



# Fixed Income Presentation

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December 2011

# Caution regarding forward-looking statements



From time to time, the Bank makes written and/or oral forward-looking statements, including in this presentation, in other filings with Canadian regulators or the U.S. Securities and Exchange Commission, and in other communications. In addition, representatives of the Bank may make forward-looking statements orally to analysts, investors, the media and others. All such statements are made pursuant to the “safe harbour” provisions of, and are intended to be forward-looking statements under, applicable Canadian and U.S. securities legislation, including the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements include, but are not limited to, statements made in this presentation, the Bank’s 2011 Management’s Discussion and Analysis (“MD&A”) under the headings “Economic Summary and Outlook” and, for each business segment, “Business Outlook and Focus for 2012” and in other statements regarding the Bank’s objectives and priorities for 2012 and beyond and strategies to achieve them, and the Bank’s anticipated financial performance. Forward-looking statements are typically identified by words such as “will”, “should”, “believe”, “expect”, “anticipate”, “intend”, “estimate”, “plan”, “may”, and “could”.

By their very nature, these statements require the Bank to make assumptions and are subject to inherent risks and uncertainties, general and specific. Especially in light of the uncertainty related to the financial, economic and regulatory environments, such risks and uncertainties – many of which are beyond the Bank’s control and the effects of which can be difficult to predict – may cause actual results to differ materially from the expectations expressed in the forward-looking statements. Risk factors that could cause such differences include: credit, market (including equity, commodity, foreign exchange, and interest rate), liquidity, operational (including technology), reputational, insurance, strategic, regulatory, legal, environmental, and other risks, all of which are discussed in the 2011 MD&A. Additional risk factors include the impact of recent U.S. legislative developments, as discussed under “Significant Events in 2011” in the “Financial Results Overview” section of the 2011 MD&A; changes to and new interpretations of capital and liquidity guidelines and reporting instructions; increased funding costs for credit due to market illiquidity and competition for funding; and the failure of third parties to comply with their obligations to the Bank or its affiliates relating to the care and control of information. We caution that the preceding list is not exhaustive of all possible risk factors and other factors could also adversely affect the Bank’s results. For more detailed information, please see the “Risk Factors and Management” section of the 2011 MD&A. All such factors should be considered carefully, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements, when making decisions with respect to the Bank and we caution readers not to place undue reliance on the Bank’s forward-looking statements.

Material economic assumptions underlying the forward-looking statements contained in this presentation are set out in the 2011 MD&A under the headings “Economic Summary and Outlook” and, for each business segment, “Business Outlook and Focus for 2012”, as updated in subsequently filed quarterly Reports to Shareholders.

Any forward-looking statements contained in this presentation represent the views of management only as of the date hereof and are presented for the purpose of assisting the Bank’s shareholders and analysts in understanding the Bank’s financial position, objectives and priorities and anticipated financial performance as at and for the periods ended on the dates presented, and may not be appropriate for other purposes. The Bank does not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by or on its behalf, except as required under applicable securities legislation.

- 1. TD Bank Group at a glance**
2. Canadian Economy
3. Overview of TD Bank Group
4. Treasury & Balance Sheet Management
5. Appendix



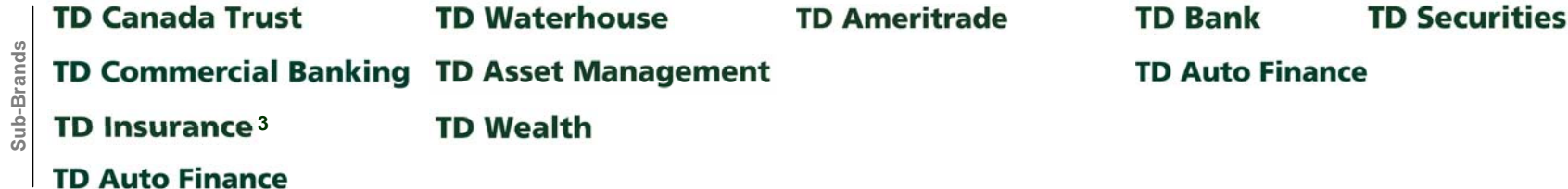
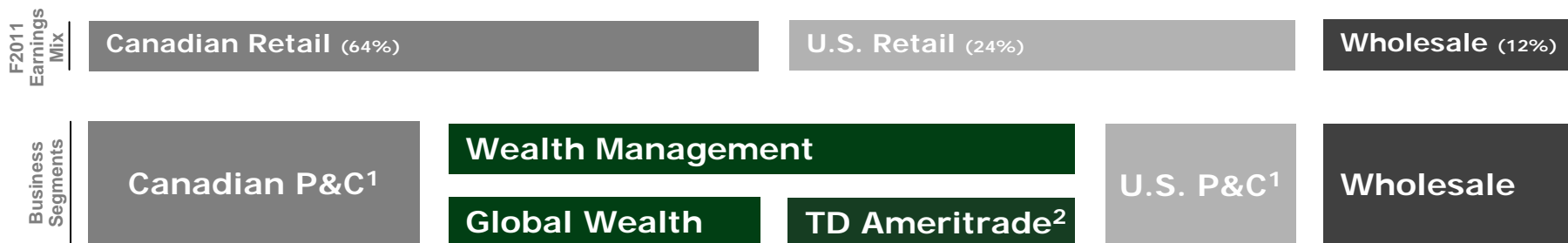
## In Canada

- Over 1,150 Branches Coast to Coast

## In the U.S.

- Well over 1,200 Stores in 15 States and D.C. on the Eastern Seaboard

# Key Businesses At a Glance



2006-2011<sup>4</sup>



2005-2011<sup>5</sup>



2009-2011<sup>6</sup>

**Recognized leader in service and convenience**

1. "P&C" refers to Personal and Commercial Banking.  
 2. TD had a reported investment in TD Ameritrade of 44.96% as at October 31, 2011.  
 3. Effective July 4, 2011, executive responsibilities for TD Insurance were moved from Group Head CAD P&C Segment to Group Head Wealth Segment. Results will be updated to the future reporting format for segment reporting purposes effective Q1 2012. These changes will be applied retroactively to 2011.  
 4. TD Canada Trust ranked highest in Customer Satisfaction from 2006 to 2011 inclusively.  
 5. TD Canada Trust awarded Customer Service Excellence from 2005 to 2011.  
 6. TD Bank Group awarded Best Bank in North America from 2009 to 2011.

# Key Businesses

## Snapshot of Personal and Commercial Banking



## Personal and Commercial Banking

### ■ Canada

- Over 1,150 branches
- More than 2,700 ATMs
- Approximately 12 million customers

### ■ United States

- Well over 1,200 stores
- Over 1,870 ATMs
- More than 7.4 million customers

As at Q4 2011 In C\$	Canada	U.S.
<b>Total Assets</b>	\$219B	\$201B
<b>Total Deposits<sup>1</sup></b>	\$200B	\$160B
<b>Total Loans<sup>2</sup></b>	\$207B	\$78B
<b>Adjusted Earnings<sup>3,4</sup></b>	\$3.6B	\$1.3B
<b>Employees<sup>5</sup></b>	34,700+	25,300+

1. Total Deposits based on total of average personal, business deposits and TD Ameritrade Insured Deposit Account (IDAs) during Q4/11.

2. Total Loans based on total of average personal and business loans during Q4/11.

3. For trailing four quarters ending Q4/11.

4. The Bank's financial results prepared in accordance with GAAP are referred to as "reported" results. The Bank also utilizes non-GAAP financial measures referred to as "adjusted" results (i.e., reported results excluding "items of note", net of income taxes) to assess each of its businesses and measure overall Bank performance. Adjusted net income, adjusted earnings per share (EPS) and related terms used in this presentation are not defined terms under GAAP and may not be comparable to similar terms used by other issuers. See p.5 of the Fourth Quarter 2011 Earnings News Release and the 2011 MD&A (td.com/investor) for further explanation, a list of the items of note and a reconciliation of adjusted earnings to reported basis (GAAP) results.

