



**Bank Financial Group**



## *Bob Dorrance*

*Vice Chair - Wholesale Banking, TD Bank Financial Group  
Chairman and CEO, TD Securities*

### NATIONAL BANK FINANCIAL CANADIAN BANK CEO CONFERENCE

*April 7, 2004*



**Bank Financial Group**

## Forward-Looking Statements

From time to time, TD makes written and oral forward-looking statements, including in this presentation, in filings with Canadian regulators or the U.S. Securities and Exchange Commission (SEC), and in other communications. All such statements are made pursuant to the "safe harbour" provisions of the United States Private Securities Litigation Reform Act of 1995.

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.

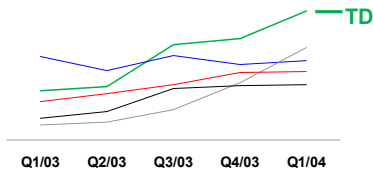
Some of the factors that could cause such differences include: the credit, market, liquidity, interest rate, operational and other risks discussed in the management's discussion and analysis sections of TD's latest annual and interim reports and other regulatory filings made in Canada and with the SEC; general business and economic conditions in Canada, the United States and other countries in which TD conducts business; the effect of changes in monetary policy; legislative and regulatory developments; the degree of competition in the markets in which TD operates, both from established competitors and new entrants; legislative and regulatory developments; the accuracy and completeness of information TD receives on customers and counterparties; the timely development and introduction of new products and services in receptive markets; TD's ability to complete and integrate acquisitions; TD's ability to attract and retain key executives; reliance on third parties to provide components of TD's business infrastructure; technological changes; changes in tax laws; unexpected judicial or regulatory proceedings; unexpected changes in consumer spending and savings habits; the possible impact on TD's businesses of international conflicts and terrorism; acts of God, such as earthquakes; and management's ability to anticipate and manage the risks associated with these factors and execute TD's strategies within a disciplined risk environment. This list is not exhaustive. Other factors could also adversely affect TD's results. For more information, please see the discussion starting on page 32 of the Bank's 2003 Annual Report concerning the effect certain key factors could have on actual 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.

For further information, please contact Investor Relations at (416) 308-9030 or [tdir@td.com](mailto:tdir@td.com).



## Solid Foundation And Strategy Supports Consistent Long-Term Growth And Shareholder Value

### Return on Risk-Weighted Assets\*



- ❑ Three strong core businesses, each contributing to improving performance
- ❑ Dramatically lowered risk profile
- ❑ Consistent sustainable financial results
- ❑ Strong capital ratios
- ❑ Leadership in corporate governance

\* TD earnings before the amortization of intangibles and excluding sectoral releases, write-offs and restructuring. Other banks adjusted for non-underlying items.



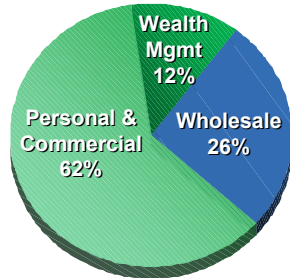
## A Different Way Of Doing Business Requires A Different Compensation / Reward System

- ❑ Greater share ownership requirements for executives focus management on long-term value creation
- ❑ Superior customer service imbedded in corporate culture -- compensation linked to customer satisfaction index
- ❑ Compensation also tied to economic profit
- ❑ Rigorous emphasis on operational excellence



## Building A Better Bank With Three Strong Core Businesses

**Business Mix Earnings - F2003**  
(Earnings before amortization of intangibles and excluding 2003 write-downs and restructuring)



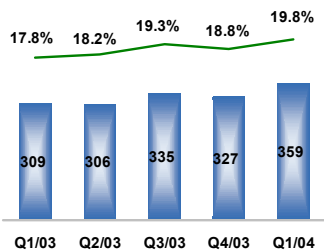
**Target: 80/20 Retail/Wholesale**

- **Personal & Commercial**  
 CT merger provides premium brand, continuing cost synergies, and cross-sell opportunities
- **Wealth Management**  
 Our integrated wealth management business in Canada is coupled with our highly profitable TD Waterhouse platform in the U.S.
- **Wholesale Banking**  
 We follow a unique shareholder-driven approach, focused on maximizing economic profit



## Disciplined Execution Of P&C Strategy And Operating Excellence

**Personal & Commercial Net Income (\$MM) and ROIC (%)**  
(Earnings before amortization of intangibles)

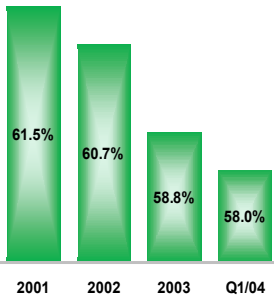


- Deliver superior service and leverage into a premium customer experience based brand
- Attain above-average growth through better customer retention and attraction, and increased business with each customer
- Exploit core competency in expense management and process optimization
- Leverage large retail base to improve cross-sell rates
- Grow under-penetrated businesses



