



**Bank Financial Group**



## **SUPPLEMENTAL FINANCIAL INFORMATION**

For the Quarter Ended  
April 30, 2004

**For the Quarter Ended April 30, 2004**  
**Index**

**How the Bank Reports**

	<u>Page</u>	
<b>Highlights</b>	<b>1</b>	The supplemental information contained in this package is designed to improve the readers' understanding of the TD Bank Financial Group's financial performance. This information should be used in conjunction with the quarterly financial statement to shareholders, which is prepared in accordance with Canadian generally accepted accounting principles (GAAP). The Bank refers to results prepared in accordance with GAAP as the " <b>reported basis</b> ".
<b>Shareholder Value</b>	<b>2</b>	
<b>Net Income</b>	<b>3</b>	
<b>Performance Measures by Business Segment:</b>		
<b>- Total Bank</b>	<b>4</b>	The Bank also utilizes earnings before the amortization of intangibles to assess each of its businesses and to measure overall Bank performance. To arrive at this measure, the Bank removes special items and the amortization of intangibles from reported basis earnings. The Bank views special items as transactions that are not part of the normal daily business operations and are therefore not indicative of underlying trends. Previously, the Bank reported operating cash basis earnings. Since the only distinction between operating cash basis and reported basis earnings in 2003 and 2004 was the amortization of intangibles (as there were no special items), the Bank now refers to earnings before amortization of intangibles as it is a better description of this measure.
<b>- Personal and Commercial Banking</b>	<b>5</b>	
<b>- Wealth Management</b>	<b>6</b>	
<b>- Wholesale Banking</b>	<b>7</b>	
<b>- Corporate</b>	<b>8</b>	
<b>- Non-core Lending Portfolio</b>	<b>9</b>	
<b>Balance Sheet</b>	<b>10</b>	
<b>Net Interest Income and Margin</b>	<b>11</b>	The majority of the Bank's intangible amortization relates to the Canada Trust acquisition in fiscal 2000. The Bank excludes the amortization of intangibles as this approach ensures comparable treatment with goodwill which is not amortized. Consequently, the Bank believes that earnings before amortization of intangibles provides the reader with an understanding of the Bank's results that can be consistently tracked from period to period.
<b>Other Income</b>	<b>12</b>	
<b>Non-Interest Expenses</b>	<b>13</b>	
<b>Investment Securities Surplus (Deficit) Over Book</b>	<b>14</b>	
<b>Intangibles and Goodwill</b>	<b>14</b>	As explained, earnings before amortization of intangibles is different from reported results determined in accordance with GAAP. Earnings before amortization of intangibles and related terms are not defined terms under GAAP and therefore may not be comparable to similar terms used by other issuers. A reconciliation between the Bank's earnings before amortization of intangibles and its reported results is provided on page 1.
<b>Restructuring Costs</b>	<b>14</b>	
<b>Analysis of Change in Shareholders' Equity and Non-Controlling Interest</b>	<b>15</b>	
<b>Risk-Weighted Assets and Capital</b>	<b>16</b>	
<b>Loan Securitization</b>	<b>17</b>	Beginning in fiscal 2004, the Bank no longer discusses net interest income on a taxable equivalent basis (TEB) at the total Bank level, as it is not useful at that level. However, on a segmented basis, the Bank continues to report net interest income on a TEB basis, which is then eliminated in the Corporate segment on page 8. TEB means that the non-taxable or tax-exempt income such as dividends is adjusted to its equivalent before tax value. Using TEB allows the Bank to measure income from all securities and loans consistently and makes for more meaningful comparison of net interest income with similar institutions.
<b>Impaired Loans by Business Line and General Allowance</b>	<b>18</b>	
<b>Analysis of Change in Gross Impaired Loans and Allowance for Credit Losses</b>	<b>19</b>	The Bank reports economic profit and return on invested capital for the total Bank and for each of its major business segments. Economic profit/(loss) is earnings/(loss) before amortization of intangibles applicable to common shares after providing a charge for invested capital. Invested capital is equal to common equity plus the cumulative amount of goodwill and intangible assets amortized as of the reporting date.

Certain comparative amounts have been reclassified to conform with current period presentation.

For further information contact:

<b>Scott Lamb</b>	<b>(416) 982-5075</b>
<b>Trish Moran</b>	<b>(416) 308-6677</b>
<b>Kelly Milroy</b>	<b>(416) 944-5422</b>
<b>FAX #</b>	<b>(416) 944-6618</b>

## Highlights

FOR THE PERIOD ENDED	LINE #	2004		2003			2002			Year to Date		Full Year		
		Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2004	2003	2003	2002
<b>Income Statement (\$millions)</b>														
Net income applicable to common shareholders - reported basis	1	\$ 490	\$ 582	\$ 480	\$ 480	\$ (295)	\$ 324	\$ (219)	\$ (428)	\$ 132	\$ 1,072	\$ 29	\$ 989	\$ (160)
Amortization of intangible assets, net of tax	2	107	179	112	119	127	133	156	154	160	286	260	491	634
Gain on sale of mutual fund and custody business, net of tax	3	-	-	-	-	-	-	-	(18)	-	-	-	-	(32)
Net income applicable to common shareholders - before amortization of intangibles <sup>1</sup>	4	597	761	592	599	(168)	457	(63)	(292)	292	1,358	289	1,480	442
Preferred dividends	5	21	21	21	21	22	23	23	23	24	42	45	87	93
Net income - before amortization of intangibles <sup>1</sup>	6	\$ 618	\$ 782	\$ 613	\$ 620	\$ (146)	\$ 480	\$ (40)	\$ (269)	\$ 316	\$ 1,400	\$ 334	\$ 1,567	\$ 535
<b>Per common share and average number of shares</b>														
Basic net income - reported basis	7	\$ .74	\$ .89	\$ .74	\$ .74	\$ (.46)	\$ .50	\$ (.34)	\$ (.67)	\$ .20	\$ 1.63	\$ .04	\$ 1.52	\$ (.25)
- before amortization of intangibles <sup>1</sup>	8	.91	1.16	.91	.92	(.26)	.71	(.10)	(.46)	.46	2.07	.45	2.28	.69
Diluted net income - reported basis	9	.74	.88	.73	.73	(.46)	.50	(.34)	(.67)	.20	1.62	.04	1.51	(.25)
- before amortization of intangibles <sup>1</sup>	10	.90	1.15	.90	.91	(.26)	.70	(.10)	(.46)	.45	2.05	.44	2.26	.68
Average number of common shares outstanding - basic (millions)	11	656.8	654.8	653.8	651.3	648.5	645.6	643.3	641.5	639.8	655.8	647.0	649.8	641.0
- diluted	12	662.0	660.0	658.3	655.3	652.2	649.7	647.3	646.6	647.1	660.9	651.0	653.9	646.9
<b>Balance sheet (\$billions)</b>														
Total assets	13	\$ 312.3	\$ 316.2	\$ 273.5	\$ 302.2	\$ 321.7	\$ 311.4	\$ 278.0	\$ 309.6	\$ 300.7	\$ 312.3	\$ 321.7	\$ 273.5	\$ 278.0
Total common equity	14	12.2	12.0	11.6	11.4	11.1	11.7	11.6	12.0	12.4	12.2	11.1	11.6	11.6
Investment securities - surplus over book <sup>2</sup> (\$millions)	15	405	412	369	298	196	131	224	246	474	405	196	369	224
<b>Capital and Risk Metrics (\$billions)</b>														
Risk-weighted assets	16	\$ 102.3	\$ 110.1	\$ 108.2	\$ 114.0	\$ 118.3	\$ 121.1	\$ 120.6	\$ 129.9	\$ 126.3	\$ 102.3	\$ 118.3	\$ 108.2	\$ 120.6
Tier 1 capital	17	12.2	11.9	11.3	11.1	10.4	10.3	9.8	10.0	10.4	12.2	10.4	11.3	9.8
Tangible common equity <sup>3</sup>	18	8.2	8.0	7.4	7.2	6.7	6.5	6.2	6.5	6.8	8.2	6.7	7.4	6.2
Tier 1 capital ratio	19	11.9 %	10.9 %	10.5 %	9.7 %	8.8 %	8.5 %	8.1 %	7.7 %	8.2 %	11.9 %	8.8 %	10.5 %	8.1 %
Total capital ratio	20	16.4	15.5	15.6	13.9	12.4	11.8	11.6	10.6	11.2	16.4	12.4	15.6	11.6
Tangible common equity as a percentage of RWA	21	8.0	7.3	6.9	6.3	5.7	5.4	5.1	5.0	5.4	8.0	5.7	6.9	5.1
After tax impact of 1% increase in interest rates on														
Common shareholders' equity (\$millions)	22	\$ (40)	\$ (32)	\$ (13)	\$ (45)	\$ (40)	\$ (27)	\$ (40)	\$ (48)	\$ (36)	\$ (40)	\$ (40)	\$ (13)	\$ (40)
Annual net income (\$millions)	23	(4)	(9)	4	(10)	(10)	(1)	(5)	2	(3)	(4)	(10)	4	(5)
Net impaired loans (\$millions)	24	(567)	(584)	(641)	(643)	(742)	(661)	(975)	(799)	(41)	(567)	(742)	(641)	(975)
Net impaired loans as a % of net loans	25	(.4)%	(.5)%	(.5)%	(.5)%	(.6)%	(.5)%	(.7)%	(.6)%	- %	(.4)%	(.6)%	(.5)%	(.7)%
Provision for credit losses as a % of net average loans	26	(.62)	(.33)	(.27)	.19	.31	.34	2.84	3.81	1.26	(.48)	.33	.15	2.24
Rating of senior debt:														
Moody's	27	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3
Standard and Poor's	28	A+	A+	A+	A+	A+	A+	AA-	AA-	AA-	A+	A+	A+	AA-

<sup>1</sup> Excludes gain on sale of mutual fund record keeping and custody business

<sup>2</sup> Excludes debt security positions which are used as part of the Bank's Asset and Liability Management hedging activities and preferred shares that are hedged

<sup>3</sup> Tangible common equity is common shareholders' equity plus contributed surplus less net intangibles and goodwill