5. Average number of full-time equivalent staff during Q4/11.

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2. **Canadian Economy**
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# Why Canadian Economy Outperforms



- One of the worlds most competitive economies<sup>1</sup>
- Soundest banking system in the world<sup>1</sup>
- Robust economic fundamentals relative to G7 economies
- Strong Canadian housing market
  - Home values have held up well
  - More prudent regulatory environment
- Unemployment rate remained below prior recessionary peaks
- Strongest fiscal position among G-7 industrialized countries
  - Lowest projected deficits
  - Lowest overall debt level



- Strong retail and commercial banks
  - Conservative lending standards
  - All major wholesale dealers owned by Canadian banks, with stable retail earnings base to absorb any wholesale write-offs
- Responsive government and central bank
  - Proactive policies and programs to ensure adequate liquidity in the system
  - Updated mortgage rules moderate the market and protect consumers
- Judicious regulatory system
  - Principles-based regime, rather than rules-based
  - One single regulator for all major banks
  - Conservative capital rules, requirements above world standards
  - Capital requirements based on risk-weighted assets

**The world's soundest banking system<sup>1</sup>**

# Canadian Mortgage Market is Different from the U.S.



	Canada	U.S.
<b>Product</b>	<ul style="list-style-type: none"> <li>Conservative product offerings: fixed or variable interest rate option</li> </ul>	<ul style="list-style-type: none"> <li>Outstanding mortgages include earlier exotic products (interest only, options ARMs)</li> </ul>
	<ul style="list-style-type: none"> <li>Default insured mortgages use a 5-year fixed qualifying rate for loans with variable rates or terms less than 5 years</li> </ul>	<ul style="list-style-type: none"> <li>Borrowers often qualified using discounted teaser rates → payment shock on expiry (underwriting standards have since been tightened)</li> </ul>
	<ul style="list-style-type: none"> <li>2% of the mortgage credit outstanding estimated to be non-prime</li> </ul>	<ul style="list-style-type: none"> <li>10% of mortgage credit outstanding estimated to be non-prime</li> </ul>
<b>Underwriting</b>	<ul style="list-style-type: none"> <li>Terms usually 5 years or less, renewable at maturity</li> </ul>	<ul style="list-style-type: none"> <li>30 year term most common</li> </ul>
	<ul style="list-style-type: none"> <li>Maximum amortization is 30 years and maximum loan to value to 85% on refinance transactions</li> </ul>	<ul style="list-style-type: none"> <li>Amortization usually 30 years, can be up to 50 years</li> </ul>
	<ul style="list-style-type: none"> <li>Mortgage insurance mandatory if LTV over 80%, covers full loan amount</li> </ul>	<ul style="list-style-type: none"> <li>Mortgage insurance often used to cover portion of LTV over 80%</li> </ul>
<b>Regulation and Taxation</b>	<ul style="list-style-type: none"> <li>Mortgage interest not tax deductible</li> </ul>	<ul style="list-style-type: none"> <li>Mortgage interest is tax deductible, creating an incentive to borrow</li> </ul>
	<ul style="list-style-type: none"> <li>Lenders have recourse to both borrower and property in most provinces</li> </ul>	<ul style="list-style-type: none"> <li>Lenders have limited recourse in most jurisdictions</li> </ul>
<b>Sales Channel</b>	<ul style="list-style-type: none"> <li>External broker channel originated up to 30%</li> </ul>	<ul style="list-style-type: none"> <li>External broker channel originated up to 70% at peak, now less than 30%</li> </ul>

- The global growth outlook has deteriorated in recent months
- Canada is relatively better positioned in the face of near-term weakness
- Global risks and weaker growth should keep interest rates lower for longer
- Overall GDP to experience modest growth over the medium term

**Expect Modest Growth**

1. TD Bank Group at a glance
2. Canadian Economy
3. **Overview of TD Bank Group**
4. Treasury & Balance Sheet Management
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# Key Takeaways

## Simple Strategy, Consistent Focus



### Building the Better Bank

#### North America

- Top 10 Bank in North America<sup>1</sup>
- One of the few banks in the world rated Aaa by Moody's<sup>2</sup>
- Leverage platform and brand for growth
- Strong employment brand

#### Retail Earnings Focus

- Leader in customer service and convenience
- Over 80% of adjusted earnings from retail<sup>3,4</sup>
- Strong organic growth engine
- Better return for risk undertaken<sup>5</sup>

#### Franchise Businesses

- Repeatable and growing earnings stream
- Focus on customer-driven products
- Operating a franchise dealer of the future
- Consistently reinvest in our competitive advantages

#### Risk Discipline

- Only take risks we understand
- Systematically eliminate tail risk
- Robust capital and liquidity management
- Culture and policies aligned with risk philosophy

1. See slide #15.

2. See footnote 6 on slide #15.

3. Based on Q4/11 adjusted earnings, as defined on slide #6. For the purpose of calculating contribution by each business segment, adjusted earnings from the Corporate segment is excluded.

4. Retail includes Canadian Personal and Commercial Banking, Wealth Management, and U.S. Personal and Commercial Banking segments.

5. Based on Q4/11 return on risk-weighted assets, calculated as adjusted net income available to common shareholders divided by average RWA. See slide #16 for details. See slide #6 for definition of adjusted results.

# TD's Evolution



Late '90s
2000
2001
2002/2003
2005
2006
2007
2008
2009
2010/2011

**Strategic evolution to retail focused lower-risk bank with franchise dealer**

# TD Bank Group

## A Top 10 Bank in North America



FY2011 <sup>1</sup> (In \$U.S. Billions) <sup>2</sup>		Compared to:	
		Canadian Peers <sup>7</sup>	North American Peers <sup>8</sup>
<b>Total Assets</b>	\$689B	2 <sup>nd</sup>	6 <sup>th</sup>
<b>Total Deposits</b>	\$483B	1 <sup>st</sup>	5 <sup>th</sup>
<b>Market Cap (as of Nov 29, 2011)</b>	\$65B	2 <sup>nd</sup>	5 <sup>th</sup>
<b>Adj. Net Income<sup>3</sup> (Trailing 4 Quarters)</b>	\$6.3B	2 <sup>nd</sup>	6 <sup>th</sup>
<i>Rpt. Net Income (Trailing 4 Quarters)</i>	<i>\$6.0B</i>	<i>n/a</i>	<i>n/a</i>
<b>Adj. Retail Earnings<sup>4</sup> (Trailing 4 Quarters)</b>	\$5.8B	1 <sup>st</sup>	4 <sup>th</sup>
<b>Tier 1 Capital Ratio</b>	13.0%	3 <sup>rd</sup>	5 <sup>th</sup>
<b>Avg. # of Full-Time Equivalent Staff<sup>5</sup></b>	77,360	1 <sup>st</sup>	5 <sup>th</sup>
<b>Moody's Rating<sup>6</sup></b>	Aaa	n/a	n/a

