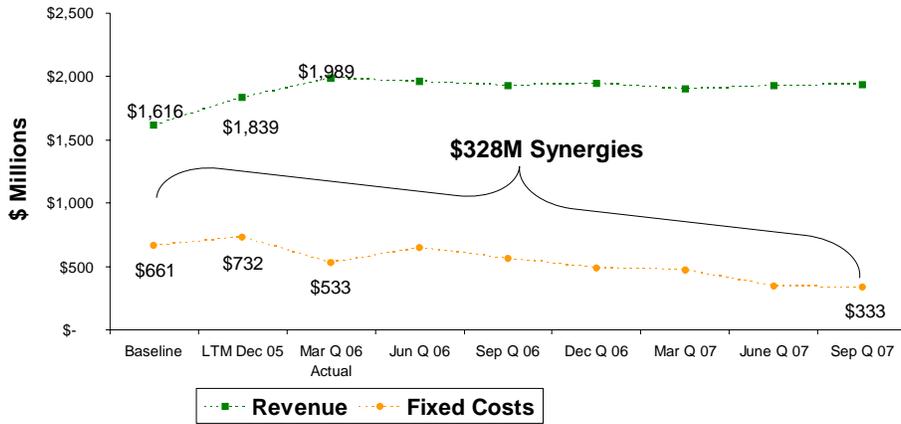
Investable Assets (\$B)	\$ 22.7	\$ 24.7	\$ 24.2	\$ 27.2	\$ 28.1
Money Market Funds (\$B)	13.0	11.0	12.6	15.1	15.1
Client Cash & Money Market Funds (\$B)	<b>\$ 35.7</b>	<b>\$ 35.7</b>	<b>\$ 36.8</b>	<b>\$ 42.3</b>	<b>\$ 43.2</b>

(1) Balance and rate data used to calculate original \$200M of Revenue Opportunity.  
(2) Increase of \$200M vs. Mar '05 Baseline including balance movement from Money Market Fund to MMDA.  
(3) Adjusted March column Investable Assets based on March Avg. Monthly balances and rates, with an additional adjustment to rates for the March 28 Federal Rate move.  
(4) Adjustment of balances to eliminate growth in balances, and new asset classes including in Net Interest Margin (i.e. Securities Borrowing).

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## Expense Synergies on Target

Quarters Annualized (\$ Millions)

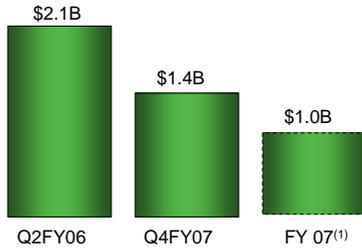


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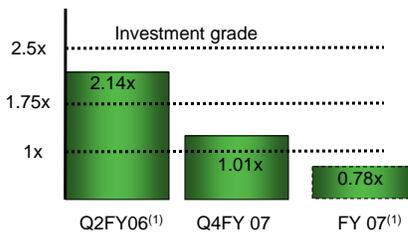
## Capital Structure

No Prepayment Penalties  
Additional Debt Capacity

Debt Outstanding - Average



Debt to EBITDA

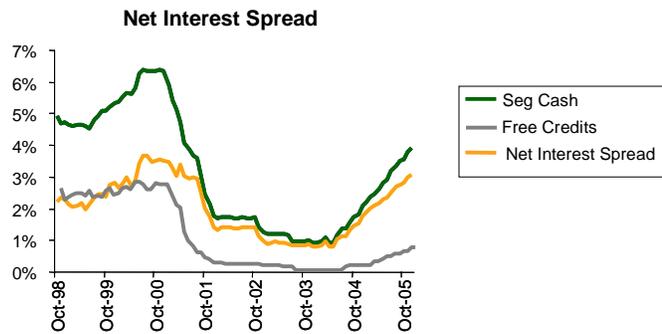


(1) Mid-point of 2007 Outlook  
(2) EBITDA excludes Gain on sale of Knight

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## Interest Rate Risk is Inherent in Our Business

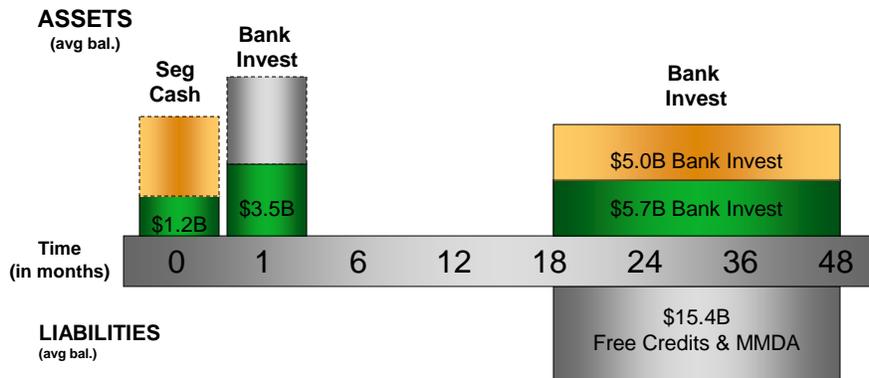
Gap Risk Apparent in Previous Interest Rate Environment  
 Floor Risk Magnified the Impact