## Shareholder Value



FOR THE PERIOD ENDED	LINE #	2004		2003				2002		Year to Date		Full Year		
		Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2004	2003	2003	2002
<b>Business performance (\$millions)</b>														
Net income applicable to common shareholders - reported basis	1	\$ 490	\$ 582	\$ 480	\$ 480	\$ (295)	\$ 324	\$ (219)	\$ (428)	\$ 132	\$ 1,072	\$ 29	\$ 989	\$ (160)
Economic profit <sup>1,2</sup>	2	207	376	210	227	(563)	76	(457)	(692)	(96)	583	(487)	(50)	(1,132)
Total revenue <sup>3</sup>	3	2,769	2,789	2,473	2,595	2,413	2,559	2,442	2,420	2,497	5,558	4,972	10,040	10,189
Net interest income	4	1,484	1,476	1,379	1,402	1,445	1,390	1,388	1,404	1,308	2,960	2,835	5,616	5,300
Average common equity	5	12,058	11,665	11,396	11,107	11,484	11,607	11,817	12,227	12,407	11,839	11,520	11,396	12,144
Average invested capital <sup>4</sup>	6	14,849	14,331	13,900	13,536	13,875	13,868	13,934	14,189	14,212	14,566	13,846	13,792	14,025
Return on Equity - reported basis	7	16.5 %	19.8 %	16.7 %	17.1 %	(10.5)%	11.1 %	(7.4)%	(13.9)%	4.4 %	18.2 %	.5 %	8.7 %	(1.3)%
- before amortization of intangibles <sup>5</sup>	8	20.1	26.0	20.6	21.4	(6.0)	15.6	(2.1)	(9.5)	9.7	23.1	5.1	13.0	3.6
Return on invested capital - before amortization of intangibles <sup>2,4,5</sup>	9	16.4	21.1	16.9	17.6	(5.7)	13.1	(1.8)	(8.2)	8.4	18.7	3.8	10.5	3.2
Return on risk-weighted assets - before amortization of intangibles <sup>5</sup>	10	2.36	2.84	2.19	2.12	(0.50)	1.58	(0.13)	(0.83)	1.02	2.63	0.56	1.35	0.42
Efficiency ratio - reported basis	11	82.0	69.0	79.3	72.6	106.3	76.5	76.2	77.1	77.9	75.5	90.9	83.3	75.8
- before amortization of intangibles <sup>3</sup>	12	76.2	62.9	72.2	65.4	98.0	68.2	67.0	67.8	67.6	69.5	82.7	75.6	66.3
Net interest margin	13	2.34	2.37	2.26	2.15	2.29	2.22	2.20	2.17	2.06	2.35	2.26	2.23	2.07
Number of full-time equivalent staff at period end	14	41,918	41,950	41,934	42,786	42,805	43,239	43,208	44,890	44,946	41,918	42,805	41,934	43,208
Number of domestic retail outlets at period end	15	1,026	1,031	1,093	1,162	1,165	1,172	1,178	1,182	1,228	1,026	1,165	1,093	1,178
Number of retail brokerage offices at period end	16	265	268	270	272	285	283	283	283	285	265	285	270	283
<b>Common share performance</b>														
Closing market price	17	\$ 44.48	\$ 43.38	\$ 43.86	\$ 37.49	\$ 33.94	\$ 32.18	\$ 29.35	\$ 33.00	\$ 41.87	\$ 44.48	\$ 33.94	\$ 43.86	\$ 29.35
Book value per common share	18	18.63	18.27	17.64	17.47	17.04	18.10	17.91	18.62	19.38	18.63	17.04	17.64	17.91
Closing market price to book value	19	2.39	2.37	2.49	2.15	1.99	1.78	1.64	1.77	2.16	2.39	1.99	2.49	1.64
Price earnings ratio - before amortization of intangibles <sup>5,6</sup>	20	11.5	16.1	19.5	30.0	-	54.5	43.8	21.3	15.0	11.5	-	19.5	43.8
Total market return on common shareholders' investment <sup>7</sup>	21	34.8 %	38.5 %	53.4 %	17.0 %	(16.3)%	(21.8)%	(15.2)%	(13.3)%	10.5 %	34.8 %	(16.3)%	53.4 %	(15.2)%
Number of common shares outstanding (millions)	22	655.3	657.6	656.3	653.4	651.1	647.9	645.4	643.2	641.4	655.3	651.1	656.3	645.4
Total market capitalization (\$billions)	23	\$ 29.1	\$ 28.5	\$ 28.8	\$ 24.5	\$ 22.1	\$ 20.8	\$ 18.9	\$ 21.2	\$ 26.9	\$ 29.1	\$ 22.1	\$ 28.8	\$ 18.9
<b>Dividend Performance</b>														
Dividend per common share	24	\$ 0.34	\$ 0.32	\$ 0.32	\$ 0.28	\$ 0.28	\$ 0.28	\$ 0.28	\$ 0.28	\$ 0.28	\$ 0.66	\$ 0.56	\$ 1.16	\$ 1.12
Dividend yield <sup>8</sup>	25	2.7 %	2.8 %	2.9 %	3.1 %	3.4 %	3.5 %	3.7 %	3.2 %	2.6 %	2.8 %	3.5 %	3.2 %	3.2 %
Common dividend payout ratio - before amortization of intangibles <sup>5</sup>	26	37.5	27.5	35.3	30.6	-	39.6	-	-	61.3	31.9	125.3	50.9	162.4

<sup>1</sup> Economic profit is net income applicable to common shareholders, before the amortization of purchased intangibles, less a charge for the cost of Invested Capital. The rate charged for Invested Capital is 10.7% for 2004, 10.9% for 2003 and 11.2% for 2002.

<sup>2</sup> Q2/03 includes a charge of \$26 million after-tax for the past amortization of goodwill that became impaired during the period

<sup>3</sup> Excludes the gain on sale of mutual fund record keeping and custody business (Q3/02 - \$22 million pre-tax, Q1/02 - \$18 million pre-tax)

<sup>4</sup> Invested capital is common shareholders' equity plus the cumulative after-tax amount of purchased intangible assets amortized as of the reporting date

<sup>5</sup> Excludes the gain on sale of mutual fund record keeping and custody business (Q3/02 - \$18 million after-tax, Q1/02 - \$14 million after-tax)

<sup>6</sup> Closing common share price divided by diluted net income per common share for trailing 4 quarters

<sup>7</sup> Change in market price plus dividends paid in trailing 4 quarters as a percentage of the prior year's closing market price per common share

<sup>8</sup> Dividends per common share for trailing 4 quarters divided by average of high and low common share prices for the period

# Net Income



(\$MILLIONS) FOR THE PERIOD ENDED		LINE #	2004		2003			2002			Year to Date		Full Year	
			Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2004	2003	2003
Interest income	1	\$ 2,720	\$ 2,845	\$ 2,659	\$ 2,840	\$ 2,874	\$ 2,829	\$ 2,920	\$ 2,941	\$ 2,735	\$ 5,565	\$ 5,703	\$ 11,202	\$ 11,606
Interest expense	2	1,236	1,369	1,280	1,438	1,429	1,439	1,532	1,537	1,427	2,605	2,868	5,586	6,306
<b>Net interest income</b>	3	<b>1,484</b>	1,476	1,379	1,402	1,445	1,390	1,388	1,404	1,308	2,960	2,835	5,616	5,300
Provision for credit losses	4	(192)	(104)	(83)	59	98	112	950	1,250	400	(296)	210	186	2,925
<b>Net interest income after credit loss provision</b>	5	<b>1,676</b>	1,580	1,462	1,343	1,347	1,278	438	154	908	3,256	2,625	5,430	2,375
<b>Other income</b>														
Investment and securities services	6	654	611	567	579	482	504	460	522	534	1,265	986	2,132	2,085
Credit fees	7	76	91	84	113	100	118	78	100	116	167	218	415	415
Net investment securities gains/(losses)	8	59	45	23	18	(23)	5	(14)	(8)	(12)	104	(18)	23	26
Trading income	9	(69)	52	(22)	(19)	15	130	64	(73)	106	(17)	145	104	529
Service charges	10	168	165	165	168	153	155	157	151	143	333	308	641	596
Loan securitizations	11	107	111	89	60	54	47	53	63	46	218	101	250	218
Card services	12	52	49	47	74	65	66	66	64	57	101	131	252	249
Insurance revenue (net of claims)	13	143	111	119	112	97	92	100	95	96	254	189	420	375
Trust fees	14	23	17	15	19	19	17	18	18	22	40	36	70	76
Gain on sale of mutual fund record keeping and custody business	15	-	-	-	-	-	-	-	22	-	-	-	-	40
Writedown of investment in JVs	16	-	-	-	-	(39)	-	-	-	-	-	(39)	(39)	-
Gains/(Losses) on derivatives & loan sales (non-core) not booked to sectoral	17	15	(3)	(19)	(13)	(31)	(50)	-	-	-	12	(81)	(113)	-
Other	18	57	64	26	82	76	85	72	84	81	121	161	269	320
<b>Total other income</b>	19	<b>1,285</b>	1,313	1,094	1,193	968	1,169	1,054	1,038	1,189	2,598	2,137	4,424	4,929
<b>Net interest and other income</b>	20	<b>2,961</b>	2,893	2,556	2,536	2,315	2,447	1,492	1,192	2,097	5,854	4,762	9,854	7,304
<b>Non-interest expenses</b>														
Salaries and employee benefits	21	971	943	941	959	893	965	802	868	882	1,914	1,858	3,758	3,566
Occupancy including depreciation	22	150	147	173	178	153	152	154	154	151	297	305	656	605
Equipment including depreciation	23	137	120	177	150	156	167	171	172	157	257	323	650	661
Restructuring costs	24	(7)	-	-	5	87	-	-	-	-	(7)	87	92	-
Goodwill impairment	25	-	-	-	-	624	-	-	-	-	-	624	624	-
Other	26	858	545	494	405	452	461	508	447	497	1,403	913	1,812	1,922
<b>Total non-interest expenses excluding amortization of intangibles</b>	27	<b>2,109</b>	1,755	1,785	1,697	2,365	1,745	1,635	1,641	1,687	3,864	4,110	7,592	6,754
<b>Income before provision for income taxes</b>	28	<b>852</b>	1,138	771	839	(50)	702	(143)	(449)	410	1,990	652	2,262	550
Provision for income taxes	29	211	333	135	196	73	199	(119)	(211)	76	544	272	603	(81)
<b>Net income before non-controlling interest</b>	30	<b>641</b>	805	636	643	(123)	503	(24)	(238)	334	1,446	380	1,659	631
Non-controlling interest	31	23	23	23	23	23	23	16	13	18	46	46	92	64
<b>Net income - before amortization of intangibles</b>	32	<b>618</b>	782	613	620	(146)	480	(40)	(251)	316	1,400	334	1,567	567
Preferred dividends	33	21	21	21	21	22	23	23	23	24	42	45	87	93
<b>Net income applicable to common shareholders - before amortization of intangibles</b>	34	<b>597</b>	761	592	599	(168)	457	(63)	(274)	292	1,358	289	1,480	474
Amortization of intangibles, net of tax	35	107	179	112	119	127	133	156	154	160	286	260	491	634
<b>Net income applicable to common shareholders - reported basis</b>	36	<b>\$ 490</b>	\$ 582	\$ 480	\$ 480	\$ (295)	\$ 324	\$ (219)	\$ (428)	\$ 132	\$ 1,072	\$ 29	\$ 989	\$ (160)

# Performance Measures Summary - Total Bank



## RESULTS OF OPERATIONS - before amortization of intangibles<sup>1</sup>

(\$millions)

FOR THE PERIOD ENDED	LINE #	2004		2003				2002			Year to Date		Full Year	
		Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2004	2003	2003	2002
<b>Net income</b>														
Personal and Commercial Banking	1	\$ 357	\$ 359	\$ 327	\$ 335	\$ 306	\$ 309	\$ 287	\$ 282	\$ 264	\$ 716	\$ 615	\$ 1,277	\$ 1,114
Wealth Management	2	106	115	104	82	(299)	38	21	18	31	221	(261)	(75)	125
Total Retail	3	463	474	431	417	7	347	308	300	295	937	354	1,202	1,239
Wholesale Banking	4	167	181	126	110	(133)	157	(356)	(542)	35	348	24	260	(657)
Corporate	5	(12)	127	56	93	(20)	(24)	8	(27)	(14)	115	(44)	105	(47)
<b>Total Bank</b>	6	<b>\$ 618</b>	<b>\$ 782</b>	<b>\$ 613</b>	<b>\$ 620</b>	<b>\$ (146)</b>	<b>\$ 480</b>	<b>\$ (40)</b>	<b>\$ (269)</b>	<b>\$ 316</b>	<b>\$ 1,400</b>	<b>\$ 334</b>	<b>\$ 1,567</b>	<b>\$ 535</b>
<b>Return on Invested Capital</b>														
Personal and Commercial Banking	7	20.0 %	19.8 %	18.8 %	19.3 %	18.2 %	17.8 %	16.9 %	16.7 %	16.4 %	19.9 %	18.0 %	18.5 %	16.8 %
Wealth Management	8	15.3	16.2	14.2	11.1	(41.5)	4.4	2.5	2.1	3.6	15.8	(17.6)	(3.6)	3.7
Wholesale Banking	9	27.5	27.9	19.2	16.1	(19.2)	18.9	(31.2)	(51.8)	2.9	27.7	.9	8.6	(16.1)
<b>Total Bank</b>	10	<b>16.4 %</b>	<b>21.1 %</b>	<b>16.9 %</b>	<b>17.6 %</b>	<b>(5.7)%</b>	<b>13.1 %</b>	<b>(1.8)%</b>	<b>(8.2)%</b>	<b>8.4 %</b>	<b>18.7 %</b>	<b>3.8 %</b>	<b>10.5 %</b>	<b>3.2 %</b>
<b>Percentage net income mix<sup>2</sup></b>														
Total Retail	11	73 %	72 %	77 %	79 %	100 %	69 %	100 %	100 %	89 %	73 %	94 %	82 %	100 %
Wholesale Banking	12	27	28	23	21	-	31	-	-	11	27	6	18	-
<b>Total Bank</b>	13	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>
<b>Percentage geographic contribution to total revenue<sup>3</sup></b>														
Canada	14	74 %	73 %	76 %	71 %	75 %	72 %	73 %	74 %	77 %	74 %	74 %	73 %	74 %
United States of America	15	15	16	16	15	14	19	15	13	16	15	16	16	15
Other	16	11	11	8	14	11	9	12	13	7	11	10	11	11
<b>Total Bank</b>	17	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>

<sup>1</sup> Excludes gain on sale of mutual fund record keeping and custody business (Q3/02 - \$18 million after-tax, and 2002 - \$32 million after-tax)

<sup>2</sup> Percentages exclude Corporate segment results

<sup>3</sup> The taxable equivalent amounts (TEB) are not included in geographic contribution to total revenue.