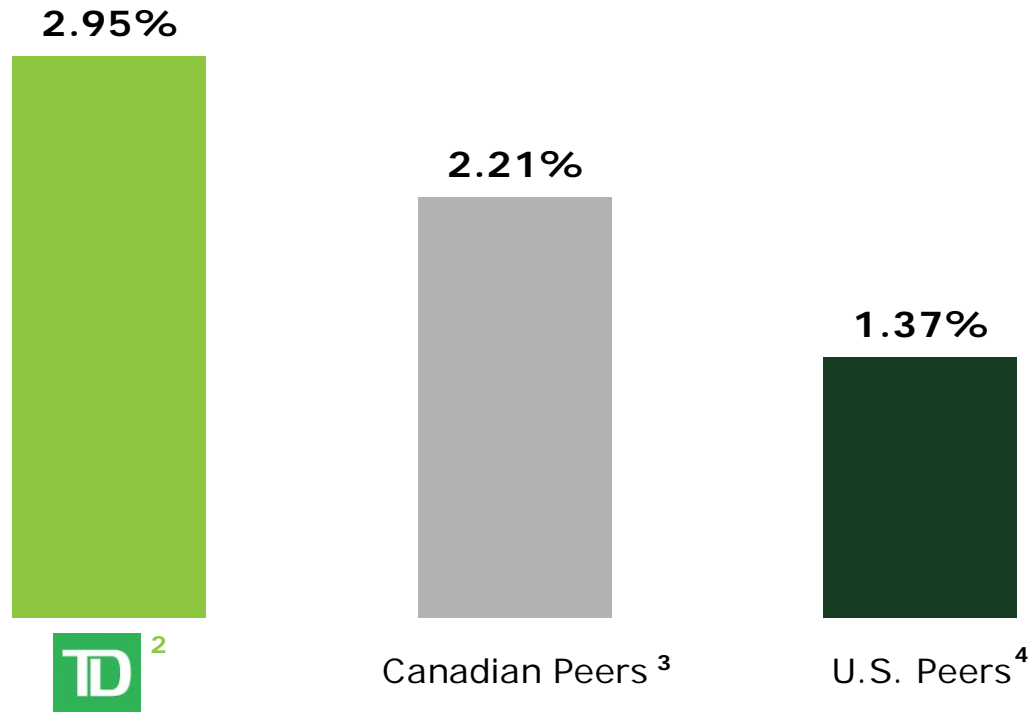
**TD is top 10 in North America**

1. Q4/11 is the period from August 1, 2011 to October 31, 2011.
2. Balance sheet metrics are converted to U.S. dollars at an exchange rate of 1.00331 USD/CAD (as at October 31, 2011). Income statement metrics are converted to U.S. dollars at the average quarterly exchange rate of USD/CAD 0.99825 for Q4/11, 1.03447 for Q3/11, 1.02657 for Q2/11 and 0.99524 for Q1/11.
3. Based on adjusted results defined on slide #6.
4. Based on adjusted results as defined on slide #6 and retail earnings defined on slide #13.
5. Average number of full-time equivalent staff for Q4/11.
6. For long term debt (deposits) of The Toronto-Dominion Bank, as at October 31, 2011.
7. Canadian Peers – includes other 4 big banks (RY, BMO, BNS and CM) adjusted on a comparable basis to exclude identified non-underlying items. Based on Q3/11 results ended July 31, 2011.
8. North American Peers includes Canadian Peers and U.S. Peers. U.S. Peers – including Money Center Banks (C, BAC, JPM) and Top 3 Super-Regional Banks (WFC, PNC, USB). Adjusted on a comparable basis to exclude identified non-underlying items. For U.S. Peers, based on their Q3/11 results ended September 30, 2011.

# Strong Focus on Risk-Return



## Return on Risk-Weighted Assets<sup>1</sup> FY2011



**Better return for risk undertaken**

1. Adjusted on a comparable basis to exclude identified non-underlying items. Return on risk-weighted assets is adjusted net income available to common shareholders divided by average RWA.

2. TD based on Q4/11 adjusted results, as defined on slide #6.

3. Canadian Peers – other big 4 banks (RY, BMO, BNS, and CM). Based on Q3/11 results ended on July 31, 2011.

4. U.S. Peers – including Money Center Banks (C, BAC, JPM) and Top 3 Super-Regional Banks (WFC, PNC, USB). Based on Q3/11 results ending September 30, 2011.



# Financial Results



(C\$MM)	Q4 2011	QoQ	YoY	F2011	YoY
<b>Revenue</b>	\$5,665	6%	13%	\$21,594	10%
<b>Provision for Credit Losses</b>	\$334	-11%	-17%	\$1,465	-10%
<b>Expenses</b>	\$3,482	9%	7%	\$13,083	8%
<b>Adjusted Net Income<sup>1</sup></b>	\$1,634	4%	30%	\$6,251	20%
<i>Reported Net Income</i>	<i>\$1,566</i>	<i>8%</i>	<i>58%</i>	<i>\$5,889</i>	<i>27%</i>
<b>Adjusted EPS (diluted)</b>	\$1.77	3%	28%	\$6.82	18%
<i>Reported EPS (diluted)</i>	<i>\$1.69</i>	<i>7%</i>	<i>58%</i>	<i>\$6.41</i>	<i>26%</i>
<b>Tier 1 Capital</b>	13.0%	10 bps	80 bps	13.0%	80 bps

**Strong performance through tough economic conditions**

1. Adjusted results are defined on slide #6.

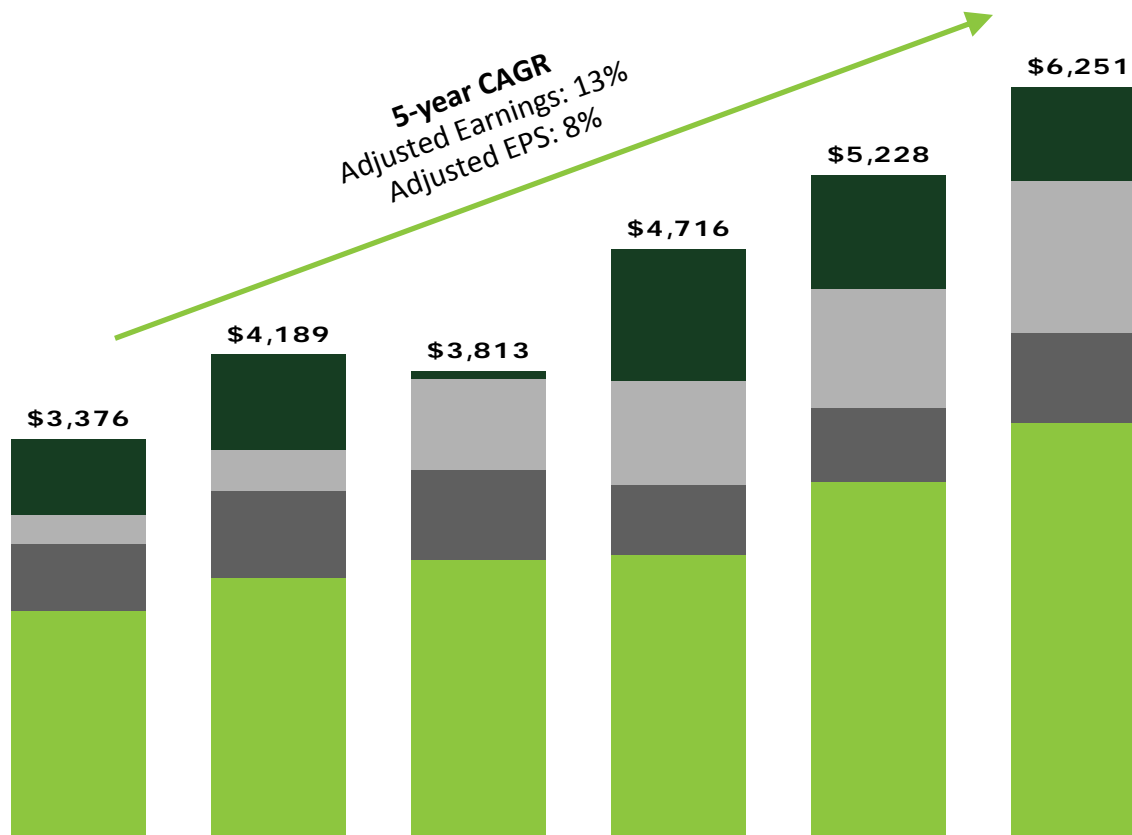
# Simple Strategy, Consistent Focus, Superior Execution



