Bank Financial Group
Investor Relations

Q3 2006
Strategic Overview
(Check Against Delivery)
Ed Clark, President and CEO

Thanks Colleen and thanks to all of you for joining us this afternoon.

Colleen has walked you through the numbers. I'd now like to comment on some of this quarter's highlights.

The third quarter was a fantastic one for us and sets us up for a strong finish to the year.

Canadian Retail Operations – Leading the Pack
One of the highlights of the quarter had to be the $621 million in earnings in our Canadian retail operations – a 22% increase from last year. That includes the Canadian Personal & Commercial Bank, and Wealth Management in Canada.

Reaching that level of earnings is a major milestone.

When we put TD and Canada Trust together in 1999, these businesses earned about $200 million per quarter. So, we've **tripled** earnings in our Canadian retail operations since the TD Canada Trust merger. A remarkable achievement by any standard.

How did we do that? By focusing on both long-term franchise initiatives and tough short-term earnings goals, consistent with getting to our longer-term goals.

While our consistent good results may make it look easy, credit has to go to Bernie Dorval, Bill Hatanaka, Tim Hockey and their teams. They know they have to invest constantly for the future, and all three have led their teams to do that. But they also must meet our short-term goals – which remain to produce sustainable performance better than our peers.

It's hard work and they have done a great job.

When we look out, we have all the normal worries – a slower Ontario and Quebec economy, and a worsening of the credit cycle.

But I am struck by the strength of the fundamentals in these businesses. Our threshold of $600 million plus in quarterly earnings seems sustainable, and while growth next year may slow, double digit earnings growth in these businesses still seems achievable.

Great Quarter in Wholesale
The third quarter was also a great quarter for the Wholesale Bank, and an important milestone.

I recognize that it has sometimes been frustrating to investors to understand the impact of our exit from the structured products area.

The good news is that we are done. There remain a number of operational activities, but our economic risk has gone.

More importantly we now have our Wholesale business where Bob and I want it to be, and we can focus all our energy on continuing to grow it. As I have indicated to you before, I really like where we are – with a highly profitable, growing franchise play, strong proprietary trading groups operating in transparent markets, and a leading investment group, with strong mark to market surpluses.

Our returns are excellent, and these businesses are growing. As we look forward, we may see a seasonally-normal slower fourth quarter, but we feel our long-term earnings target should move up from the $500 – 550 million per year I originally suggested to $525 – 625 million per year.

This represents very good returns on our equity base of about $2.5 billion in this business.

U.S. Operations March Forward
Turning to our U.S. operations. We remain very happy with what we have achieved, even if it has its normal business challenges.

Our U.S. retail earnings are up 28% to $123 million in Canadian dollars, and up 43% to $110 million in U.S. dollars. We continue to believe that having a credible U.S. retail platform will be a differentiator for us and we intend to prudently grow it.

I recognize that there is some worry that we will expand in the U.S. no matter what the cost. This is not the case. We have turned down a number of deals which didn't meet our criteria. We have a clear set of targets, and a view of what price makes sense to us.

Clearly there are competing pressures here. I would not wish us to stall in our expansion, but I am unwilling to do deals where I cannot see a pay-off. I can only say, as a shareholder, I am very much aware of the need to get this balance right.

As to the operations of TD Banknorth and TD Ameritrade, I am quite pleased with the initiatives both have taken to grow the companies and improve the quality of earnings – not to mention the progress being made by both organizations in absorbing their acquisitions.

Clearly, banking is tough today in the American market. As Bill Ryan has said, TD Banknorth earnings per share, unless the environment changes, will likely grow slowly. TD Ameritrade's earnings, as Joe Moglia has indicated, have upside as we realize the synergies of the Waterhouse acquisition.

Of note this quarter was Bharat Masrani's appointment as President of TD Banknorth reporting to Bill Ryan.

I'd just like to take this opportunity to thank Bharat for the great work he's done most recently as our Chief Risk Officer. He has been a significant source of support to me.

In terms of filling his role, we are putting an interim structure in place so Bharat will be able to focus solely on TD Banknorth as of September. Once we have our longer-term structure in place, we'll let you know.

Capital

Now let me comment on our capital position. We continue to have a very strong capital position, and with our high return on risk weighted assets, we are well-positioned to finance continued growth in our businesses when and if the right opportunities arise.

In these circumstances, we do not see a need to continue the discount on our DRIP program, or to allow dilution as a result of the exercise of stock options.

We are therefore setting the DRIP discount at zero, and today we are announcing we intend to buyback -- under a normal course issuer bid, subject to TSX approval -- approximately 4 million shares this year to offset the expected option exercise dilution.

Closing

In closing, Q3 was a fantastic quarter – a level of growth that will be hard to repeat in Q4.

But our confidence in our earnings is shown by once again moving up our dividend. This is consistent with our policy of raising our dividend in line with the growth of sustainable earnings.

For most of our businesses, we expect Q4 to be relatively flat to Q3, with the Wholesale Bank likely down. But that doesn't change our positive outlook for 2007, assuming normal market conditions.

We grew adjusted EPS 16% this quarter, and 13% year to date.

We said we were going to grow, over the cycle, earnings per share by 7 to 10%.

While we think that's a respectable earnings growth goal for a company like ours over the long run, our job is, in good times, to do better. And clearly we have, with overall earnings growing 15-20% and EPS growing 10-12%.

Next year we believe that exceeding our long-run range of 7 to 10% again looks quite possible.

With that, I'll open the floor for your questions.