**BASIS OF PRESENTATION OF RESULTS:** Results of each Segment reflect revenue, expenses, assets and liabilities generated by the businesses in that segment. Transfer pricing of funds sold or purchased, and of commissions for services provided are generally at market rates. The Bank measures and evaluates the performance of each Segment based on Net Income before amortization of intangibles, Economic Profit, and Return on Invested Capital. A Segment's Invested Capital represents the capital required for economic risks, including credit, market, and operational risks, plus the purchased amounts of goodwill and intangible assets net of impairment writedowns. Economic Profit is determined as the Net Income applicable to common shareholders before the amortization of purchased intangibles, less a charge for the cost of Invested Capital.

**CORPORATE:** Includes the Non-Core Lending Portfolio, non-controlling interests in subsidiaries, the effects of asset securitization programs, treasury management, general provisions for credit losses, the elimination of taxable equivalent revenue and income tax, corporate level tax benefits, and residual unallocated revenues, expenses and taxes.

# Performance Measures - Personal and Commercial Banking Segment



## RESULTS OF OPERATIONS - before amortization of intangibles (\$millions)

FOR THE PERIOD ENDED	LINE #	2004		2003			2002			Year to Date		Full Year		
		Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2004	2003	2003	2002
Net interest income (TEB)	1	\$ 1,011	\$ 1,038	\$ 1,024	\$ 1,031	\$ 999	\$ 1,032	\$ 1,032	\$ 1,020	\$ 973	\$ 2,049	\$ 2,031	\$ 4,086	\$ 4,058
Other income	2	520	486	475	466	429	433	433	438	421	1,006	862	1,803	1,710
Total revenue	3	1,531	1,524	1,499	1,497	1,428	1,465	1,465	1,458	1,394	3,055	2,893	5,889	5,768
Provision for credit losses	4	87	106	128	105	104	123	120	132	115	193	227	460	505
Non-interest expenses	5	909	884	873	873	852	865	886	879	864	1,793	1,717	3,463	3,501
Net income before taxes	6	535	534	498	519	472	477	459	447	415	1,069	949	1,966	1,762
Income taxes (TEB)	7	178	175	171	184	166	168	172	165	151	353	334	689	648
Net income	8	\$ 357	\$ 359	\$ 327	\$ 335	\$ 306	\$ 309	\$ 287	\$ 282	\$ 264	\$ 716	\$ 615	\$ 1,277	\$ 1,114
Economic profit <sup>1</sup>	9	\$ 190	\$ 191	\$ 166	\$ 174	\$ 151	\$ 148	\$ 114	\$ 111	\$ 100	\$ 381	\$ 299	\$ 639	\$ 438
Average Invested Capital (\$billions)	10	7.1	7.0	6.7	6.7	6.7	6.7	6.5	6.5	6.4	7.0	6.7	6.7	6.5
Return on Invested Capital	11	20.0 %	19.8 %	18.8 %	19.3 %	18.2 %	17.8 %	16.9 %	16.7 %	16.4 %	19.9 %	18.0 %	18.5 %	16.8 %

## Key performance indicators (\$billions)

Risk-weighted assets	12	\$ 56	\$ 56	\$ 56	\$ 54	\$ 54	\$ 53	\$ 52	\$ 56	\$ 55	56	54	56	52
Average loans - personal	13	93	93	88	88	87	85	84	81	79	93	86	87	80
Average loans and acceptances - business	14	16	16	17	17	17	18	18	18	18	16	18	17	18
Average securitized loans	15	27	26	26	23	22	22	22	23	23	27	22	23	23
Average deposits - personal	16	87	87	85	84	83	83	82	81	80	87	83	84	80
Average deposits - business	17	27	27	27	26	25	25	24	23	22	27	25	26	23
Margin on avg. earning assets incl. securitized assets	18	3.08%	3.14%	3.18%	3.26%	3.34%	3.36%	3.38%	3.40%	3.40%	3.11%	3.35%	3.28%	3.42%
Efficiency ratio	19	59.4%	58.0%	58.2%	58.3%	59.7%	59.0%	60.5%	60.3%	62.0%	58.7%	59.4%	58.8%	60.7%

<sup>1</sup> The rate charged for Invested Capital is 9% for 2004, 9% for 2003, and 10% for 2002

The Personal and Commercial Banking segment provides financial services to approximately 10 million personal, small business, insurance and commercial customers. Under the TD Canada Trust brand, the retail operations provide a full range of financial products and services to our personal and small business customers through the telephone, the Internet, automated banking machines, and branches. TD Commercial Banking provides lending, deposit, savings and investment products to Canadian businesses, plus a full range of day-to-day banking, cash management, trade and treasury services.

**RESULTS OF OPERATIONS - before amortization of intangibles**  
 (\$millions)

FOR THE PERIOD ENDED	LINE #	2004		2003			2002			Year to date		Full Year		
		Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2004	2003	2003	2002
Net interest income (TEB)	1	\$ 125	\$ 118	\$ 117	\$ 113	\$ 95	\$ 106	\$ 107	\$ 106	\$ 106	\$ 243	\$ 201	\$ 431	\$ 426
Brokerage commissions & other income <sup>1</sup>	2	583	557	516	501	388	468	431	459	492	1,140	856	1,873	1,895
Total revenue	3	708	675	633	614	483	574	538	565	598	1,383	1,057	2,304	2,321
Restructuring costs	4	-	-	-	5	21	-	-	-	-	-	21	26	-
Goodwill impairment	5	-	-	-	-	274	-	-	-	-	-	274	274	-
Other non-interest expenses	6	544	499	473	490	466	505	494	521	540	1,043	971	1,934	2,080
Total non-interest expenses	7	544	499	473	495	761	505	494	521	540	1,043	1,266	2,234	2,080
Net income before taxes	8	164	176	160	119	(278)	69	44	44	58	340	(209)	70	241
Income taxes (TEB)	9	58	61	56	37	21	31	23	26	27	119	52	145	116
Net income (loss) <sup>2</sup>	10	\$ 106	\$ 115	\$ 104	\$ 82	\$ (299)	\$ 38	\$ 21	\$ 18	\$ 31	\$ 221	\$ (261)	\$ (75)	\$ 125
Economic profit (loss) <sup>3,4</sup>	11	\$ 21	\$ 29	\$ 16	\$ (6)	\$ (421)	\$ (65)	\$ (85)	\$ (87)	\$ (74)	\$ 50	\$ (486)	\$ (476)	\$ (298)
Average Invested Capital (\$billions)	12	2.7	2.7	2.8	2.8	3.2	3.4	3.3	3.2	3.3	2.7	3.3	3.0	3.3
Return on Invested Capital <sup>4</sup>	13	15.3 %	16.2 %	14.2 %	11.1 %	(41.5)%	4.4 %	2.5 %	2.1 %	3.6 %	15.8 %	(17.6)%	(3.6)%	3.7 %

**Key performance indicators (\$billions)**

Risk-weighted assets	14	\$ 7	\$ 6	\$ 6	\$ 6	\$ 5	\$ 5	\$ 6	\$ 6	\$ 6	\$ 7	\$ 5	\$ 6	\$ 6
Assets under administration	15	295	292	267	259	240	237	234	237	257	295	240	267	234
Assets under management	16	121	119	113	113	110	112	112	122	123	121	110	113	112
Personal margin loans	17	7	6	5	5	5	5	4	5	6	7	5	5	4
Discount brokerage average trades per day (000's)	18	126	135	111	110	78	94	82	96	104	131	86	98	99
Efficiency ratio	19	76.8 %	74.0 %	74.7 %	80.6 %	157.6 %	88.0 %	91.8 %	92.2 %	90.3 %	75.4 %	119.8 %	97.0 %	89.6 %

<sup>1</sup> Includes write downs of \$39 million in Q2/03 as a result of other than temporary impairments in certain international joint ventures.

<sup>2</sup> Q2/03 restructuring and goodwill impairment charges and write downs amounted to \$328 million after-tax.

<sup>3</sup> The rate charged for Invested Capital for the domestic Wealth Management, Canada Discount Brokerage, and US and International businesses are 10%, 10% and 14% for 2004, 10%, 13%, and 13% for 2003, and 10%, 14%, and 14% for 2002 respectively.

<sup>4</sup> Q2/03 includes a charge of \$26 million after-tax for the past amortization of goodwill that became impaired during the period.

The Wealth Management segment offers investors a wide array of investment products and services. It is one of Canada's largest asset managers, advisors and distributors of investment products; providing mutual funds, pooled funds, segregated account management, full service brokerage services and self-directed investing to retail, mass affluent and private client segments. In addition, investment management services are provided to pension funds, corporations, institutions, endowments, and foundations.