## Adjusted Earnings<sup>1</sup> (C\$MM)

5-year CAGR  
Adjusted Earnings: 13%  
Adjusted EPS: 8%

■ Wholesale Banking  
■ U.S. P&C  
■ Wealth Management  
■ Canadian P&C



Retail as % of Adj. Earnings	2006	2007	2008	2009	2010	2011
	81%	80%	98%	78%	83%	88%

**Solid growth and return across businesses**

1. See slide #6 for definition of adjusted results. The graphical representation of the adjusted results on the chart do not include the adjusted results of the Corporate segment. Also see the Canadian P&C, Wealth, U.S. P&C, Wholesale segment discussions in the Business Segment Analysis section in the 2006-2010 Annual Reports and the 2011 MD&A. See explanation of how the Bank reports starting on pg. 5 of the Fourth Quarter 2011 Earnings News Release and the 2011 MD&A for a reconciliation of the Bank's non-GAAP measures to reported basis (GAAP) results. See also pg. 146 to 147 of the 2010 Annual Report for a reconciliation for 10 years ending FY10.

### **Crossed the recession valley**

- ❑ Carefully managed capital, funding, liquidity and risk



### **Kept our business model intact**

- ❑ Preserved our performance, convenience and service culture



### **Emerged with momentum on our side**

- ❑ Increased market share, extended footprint and leadership in service and convenience



### **Well positioned for growth despite global uncertainty**

**Now**

**Continue to manage for long-term growth**



**Building the Better Bank**

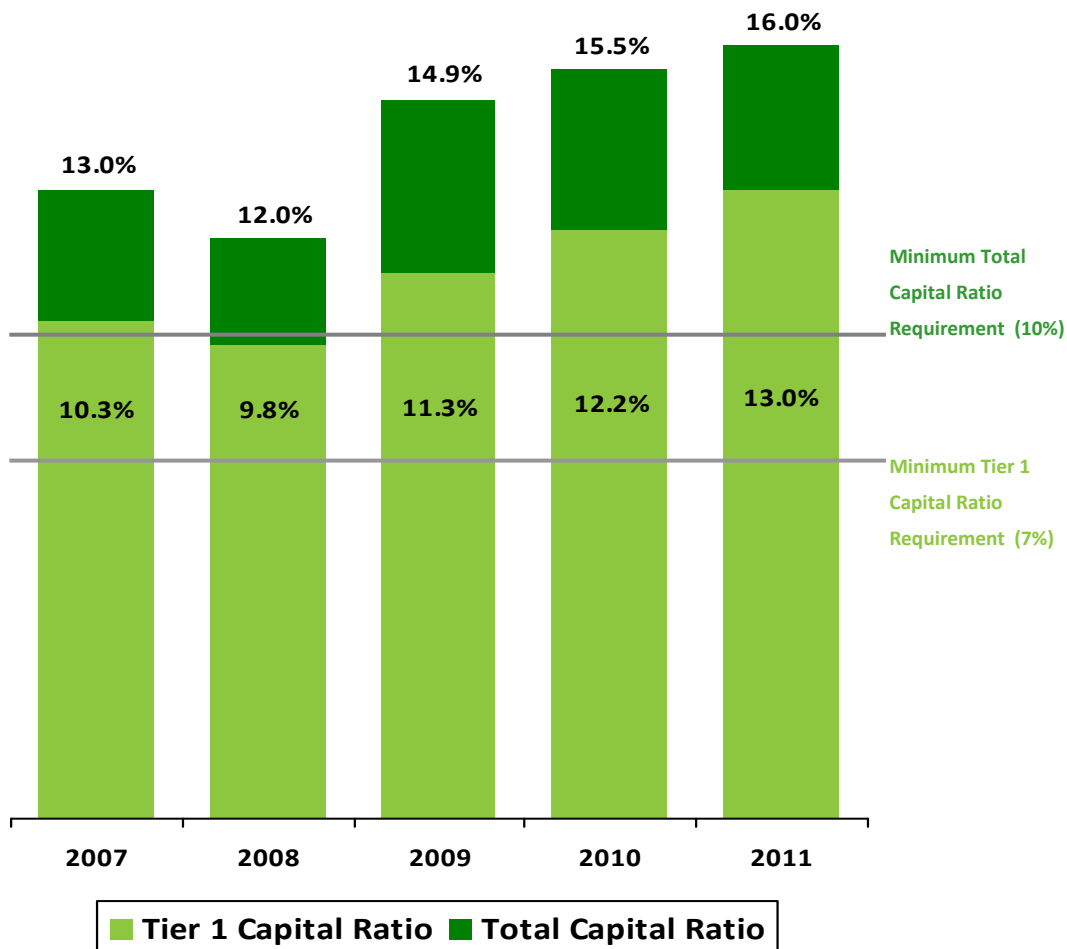
**North America**

**Retail Earnings Focus**

**Franchise Businesses**

**Risk Discipline**

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## Highlights

- Strong capital position
  - Continued organic growth in capital
  - ACM currently at 17.2x
  
- Well-positioned for evolving regulatory environment
  - Lower-risk, franchise wholesale dealer
  - Risk-weighted assets are less than one-third of total assets
  - Over 80% of Tier 1 capital in TCE<sup>1</sup>

**Strong capital position**

1. Tangible common equity is equal to the sum of Common Shares, Retained earnings, certain components of Accumulated Other Comprehensive Income (Loss), Contributed Surplus, Non-controlling Interest and Net Impact of eliminating one month lag of U.S. entities reduced by Goodwill and Intangibles (net of future tax liability)

Key Areas of Focus	TD Positioning
<p><b>Basel III changes expected</b></p>	<ul style="list-style-type: none"> <li>■ Higher Risk Weighted Assets (RWA) – \$45-55 billion</li> <li>■ Higher common equity deductions – estimated \$5-6 billion</li> </ul>
<p><b>Where we expect to be</b></p>	<p><b>Forecast for fiscal Q1 2013 Basel III Common Equity Tier 1 Ratio</b></p> <ul style="list-style-type: none"> <li>■ Rules text (with transition to 2019)<sup>2</sup> 9 to 10%</li> <li>■ Application of 2019 rules 7 to 8%</li> <li>■ Expect to be in upper end of the ranges</li> </ul>
<p><b>Where we are today</b></p>	<ul style="list-style-type: none"> <li>■ Current pro forma Basel III Common Equity Tier 1 ratio is approximately 7.1%.</li> <li>■ With full impact of MBNA, current pro forma Basel III Common Equity Tier 1 ratio is approximately 6.7%</li> <li>■ Expect to be comfortably above 7% by Q2 2012</li> </ul>
<p><b>Impacts on :</b></p> <ul style="list-style-type: none"> <li>■ <b>Business strategy</b></li> <li>■ <b>Acquisition opportunities</b></li> <li>■ <b>Dividends</b></li> </ul>	<p><b>No change to business strategy</b></p> <ul style="list-style-type: none"> <li>■ No changes to core business activities</li> <li>■ We will continue to pursue strategically and financially attractive deals within our risk appetite.</li> <li>■ Dividend increases will be based on the Board’s outlook for long-term sustainable earnings growth</li> </ul>

1. The estimated impacts of Basel III are based on management’s interpretation of the Basel III rules text issued in December 2010 and augmented in January 2011, in addition to management’s internal forecasts. These estimates and expectations are preliminary; subject to change as additional clarification/guidance from regulators is still required; and subject to risks and uncertainties that may cause actual results to differ materially.

