



## **CHECK AGAINST DELIVERY**

**Remarks to be delivered by Ed Clark, Group President and CEO,  
TD Bank Group  
Annual General Meeting, April 4, 2013, Ottawa, Ontario**

Good morning.

As Brian noted, we made a pretty exciting announcement yesterday. I will talk briefly about the leadership transition in my conclusion. But my main purpose today is to talk about our performance in 2012, and how we will continue to serve your interest in the future.

Let me begin by saying that it's great to be back in Ottawa. Je suis ravi d'être de nouveau à Ottawa.

TD is proud to be one of Ottawa's oldest and largest private employers – with 2,700 employees serving more than 300,000 customers and 21,000 businesses.

Since 2005, when we last held our Annual General Meeting in Ottawa, TD has added to our local footprint. Today we operate in 44 locations in Ottawa-Gatineau. We continue to invest and grow. In 2011, we acquired Ottawa-based MBNA Canada. Major investments are underway to provide it with the most advanced credit card platform in North America.

This positions us well for future growth. Indeed, as we expand our North American presence, we create new opportunities in our home market. More than 2,000 jobs have been created in Canada as a direct result of our US expansion.

Giving back is an important part of our culture, and our team in Ottawa is passionate about doing so. Last year, TD made more than \$1.8 million in donations to local groups.

Hier, nous avons annoncé un don de trois cent cinquante mille dollars au Ottawa Inuit Children's Centre pour offrir l'accès à des programmes d'éducation dans un cadre qui protège et fait connaître la culture et l'héritage inuits. And later this month TD is proud to



sponsor the National Arts Centre's Northern Scene series showcasing more than 250 performing and visual artists from Nunavut, Yukon and Northwest Territories.

2012 capped off a remarkable decade of growth and transformation.

For the fourth consecutive year, we had record-setting earnings.

Total earnings marked a new high of \$7.1 billion -- up 10 per cent from 2011.

Our conservative risk appetite continues to set us apart, delivering above-average return on risk-weighted assets compared to our Canadian or American peers.

We are one of the strongest and most stable banks in the world –the safest in North America according to *Global Finance* magazine – with a top global brand –indeed the number one brand among all companies in Canada.

Our leadership has been validated by JD Power – which has awarded TD its top customer service award in Canada for seven straight years. Indeed, no other Canadian bank has ever won this award from JD Power.

In the US, *Money* magazine named TD as simply one of the “Best Banks in America.”

We continued to find new opportunities for growth in 2012.

We acquired Target's existing US Visa and private label credit card portfolio, which now puts us among the 10 largest credit card issuers in North America.

We also acquired Epoch Investment Partners – a successful New York-based asset management firm with an excellent record of investment performance. This acquisition will significantly advance our organic growth strategy for TD's North American Wealth business.



Turning to our business results, TD Canada Trust posted \$3.4 billion in earnings in 2012 – up 12 percent from the previous year. These results were driven by excellent volume growth in loans and deposits.

TD Bank – America’s Most Convenient Bank had a strong year with more than \$1.4 billion in earnings – up 10 percent from the previous year. We also surpassed a major milestone by opening our 1,300th U.S. location, which makes TD – America’s Most Convenient Bank the 11th largest U.S. bank by store network. We are also the 8th largest U.S. bank by deposits.

Wealth posted record earnings – surpassing the \$800 million mark for the first time. They also continued to increase trading volumes and take market share, despite a volatile market. This business includes TD Ameritrade, which gathered assets at double-digit rates for the fourth consecutive year in 2012. They out-paced the competition in attracting new customer assets to remain an industry leader in trades per day.

TD Insurance also had record earnings of more than \$550 million and once again exceeded \$3 billion in premiums for the third consecutive year. TD Insurance is the number one direct writer of home and auto insurance in Canada.

Finally, TD Securities showed strong core revenue growth and produced solid earnings of \$880 million, achieving a strong Return on Equity of more than 21 percent despite facing challenging headwinds and a tentative market.

Let’s now take a closer look at our remarkable decade of growth and transformation.

2002 was the year we officially completed the TD-Canada Trust merger.

It remains the largest and most successful merger in Canadian banking history.



But, we didn't undergo the integration to simply build a bigger bank. We did it in order to build a better one.