## Performance Measures - Wholesale Banking Segment



### RESULTS OF OPERATIONS - before amortization of intangibles (\$millions)

FOR THE PERIOD ENDED	LINE #	2004		2003			2002			Year to Date		Full Year		
		Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2004	2003	2003	2002
Net interest income (TEB)	1	\$ 431	\$ 394	\$ 351	\$ 343	\$ 368	\$ 293	\$ 444	\$ 433	\$ 385	\$ 825	\$ 661	\$ 1,355	\$ 1,505
Trading and fee income	2	156	226	150	139	115	297	124	98	250	382	412	701	1,163
Total revenue	3	587	620	501	482	483	590	568	531	635	1,207	1,073	2,056	2,668
Provision for credit losses <sup>1</sup>	4	10	7	8	3	2	2	841	1,132	300	17	4	15	2,490
Restructuring costs	5	(7)	-	-	-	66	-	-	-	-	(7)	66	66	-
Goodwill impairment	6	-	-	-	-	350	-	-	-	-	-	350	350	-
Other non-interest expenses	7	343	352	323	307	300	343	276	248	304	695	643	1,273	1,235
Total non-interest expenses	8	336	352	323	307	716	343	276	248	304	688	1,059	1,689	1,235
Net income before taxes	9	241	261	170	172	(235)	245	(549)	(849)	31	502	10	352	(1,057)
Income taxes (TEB)	10	74	80	44	62	(102)	88	(193)	(307)	(4)	154	(14)	92	(400)
Net income (loss) <sup>2</sup>	11	\$ 167	\$ 181	\$ 126	\$ 110	\$ (133)	\$ 157	\$ (356)	\$ (542)	\$ 35	\$ 348	\$ 24	\$ 260	\$ (657)
Economic profit (loss) <sup>3</sup>	12	\$ 85	\$ 94	\$ 39	\$ 20	\$ (231)	\$ 47	\$ (503)	\$ (674)	\$ (92)	\$ 179	\$ (184)	\$ (125)	\$ (1,192)
Average Invested Capital (\$billions)	13	2.4	2.5	2.5	2.6	2.9	3.3	4.6	4.2	4.1	2.5	3.1	2.8	4.2
Return on Invested Capital	14	27.5 %	27.9 %	19.2 %	16.1 %	(19.2)%	18.9 %	(31.2)%	(51.8)%	2.9 %	27.7 %	.9 %	8.6 %	(16.1)%
<b>Key performance indicators (\$billions)</b>														
Risk-weighted assets	15	\$ 35	\$ 41	\$ 40	\$ 46	\$ 48	\$ 49	\$ 62	\$ 65	\$ 63	\$ 35	\$ 48	\$ 40	\$ 62
Trading securities	16	66	72	55	65	64	65	53	67	71	66	64	55	53
Short sales of securities	17	17	20	15	20	19	20	17	23	24	17	19	15	17
Average loans and customers' liabilities under acceptances	18	7	7	8	9	9	10	23	24	25	7	10	9	25
Efficiency ratio	19	57.2 %	56.8 %	64.4 %	63.6 %	148.3 %	58.2 %	48.6 %	46.7 %	47.9 %	57.0 %	98.7 %	82.1 %	46.3 %
<b>Trading related income (TEB)<sup>4</sup></b>														
Interest rate and credit portfolios	20	\$ 176	\$ 178	\$ 91	\$ 124	\$ 184	\$ 182	\$ 110	\$ 60	\$ 171	\$ 354	\$ 366	\$ 581	\$ 741
Foreign exchange portfolios	21	61	65	61	57	65	65	45	62	50	126	130	248	217
Equity and other portfolios	22	7	82	50	(35)	49	100	122	54	51	89	149	164	243
TEB adjustment	23	61	46	44	58	36	27	53	42	32	107	63	165	152
Total trading related income	24	\$ 305	\$ 371	\$ 246	\$ 204	\$ 334	\$ 374	\$ 330	\$ 218	\$ 304	\$ 676	\$ 708	\$ 1,158	\$ 1,353

<sup>1</sup> Provision for credit losses includes the cost of credit protection incurred in hedging the lending portfolio. From Q1 2003 through Q2 2004, the amounts are exclusively the cost of credit protection incurred in hedging the lending portfolio.

<sup>2</sup> Q2/03 Restructuring and goodwill impairment charges amounted to \$289 million after-tax

<sup>3</sup> The rate charged for Invested Capital is 13% for 2004, 13% for 2003, and 12% for 2002

<sup>4</sup> Includes trading-related income reported in net interest income (line 1) and trading and fee income (line 2).

The Wholesale Banking segment serves a diverse base of corporate, government, and institutional clients in key financial markets around the world. Under the TD Securities brand, the Wholesale Bank provides a full range of capital markets and investment banking products and services that include; advice on corporate strategy and mergers and acquisitions; underwriting and distributing loan, debt and equity products; structuring tailored risk management solutions; and executing financial transactions.

# Performance Measures - Corporate Segment<sup>1</sup>



## RESULTS OF OPERATIONS - before amortization of intangibles

(\$millions)

FOR THE PERIOD ENDED	LINE #	2004		2003			Year to Date		Full Year	
		Q2	Q1	Q4	Q3	Q2	Q1	2004	2003	2003
Net interest income <sup>2,3</sup>	1	\$ (83)	\$ (74)	\$ (113)	\$ (85)	\$ (17)	\$ (41)	\$ (157)	\$ (58)	\$ (256)
Other Income <sup>3</sup>	2	26	44	(47)	87	36	(29)	70	7	47
Total revenue	3	(57)	(30)	(160)	2	19	(70)	(87)	(51)	(209)
General allowance release	4	(67)	-	(157)	-	-	-	(67)	-	(157)
Sectoral allowance release	5	(200)	(200)	(40)	(40)	-	-	(400)	-	(80)
Other provision for credit losses <sup>3</sup>	6	(22)	(17)	(22)	(9)	(8)	(13)	(39)	(21)	(52)
Total provision for credit losses	7	(289)	(217)	(219)	(49)	(8)	(13)	(506)	(21)	(289)
Non-interest expenses	8	320	20	116	22	36	32	340	68	206
Net income before taxes	9	(88)	167	(57)	29	(9)	(89)	79	(98)	(126)
Income taxes <sup>2</sup>	10	(99)	17	(136)	(87)	(12)	(88)	(82)	(100)	(323)
Non-controlling interest	11	23	23	23	23	23	23	46	46	92
Net income (loss)	12	\$ (12)	\$ 127	\$ 56	\$ 93	\$ (20)	\$ (24)	\$ 115	\$ (44)	\$ 105

## Decomposition of material items in net income (\$millions)

Interest on income tax refunds	13	\$ 20	\$ -	\$ -	\$ 35	\$ -	\$ -	\$ 20	\$ -	\$ 35
Visa foreign exchange loss	14	-	-	(39)	-	-	-	-	-	(39)
Impact of Hedging Relationships Guideline (AcG-13) <sup>4</sup>	15	(17)	(13)	-	-	-	-	(30)	-	-
Securitization Gain/(Loss)	16	10	3	1	11	-	-	13	-	12
General allowance release	17	43	-	100	-	-	-	43	-	100
Unallocated Corporate expenses	18	(25)	(11)	(51)	(17)	(26)	(17)	(36)	(43)	(111)
Deferred tax charge - commercial lease	19	-	-	-	-	(30)	-	-	(30)	(30)
Tax Recovery re: future tax adjustment	20	-	17	-	-	-	-	17	-	-
Non-Core Lending Portfolio	21	(39)	141	22	62	13	6	102	19	103
Other	22	(4)	(10)	23	2	23	(13)	(14)	10	35
Total Net Income (loss)	23	\$ (12)	\$ 127	\$ 56	\$ 93	\$ (20)	\$ (24)	\$ 115	\$ (44)	\$ 105

<sup>1</sup> Refer to page 9 for a breakout of Non-Core Lending Portfolio results.

<sup>2</sup> Includes the elimination of the taxable equivalent basis (TEB) adjustments reported in the Operating Segments and Non-Core Lending Portfolio results.

<sup>3</sup> The Operating Segments results are presented before the impact of asset securitization programs, which is reclassified in the Corporate segment.

<sup>4</sup> The impact of the Hedging Relationships accounting guideline (AcG-13) results from the accounting asymmetry that occurs when hedges of interest rate risk, foreign exchange rates or credit exposures are effective for economic purposes but are marked-to-market for accounting purposes.

The Corporate Segment includes Non-Core Lending Portfolio, non-controlling interests in subsidiaries, the effects of asset securitization programs in the Personal & Commercial Banking Segment, treasury management, general provisions for credit losses, the elimination of taxable equivalent revenue and income tax, corporate level tax benefits, and residual unallocated revenues, expenses and taxes.

# Performance Measures - Non-Core Lending Portfolio<sup>1</sup>



## RESULTS OF OPERATIONS - before amortization of intangibles (\$millions)

FOR THE PERIOD ENDED	LINE #	2004		2003			Year to Date		Full Year	
		Q2	Q1	Q4	Q3	Q2	Q1	2004	2003	2003
Net interest income (TEB)	1	\$ 25	\$ 32	\$ 40	\$ 40	\$ 40	\$ 48	\$ 57	\$ 88	\$ 168
Trading and fee income	2	28	13	(26)	28	(9)	(25)	41	(34)	(32)
Total revenue	3	53	45	14	68	31	23	98	54	136
Provision for credit losses	4	(200)	(200)	(40)	(40)	-	-	(400)	-	(80)
Non-interest expenses	5	313	28	40	10	8	14	341	22	72
Net income before taxes	6	(60)	217	14	98	23	9	157	32	144
Income taxes (TEB)	7	(21)	76	(8)	36	10	3	55	13	41
Net income <sup>2</sup>	8	\$ (39)	\$ 141	\$ 22	\$ 62	\$ 13	\$ 6	\$ 102	\$ 19	\$ 103
Economic profit (loss) <sup>3</sup>	9	\$ (57)	\$ 111	\$ (13)	\$ 17	\$ (31)	\$ (41)	\$ 54	\$ (72)	\$ (68)
Average Invested Capital (\$billions)	10	.5	.7	1.0	1.3	1.3	1.3	.6	1.3	1.2

## Key performance indicators (\$millions)

Risk-weighted assets (\$billions)	11	\$ 3.5	\$ 4.6	\$ 5.8	\$ 8.4	\$ 10.1	\$ 12.7	\$ 3.5	\$ 10.1	\$ 5.8
Total exposure (\$billions) <sup>4</sup>	12	5.0	6.5	8.0	10.9	13.8	17.0	5.0	13.8	8.0
Total drawn (\$billions) <sup>5</sup>	13	2.6	3.3	4.2	6.2	7.2	9.3	2.6	7.2	4.2
Gains/(losses) on derivatives & loan sales not booked to sectoral	14	15	(3)	(19)	(13)	(31)	(50)	12	(81)	(113)
Sectoral Allowance										
Balance as at beginning of period	15	316	541	698	813	1,032	1,285	541	1,285	1,285
Transfers (to)/from specific	16	61	(64)	(76)	(95)	(170)	(236)	(3)	(406)	(577)
Recoveries	17	67	32	20	37	-	-	99	-	57
Provision for credit losses	18	(200)	(200)	(40)	(40)	-	-	(400)	-	(80)
Foreign exchange and loss on loan sales	19	(16)	7	(61)	(17)	(49)	(17)	(9)	(66)	(144)
Balance as at period end	20	\$ 228	\$ 316	\$ 541	\$ 698	\$ 813	\$ 1,032	\$ 228	\$ 813	\$ 541

<sup>1</sup> The Non-Core Lending Portfolio business is included in the Corporate segment results found on page 8.

<sup>2</sup> Q2/04 includes a general litigation accrual of \$195 million after-tax.

<sup>3</sup> The rate charged for Invested Capital is 15% for 2004, and 13% for 2003.

<sup>4</sup> Exposure is committed authorized plus uncommitted utilized loan facilities and letters of credit and guarantees; net of specific allowances for credit losses, cash collateral and credit protection.

<sup>5</sup> Drawn (excluding letters of credit and guarantees) is utilized loan facilities net of specific allowances for credit losses, cash collateral, and credit protection.

The Non-Core Lending Portfolio was established at the end of fiscal 2002, representing just over half our total lending portfolio at the time with a majority of the exposures in communications and utilities and almost exclusively outside of Canada. The Non-Core Lending Portfolio represents accounts on which the risk-return relationship is unsatisfactory. The strategy is to manage down the portfolio in a manner which optimizes shareholder returns, leading to the eventual redeployment of capital.