2. Includes full deduction for Goodwill & Intangibles.

## Issuer Ratings<sup>1</sup>

Moody's	S&P	Fitch	DBRS
Aaa	AA-	AA-	AA

**Strong credit ratings**

1. Ratings on long term debt (deposits) of The Toronto-Dominion Bank, as at October 31, 2011.



## ■ Our Risk Appetite

*Take risks required to build our business, but only if those risks:*

- ❑ Fit our business strategy, and can be understood and managed
- ❑ Do not expose the enterprise to any significant single loss events
- ❑ Do not risk harming the TD brand

## ■ Integrated risk monitoring and reporting

- ❑ To senior management and Board of Directors

## ■ Regular review, evaluation and approval of risk framework

- ❑ Structured Risk Appetite governance, from the Business to the Board
- ❑ Executive Committees and Risk Committee of the Board

## ■ Treasury paradigm

- ❑ Contribute to stable and growing revenues
- ❑ “Treasury does not have the authority not to hedge”
- ❑ No black boxes

**Proactive & Disciplined Risk Management Practices**

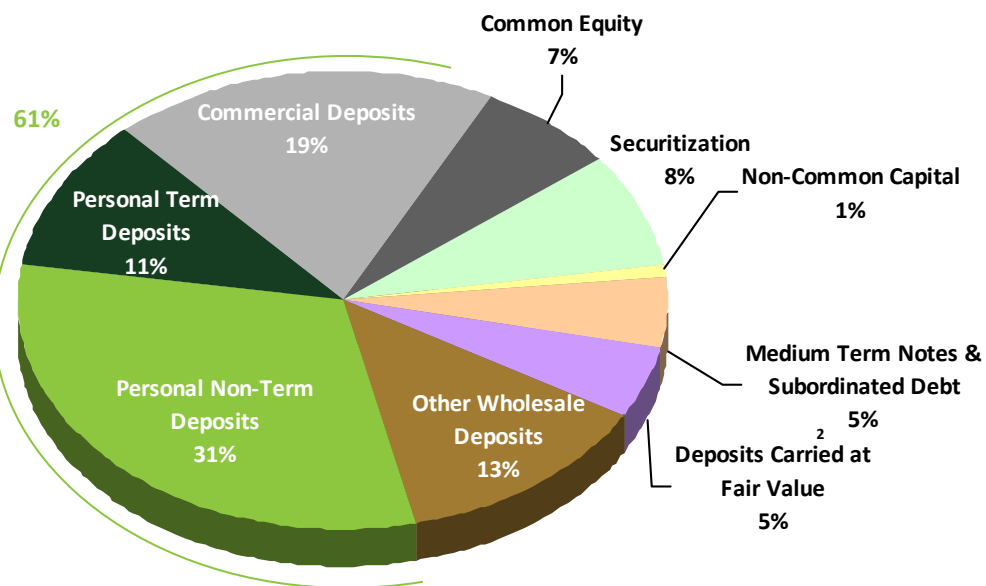
- Global liquidity risk management framework
  - No reliance on unsecured wholesale funding for liquidity
  - Hold sufficient liquid assets to meet a “Severe Combined Stress” scenario for a minimum 90-day period
  - Each liquidity management unit has its own policy and contingent funding plan
  - Monitor global funding market conditions and potential impacts to funding access
- Match terms of assets and liabilities
  - Do not engage in liquidity carry trade
- Disciplined transfer pricing process
  - Credit deposit products for liquidity provided and charge lending products for liquidity consumed
- ALCO and Risk Committee of the Board reviews and approves all asset/liability management market risk policies
  - Receive reports on compliance with risk limits

**Conservative liquidity policies**

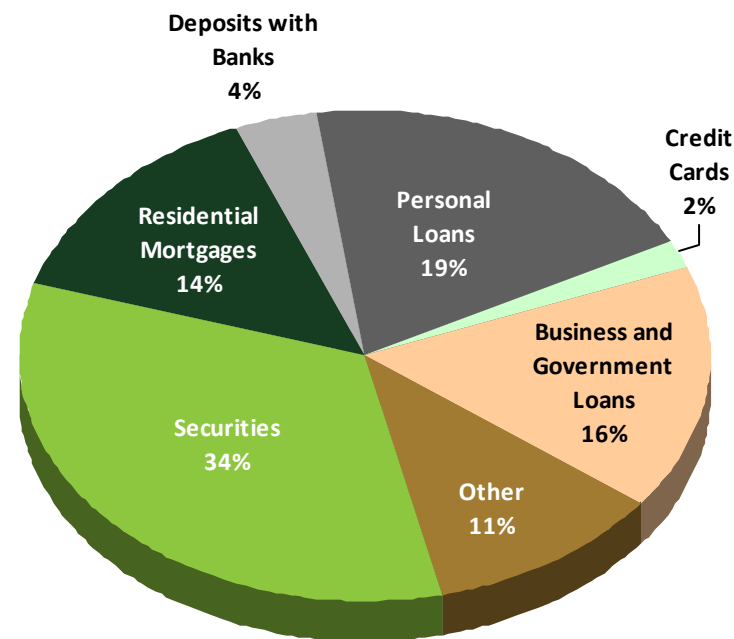
# Attractive Balance Sheet Composition



## Funding Mix<sup>1</sup>



## Earning Asset Mix<sup>3</sup>



**Personal & commercial deposits are primary source of funds**

1. As of Oct 31, 2011. Excludes liabilities which do not create funding which are: acceptances, trading derivatives, and other liabilities.  
 2. Canadian GAAP describes these as 'deposits designated as trading'.  
 3. Average for the quarter ended Oct 31, 2011

- Large base of stable retail and commercial deposits
  - Customer service business model delivers growing base of sticky deposits
  - Reserve assets held for deposit balance that is not considered permanent
- Large user of securitization programs, primarily via Canada Mortgage Bond (CMB) and regular MBS issues
  - MBS funding matches underlying asset maturity while offering attractive risk adjusted yield to investor
- Complemented by wholesale debt capital market issuances
  - Unsecured wholesale funding used to fund trading assets subject to concentration and funding maturity limits
  - Long term wholesale funding is diversified by geography, currency and maturity
  - Inaugural US\$2.5 billion multi-tranche Senior Unsecured transaction in July 2011
  - Record setting US\$5 billion two-tranche covered bond transaction in September 2011

**Look to diversify funding sources**

- Strong capital base – well positioned for Basel III
- Industry leading credit ratings
- Proactive & disciplined risk management
- Attractive balance sheet composition
- Diverse funding strategy to support growth plans

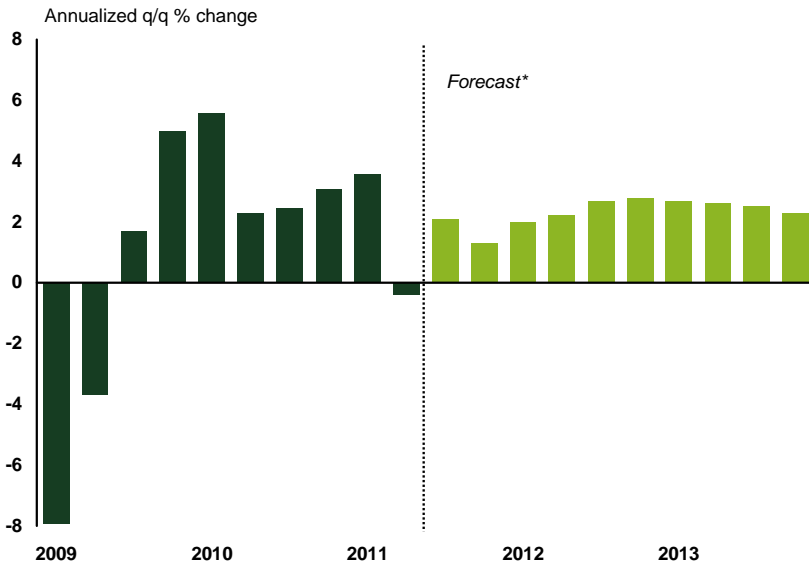
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# Canadian Economy