## Maintain Gap Between Revenue Growth And Expense Growth

**P&C Efficiency Ratios**



- ❑ Tough day-to-day cost management
- ❑ Invest in process re-engineering to reduce errors and permanently lower costs
- ❑ Strategy focuses on eliminating extraneous activities, duplication, and redundancy
- ❑ Objectives of cost and process optimization:
  - ❑ improve customer satisfaction
  - ❑ maximize amount of employee time spent on revenue generating activities



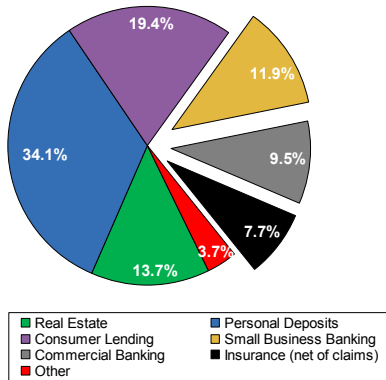
## Leveraging TD's High Potential To Improve Cross-Sell Rates

- ❑ 10MM+ customers are in contact with TD millions of times a year through various service and distribution channels
- ❑ Merger completion allows us to focus on this next opportunity
- ❑ North America banks are trying different cross-sell techniques -- execution is key
- ❑ We are working on:
  - ❑ Uniform Referral Process: driven by standard qualification guidelines, customer service philosophy and employee incentive
  - ❑ Radar, Leads & Events Triggers: sales-prompt system imbedded in sales & service processes -- identification of timely relevant cross-sell opportunities across all distribution channels
- ❑ Metrics to measure progress and compare to peers are difficult



## Tactics For Growing Under-Penetrated Businesses

**P&C % Revenue By Key Product Segment - F2003**



### Small Business Banking

- Leverage strong retail drivers (coverage, hours, CSI) and large retail customer base

### Commercial Banking

- Follow more segmented and focused approach to sales -- commercial segmented into three distinct businesses with three distinct strategies

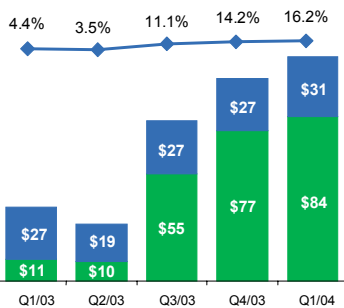
### Insurance

- *Life Insurance*: Targeted strategy designed to maximize earnings and ROE - best creditor insurance penetration rate and direct sales of living benefits products
- *Property & Casualty*: Low cost direct insurance model produces superior ROE and growth



## Strategically Growing Our Wealth Management Business

**Wealth Management Net Income (\$MM) and ROIC (%)**  
(Earnings before amortization of intangibles, excluding 2003 write-downs and restructuring)

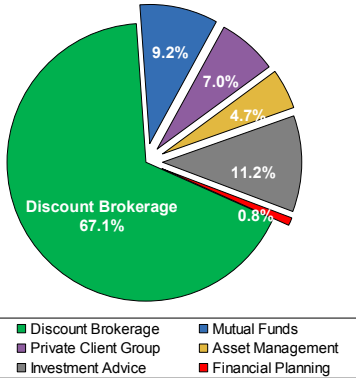


- Build out integrated wealth management platform in Canada
- Exploit and expand our TD Waterhouse discount brokerage platform in the U.S.
- Focus TD Waterhouse International on improving returns



## Building A Scaleable And More Profitable Business In Canada

**Wealth Management % Revenue  
By Key Product Segment - F2003**



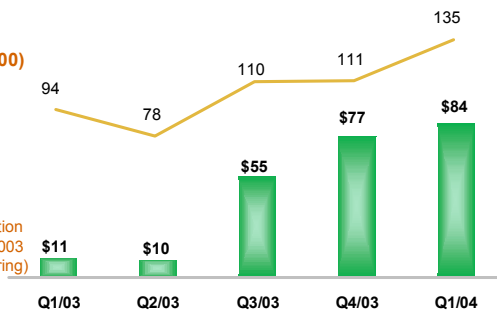
- Take out costs and invest to realign Canadian wealth management platform
- Continue to integrate wealth management offering -- a singularly branded experience
- Leverage our client bases to increase asset growth
- Gradually increase advisory network
- Shift from transaction-based to more fee-based revenue



## TD Waterhouse Discount Brokerage Benefits From Operational Leverage

**Trade Volume  
Trades Per Day ('000)**

**TD Waterhouse  
Net Income (\$MM)**  
(Earnings before amortization of intangibles, excluding 2003 write-downs and restructuring)