# Balance Sheet



(\$MILLIONS) AS AT	LINE #	2004		2003				2002		
		Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Cash resources	1	\$ 9,434	\$ 8,065	\$ 7,719	\$ 7,813	\$ 6,946	\$ 9,017	\$ 6,538	\$ 7,861	\$ 6,999
Securities purchased under resale agreements	2	28,982	27,842	17,475	26,643	42,397	26,447	13,060	28,072	32,332
Investment securities										
Issued or guaranteed by Canada or provinces	3	16,579	17,294	14,023	13,570	14,503	13,504	12,986	14,797	13,372
Issued by US federal government	4	3,896	3,173	1,951	3,585	3,557	2,672	2,853	2,620	2,008
Other securities	5	11,973	10,983	8,801	11,204	12,728	13,389	12,963	14,275	13,858
Total	6	32,448	31,450	24,775	28,359	30,788	29,565	28,802	31,692	29,238
Trading securities	7	66,197	71,713	54,890	65,000	63,516	64,840	53,395	66,994	70,550
Total	8	98,645	103,163	79,665	93,359	94,304	94,405	82,197	98,686	99,788
Loans and customers' liability under acceptances										
Residential mortgages	9	51,956	52,844	52,525	53,667	53,311	52,806	52,784	53,235	51,404
Personal	10	47,955	45,414	42,908	39,869	39,152	37,937	36,332	35,389	35,642
Business and government	11	27,259	27,613	29,270	33,572	36,826	38,753	41,230	44,025	43,812
Total	12	127,170	125,871	124,703	127,108	129,289	129,496	130,346	132,649	130,858
Other assets										
Intangible assets	13	2,438	2,570	2,737	2,786	2,972	3,171	3,383	3,608	3,870
Goodwill	14	2,336	2,272	2,263	2,323	2,360	3,102	3,134	3,065	2,990
Other	15	43,300	46,453	38,970	42,183	43,384	45,800	39,382	35,628	23,880
Total	16	48,074	51,295	43,970	47,292	48,716	52,073	45,899	42,301	30,740
<b>Total assets</b>	17	<b>\$ 312,305</b>	<b>\$ 316,236</b>	<b>\$ 273,532</b>	<b>\$ 302,215</b>	<b>\$ 321,652</b>	<b>\$ 311,438</b>	<b>\$ 278,040</b>	<b>\$ 309,569</b>	<b>\$ 300,717</b>
Deposits										
Personal non-term	18	\$ 59,045	\$ 55,172	\$ 53,364	\$ 52,983	\$ 51,355	\$ 51,294	\$ 50,775	\$ 51,059	\$ 51,018
Personal term	19	51,268	51,602	52,632	51,472	51,825	51,088	50,167	49,102	48,231
Banks and deposit taking institutions	20	17,664	18,185	11,958	19,303	25,892	25,855	16,800	23,796	23,981
Business and government	21	83,563	80,656	64,926	74,870	82,761	78,001	71,448	82,988	79,846
Total	22	211,540	205,615	182,880	198,628	211,833	206,238	189,190	206,945	203,076
Customers' liability under acceptances	23	5,438	5,886	6,645	7,030	6,918	7,048	7,719	8,006	8,236
Obligations related to securities sold short	24	16,568	20,070	15,346	19,683	19,325	20,263	17,058	23,470	24,019
Obligations related to securities sold under repurchase agreements	25	12,916	16,825	7,845	13,820	22,113	14,463	8,655	19,328	21,699
Other liabilities	26	45,128	47,358	40,568	43,714	43,072	44,657	36,784	33,373	24,795
Subordinated notes and debentures	27	5,730	5,696	5,887	5,143	4,261	4,318	4,343	4,080	4,077
Non-controlling interest in subsidiaries - TD CaTS	28	900	900	900	900	900	900	900	900	900
- TD CaTS II	29	350	350	350	350	350	350	350	-	-
Shareholders' equity										
Preferred shares	30	1,526	1,522	1,535	1,535	1,786	1,477	1,485	1,491	1,487
Common shares	31	3,281	3,192	3,179	3,078	3,000	2,917	2,846	2,782	2,727
Contributed surplus	32	14	12	9	7	5	2	-	-	-
Retained earnings	33	8,914	8,810	8,388	8,327	8,089	8,805	8,710	9,194	9,701
Total	34	13,735	13,536	13,111	12,947	12,880	13,201	13,041	13,467	13,915
<b>Total liabilities and shareholders' equity</b>	35	<b>\$ 312,305</b>	<b>\$ 316,236</b>	<b>\$ 273,532</b>	<b>\$ 302,215</b>	<b>\$ 321,652</b>	<b>\$ 311,438</b>	<b>\$ 278,040</b>	<b>\$ 309,569</b>	<b>\$ 300,717</b>
Assets under administration										
Personal and Commercial Banking	36	\$ 33,374	\$ 35,783	\$ 36,247	\$ 33,688	\$ 29,841	\$ 30,145	\$ 29,951	\$ 30,253	\$ 30,504
Wealth Management	37	295,142	292,095	266,898	258,897	240,330	237,081	233,710	236,980	256,543
Total	38	\$ 328,516	\$ 327,878	\$ 303,145	\$ 292,585	\$ 270,171	\$ 267,226	\$ 263,661	\$ 267,233	\$ 287,047
Assets under management										
Wealth Management	39	\$ 120,855	\$ 118,860	\$ 113,406	\$ 113,208	\$ 110,455	\$ 112,025	\$ 111,920	\$ 121,833	\$ 123,335

# Net Interest Income and Margin



(\$MILLIONS)  
FOR THE PERIOD ENDED

LINE #	2004		2003				2002			Year to Date		Full Year		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2004	2003	2003	2002	
<b>Interest income</b>														
Loans	1	\$ 1,691	\$ 1,763	\$ 1,749	\$ 1,962	\$ 1,897	\$ 1,934	\$ 1,998	\$ 2,006	\$ 1,651	\$ 3,454	\$ 3,831	\$ 7,542	\$ 7,796
Securities	2	906	962	839	819	941	849	881	892	1,064	1,868	1,790	3,448	3,678
Deposits with banks	3	123	120	71	59	36	46	41	43	20	243	82	212	132
Total interest income	4	2,720	2,845	2,659	2,840	2,874	2,829	2,920	2,941	2,735	5,565	5,703	11,202	11,606
<b>Interest expense</b>														
Deposits	5	920	990	962	1,052	1,055	1,133	1,189	1,187	1,083	1,910	2,188	4,202	4,754
Subordinated notes and debentures	6	78	80	94	59	51	55	56	50	43	158	106	259	201
Other	7	238	299	224	327	323	251	287	300	301	537	574	1,125	1,351
Total interest expense	8	1,236	1,369	1,280	1,438	1,429	1,439	1,532	1,537	1,427	2,605	2,868	5,586	6,306
<b>Net interest income</b>	9	<b>1,484</b>	1,476	1,379	1,402	1,445	1,390	1,388	1,404	1,308	2,960	2,835	5,616	5,300
TEB Adjustment	10	62	64	62	58	56	54	53	48	60	126	110	230	222
<b>Net interest income (TEB)</b>	11	<b>\$ 1,546</b>	\$ 1,540	\$ 1,441	\$ 1,460	\$ 1,501	\$ 1,444	\$ 1,441	\$ 1,452	\$ 1,368	\$ 3,086	\$ 2,945	\$ 5,846	\$ 5,522
Average total assets (\$billions)	12	\$ 316	\$ 304	\$ 295	\$ 317	\$ 316	\$ 303	\$ 305	\$ 300	\$ 301	\$ 310	\$ 309	\$ 308	\$ 303
Average earning assets (\$billions)	13	258	248	242	259	259	248	250	257	261	253	253	252	257
Net interest margin as a % of average earning assets	14	2.34 %	2.37 %	2.26 %	2.15 %	2.29 %	2.22 %	2.20 %	2.17 %	2.06 %	2.35 %	2.26 %	2.23 %	2.07 %
Net interest margin (TEB) as a % of average earning assets	15	2.44	2.47	2.36	2.24	2.38	2.31	2.29	2.25	2.15	2.45	2.34	2.32	2.15
<b>Impact on NII from impaired loans</b>														
Reduction/(increase) in NII from impaired loans														
Gross	16	\$ 15	\$ 17	\$ 18	\$ 30	\$ 30	\$ 33	\$ 32	\$ 28	\$ 32	\$ 32	\$ 63	\$ 111	\$ 115
Recoveries	17	(3)	(2)	(3)	(2)	(3)	(3)	(5)	(6)	(5)	(5)	(6)	(11)	(20)
Net reduction/(increase)	18	\$ 12	\$ 15	\$ 15	\$ 28	\$ 27	\$ 30	\$ 27	\$ 22	\$ 27	\$ 27	\$ 57	\$ 100	\$ 95
Effective tax rate - reported basis	19	22.6 %	35.3 %	12.1 %	19.8 %	- %	24.5 %	51.2 %	43.2 %	- %	30.0 %	50.2 %	21.6 %	99.3 %
Effective tax rate - before amortization of intangibles <sup>1</sup>	20	24.8	29.3	17.5	23.4	-	28.3	83.2	44.8	18.5	27.3	41.7	26.7	-

<sup>1</sup> Excludes the gain on sale of mutual fund record keeping and custody business (Q3/02 - \$18 million after-tax, Q1/02 - \$14 million after-tax)

# Other Income



(\$MILLIONS)  
FOR THE PERIOD ENDED

LINE #	2004		2003				2002			Year to Date		Full Year		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2004	2003	2003	2002	
<b>Other Income</b>														
TD Waterhouse fees and commissions	1	\$ 293	\$ 288	\$ 270	\$ 253	\$ 202	\$ 232	\$ 209	\$ 228	\$ 240	\$ 581	\$ 434	\$ 957	\$ 922
Full service brokerage and other securities services	2	215	185	164	199	160	144	124	163	161	400	304	667	641
Mutual fund management	3	146	138	133	127	120	128	127	131	133	284	248	508	522
Credit fees	4	76	91	84	113	100	118	78	100	116	167	218	415	415
Net investment securities gains/(losses)	5	59	45	23	18	(23)	5	(14)	(8)	(12)	104	(18)	23	26
Trading income	6	(69)	52	(22)	(19)	15	130	64	(73)	106	(17)	145	104	529
Service charges	7	168	165	165	168	153	155	157	151	143	333	308	641	596
Loan securitizations	8	107	111	89	60	54	47	53	63	46	218	101	250	218
Card services	9	52	49	47	74	65	66	66	64	57	101	131	252	249
Insurance revenue (net of claims)	10	143	111	119	112	97	92	100	95	96	254	189	420	375
Trust fees	11	23	17	15	19	19	17	18	18	22	40	36	70	76
Gain on sale of mutual fund record keeping and custody business	12	-	-	-	-	-	-	-	22	-	-	-	-	40
Writedown of investment in JVs	13	-	-	-	-	(39)	-	-	-	-	-	(39)	(39)	-
Foreign exchange - non-trading	14	28	27	(31)	26	28	25	25	29	27	55	53	48	110
Gains/(Losses) on derivatives & loan sales (non-core) not booked to sectoral	15	15	(3)	(19)	(13)	(31)	(50)	-	-	-	12	(81)	(113)	-
Other services	16	29	37	57	56	48	60	47	55	54	66	108	221	210
<b>Total other income - page 3 (line 19)</b>	17	<b>\$ 1,285</b>	<b>\$ 1,313</b>	<b>\$ 1,094</b>	<b>\$ 1,193</b>	<b>\$ 968</b>	<b>\$ 1,169</b>	<b>\$ 1,054</b>	<b>\$ 1,038</b>	<b>\$ 1,189</b>	<b>\$ 2,598</b>	<b>\$ 2,137</b>	<b>\$ 4,424</b>	<b>\$ 4,929</b>