## Near-Term Outlook Somewhat Weaker

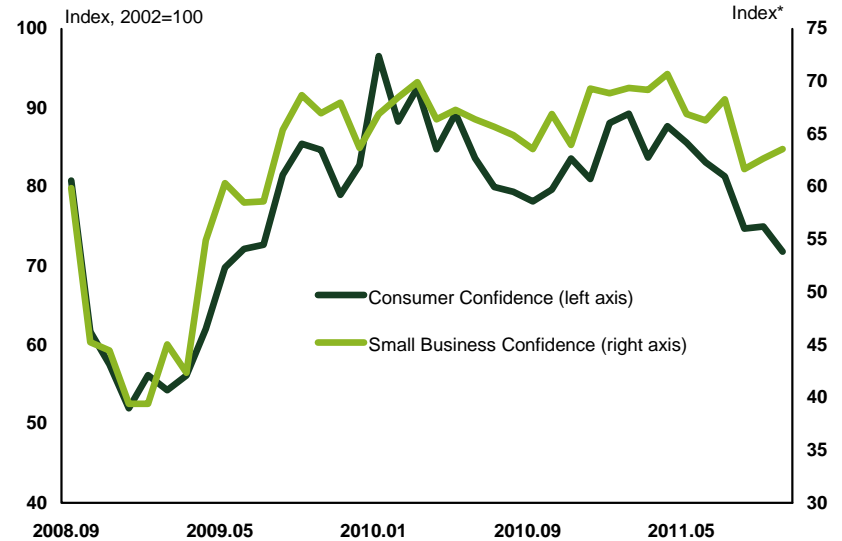


### Canadian Real GDP



\*Forecast by TD Economics as at November 2011  
Source: Statistics Canada, TD Economics

### Consumer & Business Confidence

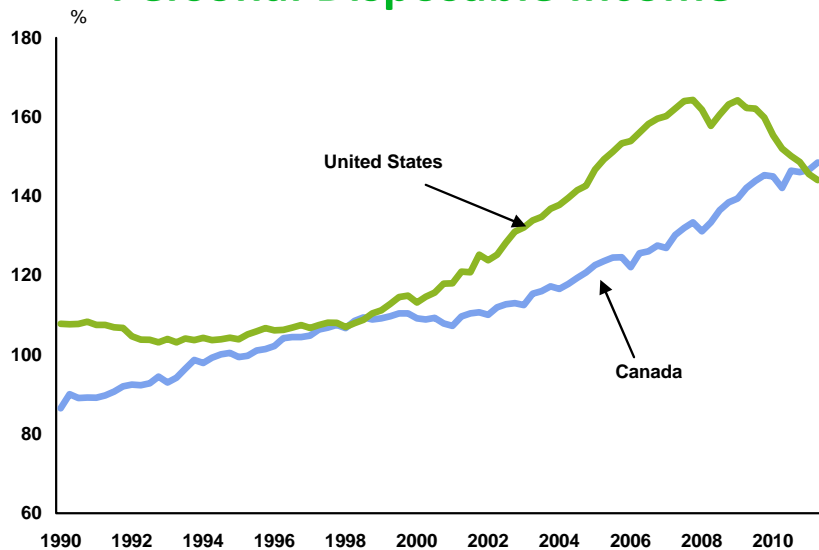


\*Index of 50 = equal balance of stronger and weaker business expectations  
Source: CFIB, Conference Board

Canadian economy to experience modest growth

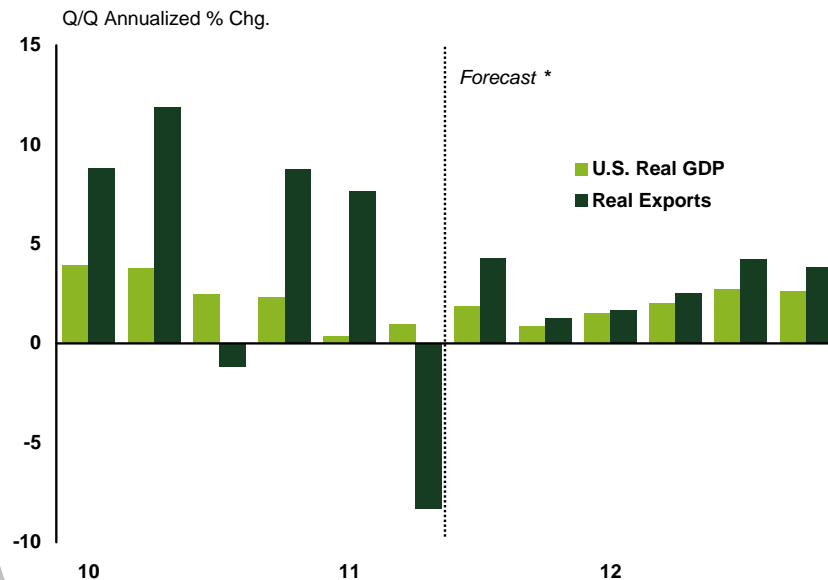
Consumer and business confidence to weigh on spending

### Household Debt to Personal Disposable Income



Source: Statistics Canada, TD Economics

### Canadian Real Exports & U.S. Real GDP



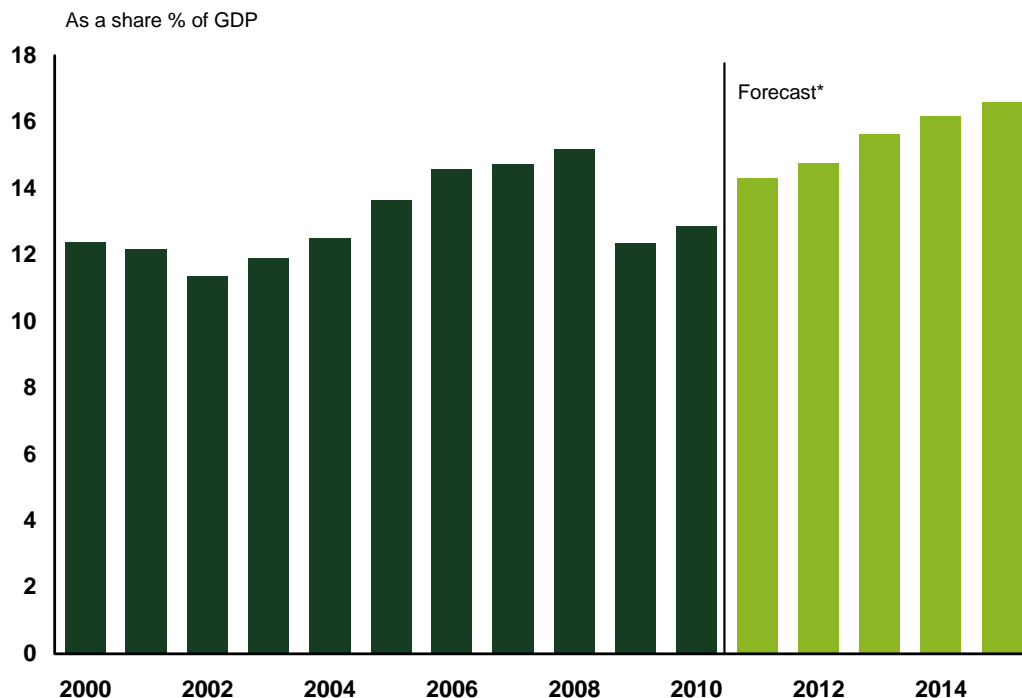
Source: Statistics Canada, BEA; \*Forecast by TD Economics as at November 2011