I'm proud to say, we did. And we continue to do so. And as a result, since 2002, after our merger:

Our customer base has nearly doubled.

Our retail network has doubled.

Our workforce is over 85,000 strong – doubled in size.

Both our assets and deposits have more than doubled.

Our total earnings have more than quadrupled over the past decade.

Over the same time period, we've delivered compound annual earnings growth of 17 percent and compound annual earnings growth per share of 13 percent.

And our market cap has almost quadrupled, taking us from a top 30 North American bank to the 6th today. And if we include European and North American banks, we're the 7th largest. What does this all mean to our shareholders?

Our share price has almost tripled.

We have delivered a higher Total Shareholder Return relative to our Canadian and US peer average for the past 3, 5 and 10 year time periods.

In 2012, we raised our dividend twice, and then increased it again this past quarter, reflecting our stated aim to continue increasing our dividend twice a year as we progress towards the mid-point of our new higher payout range. TD has grown its dividends nearly twice as fast as the Canadian peer average since the start of the financial crisis.



To put this into perspective: if you made a \$1000 investment and reinvested dividends since 2002, it is now worth more than \$4000 in TD stock. Additionally that \$1000 investment, which 10 years ago paid investors \$38 in annual dividends will now pay \$110 to investors.

Our success comes down to executing on a simple strategy, comprised of five core elements.

First, is our commitment to our **franchise business model**, which is difficult to duplicate and delivers repeatable earnings.

We build our bank around what our customers and clients want. Helping them start and grow their businesses. Helping them save for retirement and borrow sensibly to achieve their goals. Protecting our customers' money and enabling money to move around the world quickly and safely.

We have focused our Securities dealer, TD Securities, not on being a casino and placing bets, but on serving our clients' interests and creating value in the real economy. As a result TD Securities has earned a leadership position in equity block trading, M&A, syndicated loans, corporate debt, and equity underwriting.

Our **conservative risk management philosophy** is next. We only take on risks that fit our business strategy and can be understood and managed.

We won't "bet the bank" on any single acquisition, business or product.

And we do not take risks that may harm our brand. I have a simple test: would I sell that product to anyone in my family? If not, we shouldn't sell it to anyone else.

Third, we continue to turn customers into loyal fans with a relentless focus on **service and convenience**.

Our doors are open longer than any of our US or Canadian competitors -- in Canada, it's almost 50 percent longer.



Additionally we continue to find better locations to serve the market – about 60 new branches will be rolled out this year across North America. Of all new branches opened up by major Canadian banks over the past 8 years, more than 30 per cent of them have been TD.

We recognize that our customers and clients want a bank to be there when they need them – in tough times.

Pendant la récession, la TD a lancé un programme pour aider les Canadiens à reprendre leurs finances en main, grâce à des options de versements souples et de report de versement pour leur hypothèque, et à la consolidation de prêts. Plus de cent quarante mille clients ont bénéficié du programme jusqu'à maintenant.

Our better business model enables us to grow and take market share; year in, year out. Indeed, since 2007, TD Canada Trust has grown its personal and mortgage loan volume by 64 percent – ahead of the 50 percent growth rate delivered by our Canadian peers. Over the same period, we have increased our market share in commercial banking by 25 percent – an unprecedented shift in market share.

In the U.S. TD was the only top 10 bank to grow its lending, quarter after quarter throughout the crisis and downturn.

This enables us to continually **reinvest our earnings** to improve our services, enhance our brand for our customers and employees and focus on growth.

Finally, we strive to be the **best run bank**. And that means doing the right thing, at the right time, for the customer.

We celebrate operational excellence, and are committed to continuous improvement, which will lower our cost base and allow us to aggressively re-invest. This includes a relentless focus on managing our expenses, all with an aim to improve productivity that enhances the customer and employee experience.

Now, all of this is only possible with the best people in the business.



To be an employer of choice we are determined to create a comfortable and inclusive environment where people can be themselves – and be their best selves.

To this end, our performance culture allows employees to reach their full potential. This includes breaking down any barriers that impede our employees' ability to grow and develop – it's all about unlocking human potential and creating our next generation of leaders. Indeed, that's the spirit driving our diversity initiative.