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## Gap Risk

FY07 \$10.7B Extended



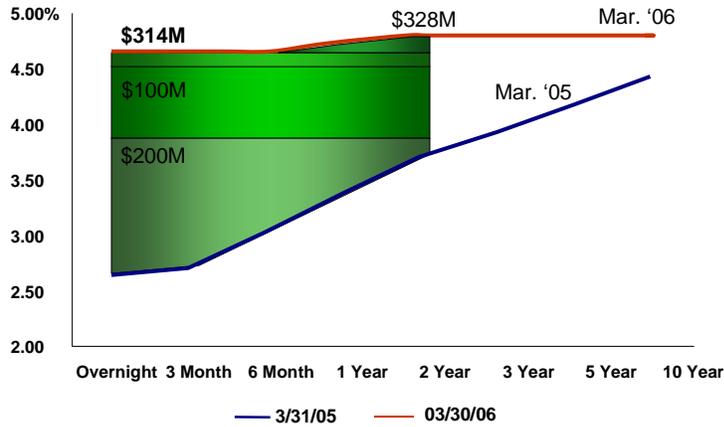
TD Bank Financial Group has an investment in TD AMERITRADE public stock.

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## Additional Yield Opportunity

\$300M+ Realized

Yield Curves – Mar. '05 vs Mar. '06



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## Foundation of Extension Strategy

Capital Efficient  
Accelerated Timeline

	<b>TD AMTD Broker-Dealer</b>		<b>TD Bank</b>	
	<u>Allowable?</u>	<u>Regulatory Capital</u>	<u>Allowable?</u>	<u>Regulatory Capital</u>
<b>Capital Efficient:</b>				
2-year Treasury	Yes	Significant	Yes	0.0%
Mortgage Backed	No	N/A	Yes	0.0%
<b>Income Statement Volatility:</b>	Mark-to-Market through P&L		No P&L; Mark-to-M through OCI	
<b>Client Experience Insurance</b>	SIPC		FDIC	
<b>Cash Management Services</b>	Limited		Ability to expand	
<b>Extension Timeline</b>	N/A		Current	\$ 5.7B
			FY07	\$10.7B

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## Risk Summary

Money Market Deposit Account

- Market Risk → Agency-Only = N/A
- Interest Rate Risk → Nominal
- Gap Risk → Managed
- Credit Risk → Limited
- Capital Deployed → Zero

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## Recent Growth Trends

Q2

	Actual	Midpoint Outlook	Change	Next 6 Quarters	Q2 Actual –Over Outlook
New Accounts	140K	96K	46%	106K/Q	
Net New Accounts	79K	8K	888%	16K/Q	63K/Q
Qualified Accounts <sup>(1)</sup>	3,293K	3,240K	53K	13K/Q	
Investable Assets	\$24.3B	\$23.2B	\$1.1B	\$0.7B/Q	\$0.4B/Q
Yield	3.70% <sup>(2)</sup>	3.57%	13 bps	3.78%	
Trades/TPD	15.8M/ 254K	13.4M/ 216K	18%	14.7M/Q 230K	24K/Day

<sup>(1)</sup> Ending amounts.

<sup>(2)</sup> Actual yield for Q2FY06 adjusted for impact of March 28, 2006 Fed Rate increase.

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## Sensitivity

### In terms of annual impact to EPS:

1% AR (61K TPD) = \$0.20  
 100K Net New Accounts = \$0.04  
 \$1B Investable Assets Balances = \$0.04  
 25bps Fed Move = \$0.02

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## Earnings Power Sensitivity

	Annualized EPS
<b>Sep Q '07 Outlook Midpoint, Annualized</b>	<b>\$1.16<sup>(1)</sup></b>
Yield, May 10 <sup>th</sup> 25bps Increase	0.02
Net New Accounts, 378K Additional (63K x 6Q's)	0.15
Investable Assets, \$2.4B Additional (\$0.4B x 6Q's)	0.10
Trades Per Day, Same Activity Rate as Mar Q, 24K TPD	0.08
<b>Estimated EPS with all Sensitivity Items</b>	<b>\$1.51</b>

(1) EPS Outlook Mid-point of September quarter (\$0.29) multiplied by four.

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## Conclusions

- Integration Milestones – On Track
- Capital Structure – Pay down debt; increased capacity & improved flexibility
- Net Interest Spread – Lock in favorable rates
- EPS Sensitivity
  - Modest Growth
    - No value proposition uplift
    - No cross-sell of investor products to traders
    - No leverage from new sales culture
  - Guidance Philosophy
- Our Focus
  - Active Trader, Long-term Investor, RIA
  - Mass Affluent
  - Growth/Retention/Yield