Low interest rates to support consumer spending and housing in 2012, but high household debt a constraint

Tepid U.S. growth and a lofty loonie are headwinds



### Canadian Business Investment Spending



Source: Statistics Canada, Haver Analytics, TD Economics  
\*Forecast by TD Economics as at November 2011

**Shift back to business investment and exports as key drivers of growth**

# Gross Lending Portfolio

## Includes B/As



### Balances (C\$B unless otherwise noted)

	Q3/11	Q4/11
<b>Canadian Personal &amp; Commercial Portfolio</b>	<b>\$ 199.6</b>	<b>\$ 202.4</b>
<b>Personal<sup>1</sup></b>	<b>\$ 164.0</b>	<b>\$ 165.8</b>
Residential Mortgages	70.6	72.8
Home Equity Lines of Credit (HELOC)	59.4	59.4
Indirect Auto	13.4	13.6
Unsecured Lines of Credit	8.9	8.9
Credit Cards	8.4	8.1
Other Personal	3.3	3.0
<b>Commercial Banking (including Small Business Banking)</b>	<b>\$ 35.6</b>	<b>\$ 36.6</b>
<b>U.S. Personal &amp; Commercial Portfolio (all amounts in US\$)</b>	<b>US\$ 76.4</b>	<b>US\$ 78.2</b>
<b>Personal</b>	<b>US\$ 31.4</b>	<b>US\$ 33.3</b>
Residential Mortgages	11.5	12.5
Home Equity Lines of Credit (HELOC) <sup>2</sup>	9.5	9.7
Indirect Auto	9.2	9.8
Credit Cards	0.9	0.9
Other Personal	0.3	0.4
<b>Commercial Banking</b>	<b>US\$ 38.8</b>	<b>US\$ 39.3</b>
Non-residential Real Estate	9.4	9.4
Residential Real Estate	3.2	3.1
Commercial & Industrial (C&I)	26.3	26.8
<b>Acquired Credit-Impaired Loans<sup>3</sup></b>	<b>US\$ 6.2</b>	<b>US\$ 5.6</b>
<b>FX on U.S. Personal &amp; Commercial Portfolio</b>	<b>(\$ 3.5)</b>	<b>(\$ 0.3)</b>
<b>U.S. Personal &amp; Commercial Portfolio (C\$)</b>	<b>\$ 72.9</b>	<b>\$ 77.9</b>
<b>Wholesale Portfolio</b>	<b>\$ 20.2</b>	<b>\$ 21.2</b>
<b>Other<sup>4</sup></b>	<b>\$ 5.3</b>	<b>\$ 5.6</b>
<b>Total</b>	<b>\$ 298.0</b>	<b>\$ 307.1</b>

1. Excluding Securitized Residential Mortgage/Home Equity Off-Balance Sheet: Q3/11 \$67B; Q4/11 \$67B

2. U.S. HELOC includes Home Equity Lines of Credit and Home Equity Loans

3. Acquired Credit-Impaired Loans include the acquired credit-impaired loans from South Financial and Chrysler Financial and acquired loans from the FDIC-assisted acquisition

4. Other includes Wealth Management and Corporate Segment

5. Certain prior period balances have been restated during the quarter to reflect refinement in acquired loan accounting

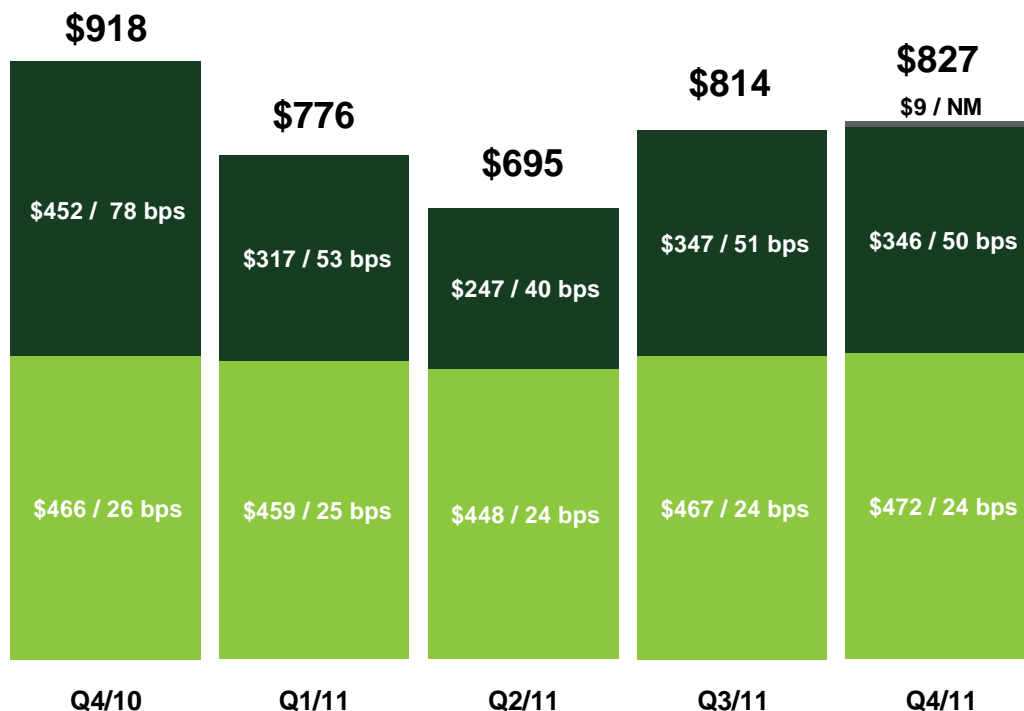
6. Note: Some amounts may not total due to rounding

Excludes Debt securities classified as loans

# Gross Impaired Loan Formations By Portfolio



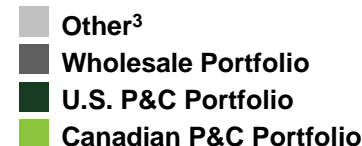
## GIL Formations<sup>1</sup>: \$MM and Ratios<sup>2</sup>



## Highlights

- Positive trend continued as GIL formations decreased \$91MM (10%) or 7 bps since Q4/10
- Canadian P&C formation ratio is consistent with the strong credit quality of the portfolio
- Continued improvement in the US P&C formation ratio, down 28 bps since Q4/10 and 3 bps from Q3/11
  - Improving trend is expected to continue

	Q4/10	Q1/11	Q2/11	Q3/11	Q4/11	
	35	29	25	28	28	bps
Cdn Peers <sup>4</sup>	27	22	20	19	NA	bps
U.S. Peers <sup>5</sup>	78	65	60	57	NA	bps



1. Gross Impaired Loan formations represent additions to Impaired Loans & Acceptances during the quarter; excludes impact of Acquired Credit-Impaired Loans