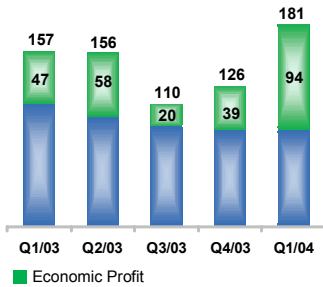




## A Simple Wholesale Strategy Focused on Economic Return

### Wholesale Banking - Net Income and Economic Profit<sup>1</sup> (\$MM)

(Earnings before amortization of intangibles, excluding 2003 write-downs and restructuring)



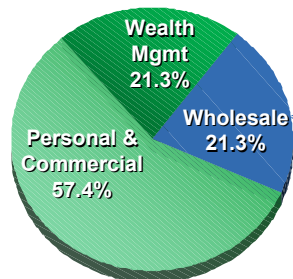
1. Economic profit is calculated by subtracting a charge (13% in the wholesale bank) for invested capital from net income applicable to common shareholders.

- Aggressively grow leading full service investment bank in Canada
- Operate as a niche investment bank outside Canada, leveraging product/service expertise
- Strategically allocate capital to high ROE businesses
- Actively manage credit and market risk

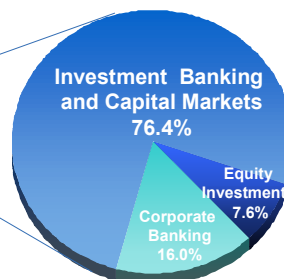


## Wholesale Mix Focuses On Investment Banking, Economic Return and Sustainable Earnings

**TD Bank % Revenue By Key Business Segment - F2003**



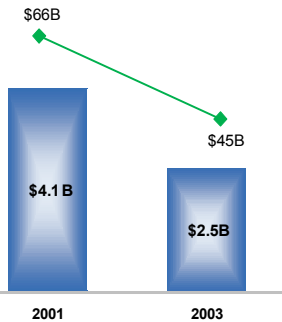
**Wholesale Banking % Revenue By Key Product Segment - F2003**





## Strategically Shifting Capital To Higher Return Businesses

### Wholesale Banking Invested Capital vs. RWA



■ Risk-Weighted Assets ■ Invested Capital

- Capital is considered a scarce resource
- Constantly evaluating our businesses and seeking out opportunities that yield better returns
- Business volume based on capital allocated to wholesale segment not total capital of the bank

15



## Significant Opportunity For Growing Leading Full Service Investment Bank In Canada

- **Strategy**
  - Continue to aggressively grow domestic full service franchise
- **Strengths and Opportunities**
  - Strength in execution
  - Vast breadth of products, services and expertise
  - Low cost structure
  - Substantial room to grow market share (e.g. M&A, equity underwriting)
- **Gaps**
  - Lack of retail placing power with small full service advisory team
  - Clients' perception that we have reduced our capital commitment

16





## Expanding Platform As A Global Niche Player

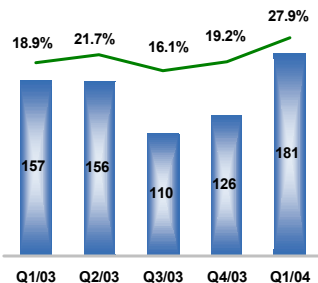
- ❑ **Strategy**
  - ❑ Grow niche investment bank outside Canada, leveraging product / service expertise
  - ❑ Focus on investor client not corporate borrowing clients
  - ❑ Target derivative markets
- ❑ **Strengths and Opportunities**
  - ❑ Strong credit products business
  - ❑ Expertise in customized structured solutions for institutional clients
  - ❑ Small size facilitates creative flow and thinking across organization
- ❑ **Gaps**
  - ❑ Alignment of distribution channel with new strategy

17



## Wholesale On Track To Achieve Targeted 18-20% ROIC In 2004

**Wholesale Banking  
Net Income (\$MM) and ROIC (%)**  
(Earnings before amortization of intangibles,  
excluding 2003 write-downs and restructuring)



- ❑ Focused on aligning our revenues and risks so earnings are sustainable
- ❑ Proven we can create sustainable competitive advantage and add value to the bank
- ❑ Working on initiatives to strengthen and improve our business
- ❑ We are focused on strategic execution and operational excellence

18



## Translating TD's Growing Capital And Financial Strength Into Future Earnings

- ❑ Our financial position continues to strengthen
- ❑ Three core businesses are fundamentally strong and each is contributing to performance and generating excess capital
- ❑ Our challenge is to re-deploy our growing capital and maintain optimum balance between:
  - ❑ making investments that truly add shareholder value
  - ❑ giving capital back to shareholders
  - ❑ continuing to strengthen franchise to prevent it from becoming strategically vulnerable in the future

19



### ***Bob Dorrance***

*Vice Chair - Wholesale Banking, TD Bank Financial Group  
Chairman and CEO, TD Securities*

**NATIONAL BANK FINANCIAL  
CANADIAN BANK CEO CONFERENCE**

*April 7, 2004*