# Non-Interest Expenses



(\$MILLIONS)  
FOR THE PERIOD ENDED

LINE #	2004			2003			2002			Year to Date		Full Year	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2004	2003	2003	2002
<b>Salaries and employee benefits</b>													
Salaries	\$ 558	\$ 540	\$ 593	\$ 580	\$ 536	\$ 595	\$ 581	\$ 584	\$ 552	\$ 1,098	\$ 1,131	\$ 2,304	\$ 2,273
Incentive compensation	301	280	240	254	241	251	107	173	232	581	492	986	875
Pension and other employee benefits	112	123	108	125	116	119	114	111	98	235	235	468	418
Total	971	943	941	959	893	965	802	868	882	1,914	1,858	3,758	3,566
<b>Occupancy</b>													
Rent	88	85	98	90	86	87	81	84	84	173	173	361	330
Depreciation	33	32	37	35	36	35	41	37	36	65	71	143	148
Other	29	30	38	53	31	30	32	33	31	59	61	152	127
Total	150	147	173	178	153	152	154	154	151	297	305	656	605
<b>Equipment</b>													
Rent	40	35	49	39	51	46	43	47	39	75	97	185	170
Depreciation	40	36	54	44	38	39	43	44	40	76	77	175	164
Other	57	49	74	67	67	82	85	81	78	106	149	290	327
Total	137	120	177	150	156	167	171	172	157	257	323	650	661
<b>General</b>													
Marketing and business development	114	96	78	77	96	97	89	97	114	210	193	348	388
Brokerage related fees	61	62	57	59	55	58	50	57	56	123	113	229	224
Professional and advisory services	97	91	123	87	87	75	105	84	87	188	162	372	366
Communications	53	51	52	51	51	54	56	59	58	104	105	208	225
Capital and business taxes	43	31	34	38	32	29	29	32	22	74	61	133	107
Postage	28	24	23	21	25	22	22	23	31	52	47	91	96
Travel and relocation	16	13	16	13	15	14	20	18	15	29	29	58	68
Restructuring costs	(7)	-	-	5	87	-	-	-	-	(7)	87	92	-
Goodwill impairment	-	-	-	-	624	-	-	-	-	-	624	624	-
Other	446	177	111	59	91	112	137	77	114	623	203	373	448
Total	851	545	494	410	1,163	461	508	447	497	1,396	1,624	2,528	1,922
<b>Total expenses excluding amortization of intangibles</b>	<b>\$ 2,109</b>	<b>\$ 1,755</b>	<b>\$ 1,785</b>	<b>\$ 1,697</b>	<b>\$ 2,365</b>	<b>\$ 1,745</b>	<b>\$ 1,635</b>	<b>\$ 1,641</b>	<b>\$ 1,687</b>	<b>\$ 3,864</b>	<b>\$ 4,110</b>	<b>\$ 7,592</b>	<b>\$ 6,754</b>
<b>Memo Items</b>													
Amortization of intangibles	\$ 162	\$ 170	\$ 175	\$ 186	\$ 199	\$ 212	\$ 226	\$ 241	\$ 257	\$ 332	\$ 411	\$ 772	\$ 998
Less tax effect - at normal rates	55	60	63	67	72	79	86	92	97	115	151	281	385
- resulting from tax rate changes	-	(69)	-	-	-	-	(16)	(5)	-	(69)	-	-	(21)
Amortization of intangibles, net of tax	\$ 107	\$ 179	\$ 112	\$ 119	\$ 127	\$ 133	\$ 156	\$ 154	\$ 160	\$ 286	\$ 260	\$ 491	\$ 634

Investment Securities, Intangibles and Goodwill, and Restructuring Costs



(\$MILLIONS)  
AS AT

LINE #	2004		2003				2002			Year to Date		Full Year	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2004	2003	2003	2002
<b>Investment securities - surplus (deficit) over book<sup>1</sup></b>													
Debt	\$ -	\$ -	\$ -	\$ 12	\$ 1	\$ (6)	\$ 99	\$ 47	\$ 43	\$ -	\$ 1	\$ -	\$ 99
Common & equivalents	364	374	329	274	194	136	124	194	418	364	194	329	124
Preferred shares	41	38	40	12	1	1	1	5	13	41	1	40	1
<b>Total</b>	<b>\$ 405</b>	<b>\$ 412</b>	<b>\$ 369</b>	<b>\$ 298</b>	<b>\$ 196</b>	<b>\$ 131</b>	<b>\$ 224</b>	<b>\$ 246</b>	<b>\$ 474</b>	<b>\$ 405</b>	<b>\$ 196</b>	<b>\$ 369</b>	<b>\$ 224</b>
<b>Identifiable intangible assets</b>													
Opening balance	\$ 2,570	\$ 2,737	\$ 2,786	\$ 2,972	\$ 3,171	\$ 3,383	\$ 3,608	\$ 3,870	\$ 4,107	\$ 2,737	\$ 3,383	\$ 3,383	\$ 4,381
Arising during quarter	30	3	126	-	-	-	1	(21)	20	33	-	126	-
Amortized in quarter	(162)	(170)	(175)	(186)	(199)	(212)	(226)	(241)	(257)	(332)	(411)	(772)	(998)
<b>Closing balance</b>	<b>\$ 2,438</b>	<b>\$ 2,570</b>	<b>\$ 2,737</b>	<b>\$ 2,786</b>	<b>\$ 2,972</b>	<b>\$ 3,171</b>	<b>\$ 3,383</b>	<b>\$ 3,608</b>	<b>\$ 3,870</b>	<b>\$ 2,438</b>	<b>\$ 2,972</b>	<b>\$ 2,737</b>	<b>\$ 3,383</b>
<b>Future tax liability on intangible assets</b>													
Opening balance	\$ (850)	\$ (841)	\$ (904)	\$ (971)	\$ (1,043)	\$ (1,122)	\$ (1,192)	\$ (1,279)	\$ (1,376)	\$ (841)	\$ (1,122)	\$ (1,122)	\$ (1,486)
Arising during quarter - changes in tax rates	-	(69)	-	-	-	-	(16)	(5)	-	(69)	-	-	(21)
Recognized in quarter	52	60	63	67	72	79	86	92	97	112	151	281	385
<b>Closing balance</b>	<b>\$ (798)</b>	<b>\$ (850)</b>	<b>\$ (841)</b>	<b>\$ (904)</b>	<b>\$ (971)</b>	<b>\$ (1,043)</b>	<b>\$ (1,122)</b>	<b>\$ (1,192)</b>	<b>\$ (1,279)</b>	<b>\$ (798)</b>	<b>\$ (971)</b>	<b>\$ (841)</b>	<b>\$ (1,122)</b>
<b>Net intangibles</b>	<b>\$ 1,640</b>	<b>\$ 1,720</b>	<b>\$ 1,896</b>	<b>\$ 1,882</b>	<b>\$ 2,001</b>	<b>\$ 2,128</b>	<b>\$ 2,261</b>	<b>\$ 2,416</b>	<b>\$ 2,591</b>	<b>\$ 1,640</b>	<b>\$ 2,001</b>	<b>\$ 1,896</b>	<b>\$ 2,261</b>
<b>Goodwill</b>													
Opening balance	\$ 2,272	\$ 2,263	\$ 2,323	\$ 2,360	\$ 3,102	\$ 3,134	\$ 3,065	\$ 2,990	\$ 2,676	\$ 2,263	\$ 3,134	\$ 3,134	\$ 2,298
Arising during quarter	27	-	-	-	-	-	96	44	325	27	-	-	849
Impairment	-	-	-	-	(624)	-	-	-	-	-	(624)	(624)	-
Foreign exchange and other adjustments	37	9	(60)	(37)	(118)	(32)	(27)	31	(11)	46	(150)	(247)	(13)
<b>Closing balance</b>	<b>\$ 2,336</b>	<b>\$ 2,272</b>	<b>\$ 2,263</b>	<b>\$ 2,323</b>	<b>\$ 2,360</b>	<b>\$ 3,102</b>	<b>\$ 3,134</b>	<b>\$ 3,065</b>	<b>\$ 2,990</b>	<b>\$ 2,336</b>	<b>\$ 2,360</b>	<b>\$ 2,263</b>	<b>\$ 3,134</b>
<b>Total net intangibles and goodwill</b>	<b>\$ 3,976</b>	<b>\$ 3,992</b>	<b>\$ 4,159</b>	<b>\$ 4,205</b>	<b>\$ 4,361</b>	<b>\$ 5,230</b>	<b>\$ 5,395</b>	<b>\$ 5,481</b>	<b>\$ 5,581</b>	<b>\$ 3,976</b>	<b>\$ 4,361</b>	<b>\$ 4,159</b>	<b>\$ 5,395</b>
<b>Restructuring costs accrual</b>													
Opening balance	\$ 16	\$ 19	\$ 53	\$ 74	\$ 27	\$ 36	\$ 81	\$ 137	\$ 207	\$ 19	\$ 36	\$ 36	\$ 337
Expensed during quarter	(7)	-	-	5	93	-	-	-	-	(7)	93	98	-
Amount utilized during quarter	-	-	-	-	-	-	-	-	-	-	-	-	-
Personal and Commercial Banking	-	-	(13)	(4)	(5)	(6)	(32)	(40)	(61)	-	(11)	(28)	(165)
TD Waterhouse	-	-	-	-	-	-	(1)	(3)	(4)	-	-	-	(15)
TD Waterhouse International	-	(1)	(2)	(10)	(13)	-	-	-	-	(1)	(13)	(25)	-
Wholesale Banking	-	-	-	(3)	(2)	(3)	(12)	(13)	(5)	-	(5)	(8)	(121)
Wholesale Banking - Equity Options	(1)	(2)	(19)	(9)	(26)	-	-	-	-	(3)	(26)	(54)	-
<b>Closing balance</b>	<b>\$ 8</b>	<b>\$ 16</b>	<b>\$ 19</b>	<b>\$ 53</b>	<b>\$ 74</b>	<b>\$ 27</b>	<b>\$ 36</b>	<b>\$ 81</b>	<b>\$ 137</b>	<b>\$ 8</b>	<b>\$ 74</b>	<b>\$ 19</b>	<b>\$ 36</b>

<sup>1</sup> Excludes debt security positions which are used as part of the Bank's Asset and Liability Management hedging activities and preferred shares that are hedged