2. GIL Formations Ratio – Gross Impaired Loan Formations/Average Gross Loans & Acceptances

3. Other includes Wealth Management and Corporate Segment

4. Average of Canadian Peers – BMO, BNS, CIBC, RBC; peer data includes debt securities classified as loans

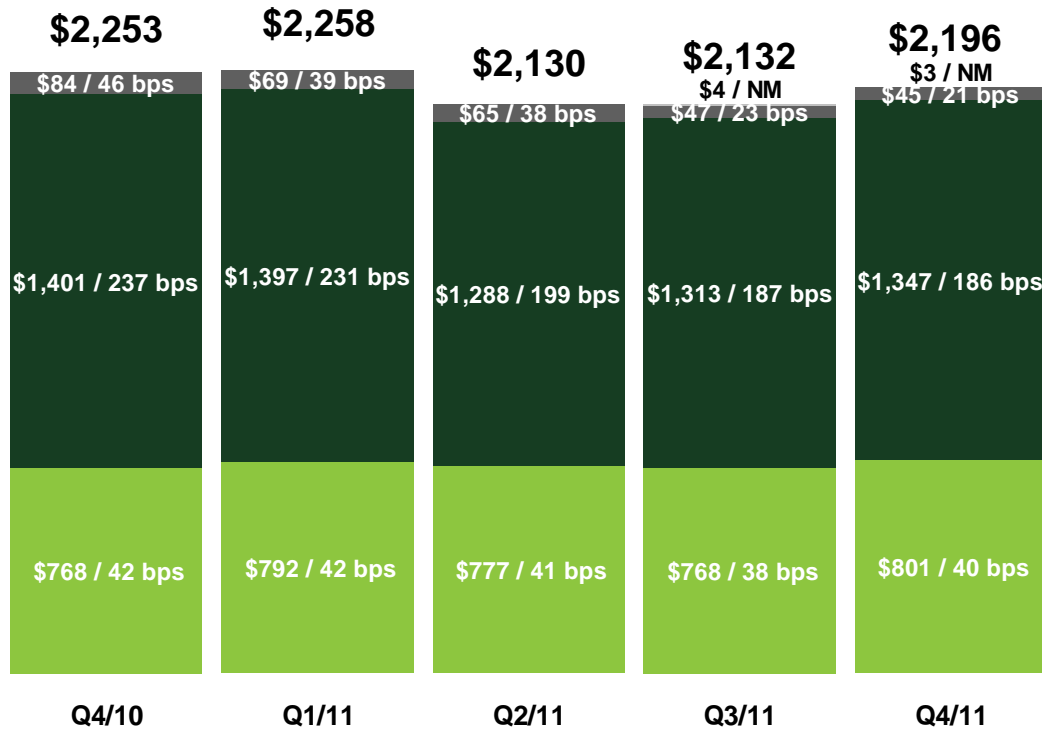
5. Average of US Peers – BAC, C, JPM, PNC, USB, WFC (Non-Accrual Asset addition/Average Gross Loans)

NA: Not available

# Gross Impaired Loans (GIL) By Portfolio

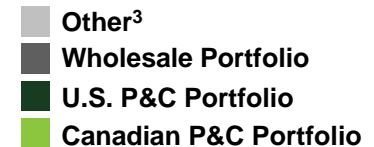


## GIL<sup>1</sup>: \$MM and Ratios<sup>2</sup>



## Highlights

- Positive trend in GIL ratio continued through the year as portfolio growth outpaced increases in gross impaired loans
  - GIL ratio decreased 12 bps since Q4/10
- The increase in US P&C GIL is a function of changes in the FX rate from Q3/11
  - GIL decreased US\$24MM over Q3/11
- Canadian P&C GIL ratio remained consistent with the overall strong portfolio quality



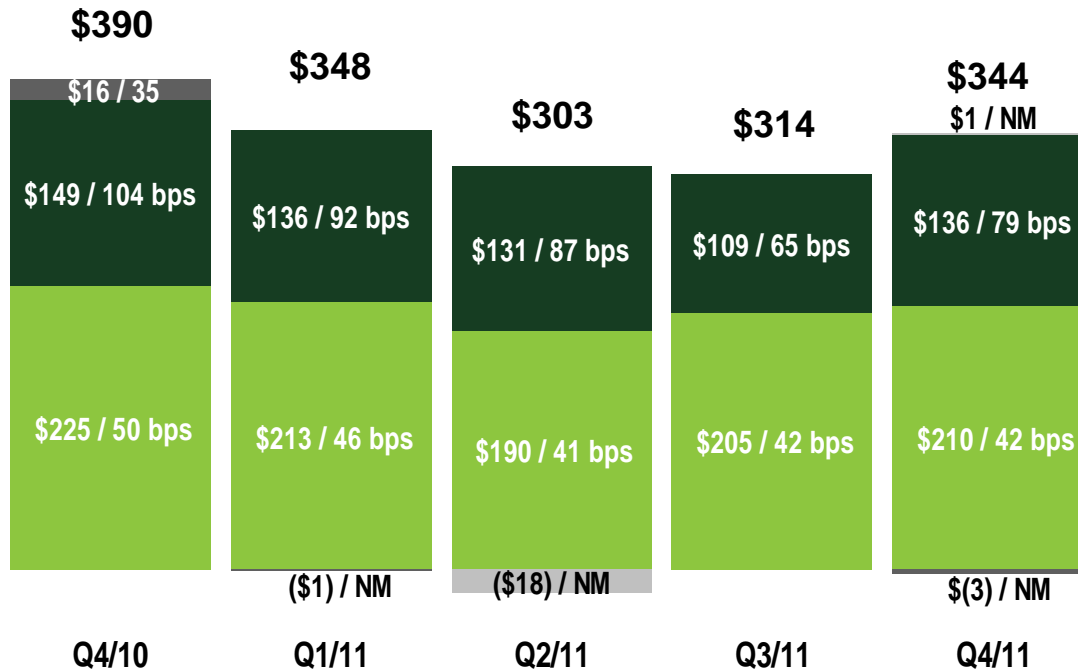
	Q4/10	Q1/11	Q2/11	Q3/11	Q4/11	
	85	82	76	73	73	<i>bps</i>
Cdn Peers <sup>4</sup>	149	143	131	105	NA	<i>bps</i>
U.S. Peers <sup>5</sup>	292	278	251	240	NA	<i>bps</i>

1. Gross Impaired Loans (GIL) excludes impact of Acquired Credit-Impaired Loans  
 2. GIL Ratio – Gross Impaired Loans/Gross Loans & Acceptances (both are spot) by portfolio  
 3. Other includes Wealth Management and Corporate Segment  
 4. Average of Canadian Peers – BMO, BNS, CIBC, RBC; peer data includes debt securities classified as loans  
 5. Average of U.S. Peers – BAC, C, JPM, PNC, USB, WFC (Non-performing loans/Total gross loans)  
 NM: Not meaningful; NA: Not available

# Provision for Credit Losses (PCL) By Portfolio



## PCL<sup>1</sup>: \$MM and Ratios<sup>2</sup>



## Highlights

- Canadian P&C PCL rates remained stable, consistent with the high quality of the portfolio
- Although not as strong as Q3/11, the positive trend in US P&C PCL rates continued as rates have decreased 25 bps since Q4/10
- Continued improvement in credit quality has offset portfolio growth, resulting in stable General Allowances

	Q4/10	Q1/11	Q2/11	Q3/11	Q4/11	
<sup>5</sup>	61	53	47	44	47	<i>bps</i>
Cdn Peers <sup>6</sup>	48	45	42	43	NA	<i>bps</i>
U.S. Peers <sup>7</sup>	195	134	122	124	NA	<i>bps</i>

- Other<sup>3</sup>
- Wholesale Portfolio<sup>4</sup>
- U.S. P&C Portfolio
- Canadian P&C Portfolio

1. PCL excludes impact of Acquired Credit-Impaired Loans  
 2. PCL Ratio – Provision for Credit Losses on a quarterly annualized basis/Average Net Loans & Acceptances  
 3. Other includes Wealth Management and Corporate Segment  
 4. Wholesale PCL excludes premiums on credit default swaps (CDS): Q4/11 \$7MM  
 5. Total PCL excludes any general provision for Canadian P&C and Wholesale Banking  
 6. Average of Canadian Peers – BMO, BNS, CIBC, RBC; peer PCLs exclude increases in GAs; peer data includes debt securities classified as loans  
 7. Average of U.S. Peers – BAC, C, JPM, PNC, USB, WFC  
 NM: Not meaningful; NA: Not available

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# Fixed Income Presentation

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December 2011