I am very proud to tell you that TD consistently ranks as one of the best places to work in Canada and the US. TD was selected as one of Canada's Best Diversity Employers and recently, we were also named one of Canada's Best Employers for New Canadians. For four consecutive years, the Human Rights Campaign Foundation has also recognized TD as one of the best places to work for Lesbian Gay Bisexual Transgender equality.

Looking forward, we have had a great start to 2013. Indeed, results surpassed our expectations.

Total earnings in the quarter were \$1.9 billion, up 9 per cent year over year. This is in part thanks to good loan and deposit growth in our Personal and Commercial Banking businesses in both Canada and the US, as well as impressive revenue growth in our Wealth and Insurance businesses. Our Wholesale Bank had a softer quarter, but the business's underlying performance was quite solid.

Now, your city motto's "Advance-Ottawa-Ottawa-En Avant," made me think this was a great opportunity to tell you how the TD story will advance in the coming years.

But first a little context.

The world is a different place and so is the banking industry since we held our last Annual General Meeting here in 2005.



Thanks to prudent policies and a strong response to the financial crisis from the government, the Bank of Canada and regulators, Canada managed through the worst economic crisis since the Great Depression relatively unscathed.

However, as we look forward, Canada – and by extension TD -- is not immune to global economic events.

Europe has stabilized but a full recovery remains years off. Capital markets remain nervous.

The US avoided the fiscal cliff, and the economy's fundamentals are strong.

However the US must deal with its deficit issue and this will prove to be a major headwind on economic growth. The challenge here is more political than economic. I am confident that the political gridlock will eventually be broken and hopefully our leaders will make the hard choices necessary for sustainable growth.

In Canada, many of our advantages that got us through the recession have been reduced.

Our dollar is close to par with the US greenback. Global demand for our commodities has softened. The federal government and most provinces having run significant deficits, are beginning to constrain spending and look for new sources of revenue. Personal debt is at a record high. The housing market is cooling.

Moreover we still face many of the longer term structural issues which bedevil many western nations, including Canada.

Productivity is one of the more pressing challenges.

Simply put the wealth of every nation is ultimately determined by productivity growth. And among western economies we, in Canada, are falling behind.





Compounding this, demographic changes will also impact per capita income growth. We can expect slower per capita income growth – and in turn – slower government revenue growth. This comes at a time when our aging population places greater demand on public services.

And like many western countries, we are facing the problems of growing inequality and the decline of the middle class.

These factors will likely contribute to lackluster economic growth in Canada – about 1.5 percent in 2013 – likely less than the growth in the US over the medium term.

All of this is to say Canadians cannot be complacent. TD won't be either. Indeed, TD hasn't been – as our growth story shows – and won't be.

We remain in a slow growth, low interest rate environment. That's a hard environment for a deposit-based business like TD.

So it's going to be tougher to meet our target of 7-10 percent adjusted EPS growth. You can already see that in our stock price, which has had little growth in the last year, because the market worries we cannot match previous performances. But I remain confident about our future success because we are focussed on growth, and on building a great franchise.

The strength of our unique service and convenience model continues to differentiate us in the marketplace.

We are well positioned to rotate earnings growth, as a result of our diversified set of businesses. Business Banking is a clear example. So too are credit cards and Wealth Management. And clearly our unique position in the U.S. gives us an advantage as the U.S. recovers.

TD also recognizes that our consumers' preferences are evolving. We are determined to make financial services as comfortable with internet banking and mobile devices as it is with our branches or our



call centres.

We have a tradition of anticipating the next frontier in customer service and convenience. TD has been a pioneer in Canada with the introduction of full-service ATMs. The first to offer 24/7, live operator full-service telephone banking. The first web-based trading platform. And the first internet brokerage service in Canada at TD Waterhouse, which today, is the only discount brokerage to offer 24/7 service in four languages.

Today, in the US, the leader in mobile trades per day is TD Ameritrade. And in Canada, we have the most popular mobile banking application.

We continue to respond to our customers, who are choosing to do more of their banking through mobile devices. For instance, in the U.S. we've seen the number of mobile bill payments more than double in 2012 alone, and one third of transfers were completed on a mobile device. A clear indication that being able to serve our customers anywhere, anytime, on any device is what will continue to set us apart.

We will also continue to evolve and leverage our North American size and scope.