# Analysis of Change in Shareholders' Equity & Non-Controlling Interest



(\$MILLIONS) FOR THE PERIOD ENDED		2004		2003		2002		Year to Date		Full Year				
LINE #		Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2004	2003	2003	2002
<b>Preferred shares</b>														
1	Opening balance	\$ 1,522	\$ 1,535	\$ 1,535	\$ 1,786	\$ 1,477	\$ 1,485	\$ 1,491	\$ 1,487	\$ 1,492	\$ 1,535	\$ 1,485	\$ 1,485	\$ 1,492
2	Issued	-	-	-	-	550	-	-	-	-	-	550	550	-
3	Redeemed	-	-	-	(251)	(226)	-	-	-	-	-	(226)	(477)	-
4	Impact of shares (acquired) sold for trading purposes <sup>1</sup>	4	(13)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	(9)	n/a	n/a	n/a
5	Translation adjustment on shares issued in a foreign currency	-	-	-	-	(15)	(8)	(6)	4	(5)	-	(23)	(23)	(7)
6	Closing balance	1,526	1,522	1,535	1,535	1,786	1,477	1,485	1,491	1,487	1,526	1,786	1,535	1,485
<b>Common shares</b>														
7	Opening balance	3,192	3,179	3,078	3,000	2,917	2,846	2,782	2,727	2,663	3,179	2,846	2,846	2,259
8	Issued - options	36	35	19	7	13	8	2	2	5	71	21	47	13
9	- cash	-	-	-	-	-	-	-	-	-	-	-	-	400
10	- dividend reinvestment plan	11	76	82	71	70	63	62	53	59	87	133	286	174
11	Impact of shares (acquired) sold for trading purposes <sup>1</sup>	70	(98)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	(28)	n/a	n/a	n/a
12	Repurchase of common shares	(28)	-	-	-	-	-	-	-	-	(28)	-	-	-
13	Closing balance	3,281	3,192	3,179	3,078	3,000	2,917	2,846	2,782	2,727	3,281	3,000	3,179	2,846
<b>Contributed surplus</b>														
14	Opening balance	12	9	7	5	2	-	-	-	-	9	-	-	-
15	Stock option expense	3	3	2	2	3	2	-	-	-	6	5	9	-
16	Stock option exercised	(1)	-	-	-	-	-	-	-	-	(1)	-	-	-
17	Impact of shares (acquired) sold for trading purposes <sup>1</sup>	-	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	n/a	n/a	n/a
18	Closing balance	14	12	9	7	5	2	-	-	-	14	5	9	-
<b>Retained earnings</b>														
19	Opening balance	8,810	8,388	8,327	8,089	8,805	8,710	9,194	9,701	9,784	8,388	8,710	8,710	9,653
20	Net income	511	603	501	501	(273)	347	(196)	(405)	156	1,114	74	1,076	(67)
21	Dividends - common	(224)	(209)	(209)	(183)	(181)	(181)	(180)	(180)	(179)	(433)	(362)	(754)	(718)
22	- preferred	(16)	(15)	(15)	(16)	(15)	(18)	(17)	(17)	(18)	(31)	(33)	(64)	(70)
23	- preferred TD MIC	(5)	(6)	(6)	(5)	(7)	(5)	(6)	(6)	(6)	(11)	(12)	(23)	(23)
24	Foreign currency translation adjustments, net of tax	73	73	(210)	(56)	(234)	(48)	(83)	102	(21)	146	(282)	(548)	(32)
25	Share issue expenses, net of tax	-	-	-	-	(6)	-	(1)	-	-	-	(6)	(6)	(8)
26	Stock options settled in cash, tax effected	-	-	-	-	-	-	(1)	(1)	(15)	-	-	-	(25)
27	Impact of shares (acquired) sold for trading purposes <sup>1</sup>	-	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	n/a	n/a	n/a
28	Premium paid on common shares repurchased	(235)	-	-	-	-	-	-	-	-	(235)	-	-	-
29	Other	-	(24)	-	(3)	-	-	-	-	-	(24)	-	(3)	-
30	Closing balance	8,914	8,810	8,388	8,327	8,089	8,805	8,710	9,194	9,701	8,914	8,089	8,388	8,710
31	<b>Total common equity</b>	<b>12,209</b>	<b>12,014</b>	<b>11,576</b>	<b>11,412</b>	<b>11,094</b>	<b>11,724</b>	<b>11,556</b>	<b>11,976</b>	<b>12,428</b>	<b>12,209</b>	<b>11,094</b>	<b>11,576</b>	<b>11,556</b>
32	<b>Total shareholders' equity</b>	<b>\$ 13,735</b>	<b>\$ 13,536</b>	<b>\$ 13,111</b>	<b>\$ 12,947</b>	<b>\$ 12,880</b>	<b>\$ 13,201</b>	<b>\$ 13,041</b>	<b>\$ 13,467</b>	<b>\$ 13,915</b>	<b>\$ 13,735</b>	<b>\$ 12,880</b>	<b>\$ 13,111</b>	<b>\$ 13,041</b>
<b>Non-controlling interest in subsidiaries</b>														
33	Opening balance	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 900	\$ 900	\$ 900	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,272
34	Arising from TD CaTS II issue	-	-	-	-	-	-	350	-	-	-	-	-	350
35	Purchase of TD Waterhouse shares	-	-	-	-	-	-	-	-	-	-	-	-	(372)
36	Closing balance	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 900	\$ 900	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250
<b>NUMBER OF COMMON SHARES (thousands)</b>														
37	Opening balance	657,601	656,261	653,365	651,075	647,921	645,399	643,229	641,379	639,609	656,261	645,399	645,399	628,451
38	Issued - options	1,625	1,829	946	359	1,052	543	132	130	357	3,454	1,595	2,900	818
39	- cash	-	-	-	-	-	-	-	-	-	-	-	-	10,959
40	- dividend reinvestment plan	236	1,748	1,950	1,931	2,102	1,979	2,038	1,720	1,413	1,984	4,081	7,962	5,171
41	Impact of shares (acquired) sold for trading purposes <sup>1</sup>	1,507	(2,237)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	(730)	n/a	n/a	n/a
42	Repurchase of common shares	(5,660)	-	-	-	-	-	-	-	-	(5,660)	-	-	-
43	Closing balance	655,309	657,601	656,261	653,365	651,075	647,921	645,399	643,229	641,379	655,309	651,075	656,261	645,399

<sup>1</sup> Purchased by subsidiaries of the Bank which are regulated securities entities in accordance with Regulation 92-313 of the *Bank Act*. Prospectively reflected change to CICA Handbook s. 1100 effective Q1/04

# Risk-Weighted Assets and Capital



(\$MILLIONS) AS AT	LINE #	2004		2003				2002		
		Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
<b>Balance sheet assets</b>										
Cash resources	1	\$ 1,638	\$ 1,395	\$ 1,344	\$ 1,346	\$ 1,205	\$ 1,620	\$ 1,108	\$ 1,370	\$ 1,150
Securities	2	4,041	3,759	3,686	4,451	4,635	5,845	6,247	6,708	6,551
Loans	3	57,834	59,810	59,508	59,979	62,804	64,231	64,247	69,971	68,997
Customers' liability under acceptances	4	5,348	5,699	6,400	6,731	6,429	6,460	7,066	7,333	7,540
Other assets	5	6,175	6,055	5,885	5,834	6,189	6,158	6,288	6,479	6,037
<b>Total balance sheet assets</b>	6	<b>75,036</b>	<b>76,718</b>	<b>76,823</b>	<b>78,341</b>	<b>81,262</b>	<b>84,314</b>	<b>84,956</b>	<b>91,861</b>	<b>90,275</b>
<b>Off-balance sheet exposures</b>										
Credit instruments	7	9,908	10,929	10,937	12,407	13,151	14,200	14,559	15,404	16,164
Derivative financial instruments	8	6,413	6,343	5,987	5,853	6,104	6,554	6,259	6,567	5,211
<b>Total off-balance sheet exposures</b>	9	<b>16,321</b>	<b>17,272</b>	<b>16,924</b>	<b>18,260</b>	<b>19,255</b>	<b>20,754</b>	<b>20,818</b>	<b>21,971</b>	<b>21,375</b>
<b>Total risk-weighted asset equivalent - Credit risk</b>	10	<b>91,357</b>	<b>93,990</b>	<b>93,747</b>	<b>96,601</b>	<b>100,517</b>	<b>105,068</b>	<b>105,774</b>	<b>113,832</b>	<b>111,650</b>
<b>Total risk-weighted asset equivalent - Market risk</b>	11	<b>10,992</b>	<b>16,094</b>	<b>14,470</b>	<b>17,390</b>	<b>17,758</b>	<b>16,043</b>	<b>14,859</b>	<b>16,037</b>	<b>14,621</b>
<b>Total risk-weighted assets</b>	12	<b>\$ 102,349</b>	<b>\$ 110,084</b>	<b>\$ 108,217</b>	<b>\$ 113,991</b>	<b>\$ 118,275</b>	<b>\$ 121,111</b>	<b>\$ 120,633</b>	<b>\$ 129,869</b>	<b>\$ 126,271</b>
<b>CAPITAL</b>										
<b>TIER 1</b>										
Common shareholders' equity	13	\$ 12,195	\$ 12,002	\$ 11,567	\$ 11,405	\$ 11,089	\$ 11,722	\$ 11,556	\$ 11,976	\$ 12,428
Qualifying preferred shares	14	1,526	1,522	1,535	1,525	1,394	1,375	1,328	1,491	1,487
Contributed surplus	15	14	12	9	7	5	2	-	-	-
Non-controlling interest in subsidiaries - TD CaTS	16	1,250	1,250	1,250	1,250	1,216	1,188	1,119	900	900
Less: goodwill and intangible assets in excess of 5% limit	17	(2,778)	(2,840)	(3,035)	(3,089)	(3,264)	(4,033)	(4,213)	(4,345)	(4,423)
<b>Total Tier 1 capital</b>	18	<b>12,207</b>	<b>11,946</b>	<b>11,326</b>	<b>11,098</b>	<b>10,440</b>	<b>10,254</b>	<b>9,790</b>	<b>10,022</b>	<b>10,392</b>
<b>TIER 2</b>										
Subordinated notes and debentures	19	5,730	5,696	5,887	5,143	4,261	4,318	4,343	4,080	4,077
Qualifying preferred shares	20	-	-	-	10	392	102	157	-	-
Less: amortization of subordinated notes and debentures	21	(161)	(156)	(241)	(370)	(373)	(381)	(357)	(561)	(566)
General allowance for credit losses included in capital	22	895	963	947	997	1,034	1,060	1,056	1,136	1,105
<b>Total Tier 2 capital</b>	23	<b>6,464</b>	<b>6,503</b>	<b>6,593</b>	<b>5,780</b>	<b>5,314</b>	<b>5,099</b>	<b>5,199</b>	<b>4,655</b>	<b>4,616</b>
Investment in unconsolidated subsidiaries/ substantial investments	24	(1,664)	(1,274)	(919)	(900)	(944)	(915)	(870)	(723)	(719)
First loss protection	25	(208)	(139)	(145)	(152)	(182)	(154)	(159)	(180)	(197)
<b>Total capital</b>	26	<b>\$ 16,799</b>	<b>\$ 17,036</b>	<b>\$ 16,855</b>	<b>\$ 15,826</b>	<b>\$ 14,628</b>	<b>\$ 14,284</b>	<b>\$ 13,960</b>	<b>\$ 13,774</b>	<b>\$ 14,092</b>
<b>Capital ratios</b>										
Tier 1 capital	27	11.9 %	10.9 %	10.5 %	9.7 %	8.8 %	8.5 %	8.1 %	7.7 %	8.2 %
Total capital	28	16.4	15.5	15.6	13.9	12.4	11.8	11.6	10.6	11.2
Tangible common equity ratio <sup>1</sup>	29	8.0	7.3	6.9	6.3	5.7	5.4	5.1	5.1	5.5

<sup>1</sup> Tangible common equity ratio is common shareholders' equity plus contributed surplus less net intangibles and goodwill as a percentage of risk weighted assets

# Loan Securitization



(\$MILLIONS)

FOR THE PERIOD ENDED

LINE #	2004		2003				2002			Year to Date		Full Year			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2004	2003	2003	2002		
<b>Loans securitized and sold to third parties</b>															
Securitized/(repurchased) during the quarter <sup>1</sup>															
Mortgage	Conventional	1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
	MBS Pool	2	1,066	1,056	2,138	2,338	1,435	1,600	1,203	1,273	1,174	2,122	3,035	7,511	3,734
	Commercial	3	81	318	-	302	-	577	(1)	90	-	399	577	879	89
Personal	HELOC	4	-	(370)	-	-	-	(300)	(472)	(541)	-	(370)	(300)	(300)	(2,313)
	Credit Card	5	-	(39)	(613)	1,146	(20)	(500)	(107)	(219)	(668)	(39)	(520)	13	(994)
Corporate Loans		6	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		7	\$ 1,147	\$ 965	\$ 1,525	\$ 3,786	\$ 1,415	\$ 1,377	\$ 623	\$ 603	\$ 506	\$ 2,112	\$ 2,792	\$ 8,103	\$ 516
Outstanding at end of period															
Mortgage	Conventional	8	\$ 382	\$ 515	\$ 626	\$ 788	\$ 1,052	\$ 1,380	\$ 1,600	\$ 1,786	\$ 2,109	\$ 382	\$ 1,052	\$ 626	\$ 1,600
	MBS Pool	9	11,200	11,031	10,683	9,532	8,302	7,660	6,473	5,928	5,351	11,200	8,302	10,683	6,473
	Commercial	10	1,606	1,560	1,284	1,328	1,065	1,079	509	511	424	1,606	1,065	1,284	509
Personal	HELOC	11	4,077	4,120	4,541	4,590	4,648	4,684	5,032	5,504	5,888	4,077	4,648	4,541	5,032
	Credit Card	12	1,500	1,500	1,539	2,147	1,002	1,022	1,522	1,628	1,847	1,500	1,002	1,539	1,522
Corporate Loans		13	28	42	79	108	187	187	200	200	200	28	187	79	200
Total		14	\$ 18,793	\$ 18,768	\$ 18,752	\$ 18,493	\$ 16,256	\$ 16,012	\$ 15,336	\$ 15,557	\$ 15,819	\$ 18,793	\$ 16,256	\$ 18,752	\$ 15,336
Economic Impact															
	Net interest income	15	\$ (109)	\$ (112)	\$ (100)	\$ (49)	\$ (60)	\$ (58)	\$ (64)	\$ (75)	\$ (62)	\$ (221)	\$ (118)	\$ (267)	\$ (288)
	Other income	16	107	111	89	60	54	47	53	63	46	218	101	250	218
	Provision for credit losses	17	13	10	13	7	6	11	11	12	16	23	17	37	70
	Total impact	18	\$ 11	\$ 9	\$ 2	\$ 18	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20	\$ -	\$ 20	\$ -
<b>Mortgage Backed Securities Retained<sup>2</sup></b>															
	Outstanding at end of period	19	\$ 9,485	\$ 7,217	\$ 8,091	\$ 5,920	\$ 6,467	\$ 6,661	\$ 6,212	\$ 6,729	\$ 7,141	\$ 9,485	\$ 6,467	\$ 8,091	\$ 6,212