So for those of you who travel to the US and or have a place south of the border, here's my sales pitch: no other institution is better positioned than us to deliver easy, simple and convenient ways to manage your cross border banking.

We are the only Canadian bank that offers its customers the ability to see their US and Canadian accounts in one single view online. This is just one of the many offerings that illustrate why we are uniquely positioned as "two countries – one TD."

Let's put this growth opportunity into perspective.

We know that 60 percent of adult Canadians have US banking needs, and that we operate in 70 percent of the US markets Canadians visit.



Since the start of this year, more than 50,000 Canadians have opened US-based checking accounts, or received US Dollar credit cards from TD.

Our new Hallandale, Florida location is a great example of our early success in this space. In just two months, one-third of the accounts have been opened by Canadians.

I now want to turn to one of my favourite parts of the AGM – where I get to introduce to you some of the exceptional people who execute our strategy at the highest level.

As Brian noted earlier, amongst you today are 90 Vision in Action recipients. Ces lauréats incarnent les normes très élevées de la TD et notre ferme engagement envers nos clients et vous, les actionnaires.

They represent the best of the best and this year they had the honour of being the first to participate in Community Giving Events. Each winner was able to choose to volunteer their time with one of three important Ottawa charities.

These included the Children's Hospital of Eastern Ontario, the Ottawa Inuit Children's Centre and Carp Ridge Forest School. A truly great experience for everyone involved – and a testament to our belief that we don't just work in communities, we work for them.

I'll ask them now to please rise, so we can congratulate them on their achievements.

I would also like to take this opportunity to recognize John Thompson, who has served TD shareholders with great distinction.

Brian described some of his contributions earlier on today. Let me just add that I've benefited from his advice and counsel over many years. Along with the Bank, I owe him my gratitude. My sincerest thanks to you, John.



I also want to briefly comment on the exciting announcement we made yesterday -- and mentioned earlier by Brian – that Bharat Masrani has been chosen as my successor effective November 1, 2014.

I could not be more pleased with this outcome. Bharat will bring enormous business acumen to this job as well as a commitment to follow our business strategy and maintain our unique transparent and inclusive culture.

Je suis heureux, car Bharat apporte à la TD un très grand sens des affaires et la volonté de perpétuer notre stratégie et notre culture unique, transparente et inclusive.

I also couldn't be more pleased to have followed up this announcement with a series of internal announcements which reinforces the critical message – the management team which has delivered the spectacular results, fostered this great culture and built this outstanding franchise will stay in place.

Bharat, please join me on the stage. Ladies and gentlemen, please join me in a round of applause for Bharat.

Transitions involve change and change is necessary. Great transitions involve change with continuity – continuity of the things that matter.

Bharat has been my business partner almost since the day I arrived at TD. Both Bharat and I know that without our fabulous team and the great leaders who report to them we would not have built the Better Bank.

We are extremely excited about our journey ahead. Both Bharat and I thank you for your continued support and confidence. We look forward to serving you in the future.

Merci. Thank you.



## Caution Regarding Forward-Looking Statements

From time to time, the Bank makes written and/or oral forward-looking statements, including in this document, 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 document, the Management’s Discussion and Analysis in the Bank’s 2012 Annual Report (“2012 MD&A”) under the headings “Economic Summary and Outlook”, for each business segment “Business Outlook and Focus for 2013” and in other statements regarding the Bank’s objectives and priorities for 2013 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, political, 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, capital adequacy, and other risks, all of which are discussed in the 2012 MD&A. Examples of such risk factors include the impact of recent U.S. legislative developments, as discussed under “Significant Events in 2012” in the “Financial Results Overview” section of the 2012 MD&A; changes to and new interpretations of



capital and liquidity guidelines and reporting instructions; changes to the Bank's credit ratings; increased funding costs for credit due to market illiquidity and competition for funding; the failure of third parties to comply with their obligations to the Bank or its affiliates relating to the care and control of information and disruptions in the Bank's information technology, internet, network access or other voice or data communications systems or services; and the overall difficult litigation environment, including in the United States. 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 2012 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 document are set out in the 2012 MD&A under the headings "Economic Summary and Outlook", as updated in this document; for each business segment, "Business Outlook and Focus for 2013", as updated in this document under the headings "Business Outlook".

Any forward-looking statements contained in this document 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.