<sup>1</sup> Excludes principal repayments during the quarter

<sup>2</sup> Reported as investment securities issued or guaranteed by Canada on the consolidated balance sheet

# Impaired Loans by Business Line and General Allowances



(\$MILLIONS)		2004		2003				2002		
AS AT	LINE #	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
<b>GROSS IMPAIRED LOANS</b>										
<b>Personal and Commercial Banking</b>										
Retail	1	\$ 165	\$ 204	\$ 215	\$ 206	\$ 216	\$ 239	\$ 250	\$ 258	\$ 288
Commercial	2	173	223	210	209	189	150	164	123	135
Total Personal and Commercial Banking	3	338	427	425	415	405	389	414	381	423
<b>Wholesale Banking</b>										
Corporate loans - core	4	-	-	-	-	-	-	2,080	1,611	1,212
Investment Banking	5	-	-	-	27	28	31	31	32	58
Total Wholesale Banking	6	-	-	-	27	28	31	2,111	1,643	1,270
<b>Corporate Segment</b>										
Corporate loans - non-core <sup>1</sup>	7	586	739	946	1,463	2,089	2,363	-	-	-
<b>TOTAL GROSS IMPAIRED LOANS</b>	8	<b>\$ 924</b>	<b>\$ 1,166</b>	<b>\$ 1,371</b>	<b>\$ 1,905</b>	<b>\$ 2,522</b>	<b>\$ 2,783</b>	<b>\$ 2,525</b>	<b>\$ 2,024</b>	<b>\$ 1,693</b>
<b>NET IMPAIRED LOANS</b>										
<b>Personal and Commercial Banking</b>										
Retail	9	\$ 87	\$ 111	\$ 121	\$ 118	\$ 126	\$ 142	\$ 152	\$ 188	\$ 217
Commercial	10	91	136	123	113	102	75	105	68	82
Total Personal and Commercial Banking	11	178	247	244	231	228	217	257	256	299
<b>Wholesale Banking</b>										
Corporate loans - core	12	-	-	-	-	-	-	1,163	924	749
Investment banking	13	-	-	-	27	28	31	31	32	49
Total Wholesale Banking	14	-	-	-	27	28	31	1,194	956	798
<b>Corporate Segment</b>										
Corporate loans - non-core <sup>1</sup>	15	400	469	640	938	956	1,264	-	-	-
Total impaired loans net of specific provisions	16	578	716	884	1,196	1,212	1,512	1,451	1,212	1,097
General allowance for credit losses	17	917	984	984	1,141	1,141	1,141	1,141	1,141	1,138
Sectoral allowance for credit losses	18	228	316	541	698	813	1,032	1,285	870	-
<b>TOTAL NET IMPAIRED LOANS</b>	19	<b>\$ (567)</b>	<b>\$ (584)</b>	<b>\$ (641)</b>	<b>\$ (643)</b>	<b>\$ (742)</b>	<b>\$ (661)</b>	<b>\$ (975)</b>	<b>\$ (799)</b>	<b>\$ (41)</b>
Allowance for credit losses as a % of gross impaired loans	20	161.4 %	150.1 %	146.8 %	133.8 %	129.4 %	123.8 %	138.6 %	139.5 %	102.4 %
<b>Total Loans (page 10, line 12)</b>	21	<b>\$ 127,170</b>	<b>\$ 125,871</b>	<b>\$ 124,703</b>	<b>\$ 127,108</b>	<b>\$ 129,289</b>	<b>\$ 129,496</b>	<b>\$ 130,346</b>	<b>\$ 132,649</b>	<b>\$ 130,858</b>
Net impaired loans as a % of net loans	22	(0.4)%	(0.5)%	(0.5)%	(0.5)%	(0.6)%	(0.5)%	(0.7)%	(0.6)%	- %
<b>GENERAL ALLOWANCE FOR CREDIT LOSSES</b>										
Loans (line 17 above)	23	\$ 917	\$ 984	\$ 984	\$ 1,141	\$ 1,141	\$ 1,141	\$ 1,141	\$ 1,141	\$ 1,138
Derivative financial instruments	24	30	28	28	36	37	40	27	21	20
Total general allowance	25	\$ 947	\$ 1,012	\$ 1,012	\$ 1,177	\$ 1,178	\$ 1,181	\$ 1,168	\$ 1,162	\$ 1,158

<sup>1</sup> Comparative figures have not been provided as the split between core and non-core is a result of a change in business strategy effective Q1/03

# Analysis of Change in Gross Impaired Loans & Allowance for Credit Losses



(\$MILLIONS)  
AS AT

LINE #	2004			2003			2002			Year to Date		Full Year	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2004	2003	2003	2002
<b>GROSS IMPAIRED LOANS</b>													
1	\$ 1,166	\$ 1,371	\$ 1,905	\$ 2,522	\$ 2,783	\$ 2,525	\$ 2,024	\$ 1,693	\$ 1,381	\$ 1,371	\$ 2,525	\$ 2,525	\$ 1,267
Balance at beginning of period													
Additions to impaired loans and acceptances													
2	152	206	182	174	181	193	191	194	212	358	374	730	808
Personal and Commercial Banking - retail <sup>1</sup>													
3	5	22	84	52	40	9	66	7	29	27	49	185	118
- commercial mid-market													
4	-	-	-	-	-	-	770	472	537	-	-	-	1,956
Wholesale Banking - core													
5	-	156	262	292	122	458	-	-	-	156	580	1,134	-
Corporate - non-core <sup>2</sup>													
6	\$ 157	\$ 384	\$ 528	\$ 518	\$ 343	\$ 660	\$ 1,027	\$ 673	\$ 778	\$ 541	\$ 1,003	\$ 2,049	\$ 2,882
Total additions to impaired loans and acceptances													
7	(263)	(384)	(555)	(291)	(313)	(199)	(205)	(136)	(263)	(647)	(512)	(1,358)	(731)
Return to performing status, repaid or sold													
8	\$ (106)	\$ -	\$ (27)	\$ 227	\$ 30	\$ 461	\$ 822	\$ 537	\$ 515	\$ (106)	\$ 491	\$ 691	\$ 2,151
Net new additions (reductions)													
9	(159)	(232)	(426)	(808)	(202)	(165)	(321)	(206)	(203)	(391)	(367)	(1,601)	(893)
Write-offs													
10	23	27	(81)	(36)	(89)	(38)	-	-	-	50	(127)	(244)	-
Foreign exchange and other adjustments													
11	(242)	(205)	(534)	(617)	(261)	258	501	331	312	(447)	(3)	(1,154)	1,258
Change during the period													
12	\$ 924	\$ 1,166	\$ 1,371	\$ 1,905	\$ 2,522	\$ 2,783	\$ 2,525	\$ 2,024	\$ 1,693	\$ 924	\$ 2,522	\$ 1,371	\$ 2,525
Balance at end of period													
<b>GROSS IMPAIRED LOANS BY LOCATION<sup>3</sup></b>													
13	\$ 344	\$ 467	\$ 506	\$ 562	\$ 683	\$ 680	\$ 712	\$ 711	\$ 815	\$ 344	\$ 683	\$ 506	\$ 712
Domestic													
14	431	507	678	1,042	1,340	1,520	1,612	1,193	800	431	1,340	678	1,612
International - USA													
15	149	192	187	301	499	583	201	120	78	149	499	187	201
- Offshore													
16	\$ 924	\$ 1,166	\$ 1,371	\$ 1,905	\$ 2,522	\$ 2,783	\$ 2,525	\$ 2,024	\$ 1,693	\$ 924	\$ 2,522	\$ 1,371	\$ 2,525
Balance at end of period													
<b>ALLOWANCE FOR CREDIT LOSSES</b>													
<b>Specific allowance</b>													
17	\$ 450	\$ 487	\$ 709	\$ 1,310	\$ 1,271	\$ 1,074	\$ 812	\$ 596	\$ 366	\$ 487	\$ 1,074	\$ 1,074	\$ 179
Balance at beginning of period													
18	(159)	(232)	(426)	(808)	(202)	(165)	(321)	(206)	(203)	(391)	(367)	(1,601)	(893)
Write-offs													
19	35	26	29	33	31	27	28	42	32	61	58	120	127
Recoveries													
20	(61)	64	76	95	170	236	205	-	-	3	406	577	205
Transfer (to)/from sectoral													
21	75	96	114	99	98	112	350	380	400	171	210	423	1,455
Provision for credit losses													
22	6	9	(15)	(20)	(58)	(13)	-	-	1	15	(71)	(106)	1
Foreign exchange and other adjustments													
23	\$ 346	\$ 450	\$ 487	\$ 709	\$ 1,310	\$ 1,271	\$ 1,074	\$ 812	\$ 596	\$ 346	\$ 1,310	\$ 487	\$ 1,074
Balance at end of period													
<b>Sectoral allowance</b>													
24	\$ 316	\$ 541	\$ 698	\$ 813	\$ 1,032	\$ 1,285	\$ 870	\$ -	\$ -	\$ 541	\$ 1,285	\$ 1,285	\$ -
Balance at beginning of period													
25	61	(64)	(76)	(95)	(170)	(236)	(205)	-	-	(3)	(406)	(577)	(205)
Transfer (to)/from specific													
26	67	32	20	37	-	-	-	-	-	99	-	57	-
Recoveries													
27	(200)	(200)	(40)	(40)	-	-	600	870	-	(400)	-	(80)	1,470
Provision for credit losses													
28	(16)	7	(61)	(17)	(49)	(17)	20	-	-	(9)	(66)	(144)	20
Foreign exchange and loss on loan sales booked to sectoral													
29	\$ 228	\$ 316	\$ 541	\$ 698	\$ 813	\$ 1,032	\$ 1,285	\$ 870	\$ -	\$ 228	\$ 813	\$ 541	\$ 1,285
Balance at end of period													
<b>General allowance</b>													
30	\$ 984	\$ 984	\$ 1,141	\$ 1,141	\$ 1,141	\$ 1,141	\$ 1,141	\$ 1,138	\$ 1,141	\$ 984	\$ 1,141	\$ 1,141	\$ 1,141
Balance at beginning of period													
31	(67)	-	(157)	-	-	-	-	-	-	(67)	-	(157)	-
Provision for credit losses													
32	-	-	-	-	-	-	-	3	(3)	-	-	-	-
Foreign exchange and other adjustments													
33	\$ 917	\$ 984	\$ 984	\$ 1,141	\$ 1,141	\$ 1,141	\$ 1,141	\$ 1,141	\$ 1,138	\$ 917	\$ 1,141	\$ 984	\$ 1,141
Balance at end of period													
34	\$ 1,491	\$ 1,750	\$ 2,012	\$ 2,548	\$ 3,264	\$ 3,444	\$ 3,500	\$ 2,823	\$ 1,734	\$ 1,491	\$ 3,264	\$ 2,012	\$ 3,500
Total allowance for credit losses at end of period													

<sup>1</sup> Including Small Business Banking

<sup>2</sup> Comparative figures have not been provided as the split between core and non-core is a result of a change in business strategy effective Q1/03

<sup>3</sup> Based on geographic location of unit responsible for recording revenue