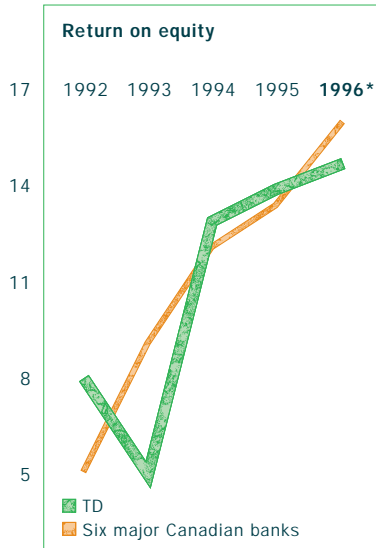


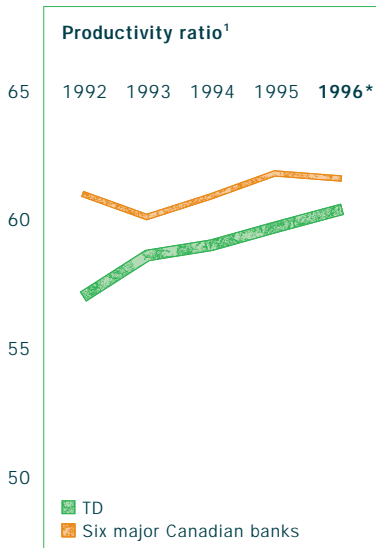
KEY PERFORMANCE MEASURES AND GOALS



RETURN ON EQUITY (ROE)

This ratio measures the earnings generated by TD on the funds received from our shareholders. It is calculated by dividing net income applicable to common shares by average common shareholders' equity.

The Bank's goal is to achieve an average return on equity equal to 10-year Government of Canada bonds plus 7% (14.4% for 1996). In 1996, the ROE improved from 14.3% to 15.4%.

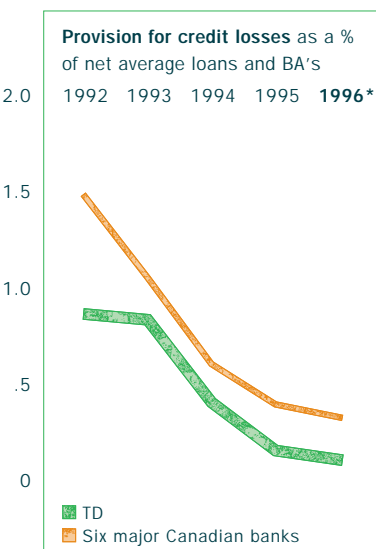


PRODUCTIVITY RATIO

This ratio is non-interest expenses as a percentage of revenue (TEB) – the lower the percentage, the better the productivity. In 1996 the ratio was 61.0%, up from 60.2% in 1995. This apparent deterioration in productivity was the result of an ongoing change in the mix of our businesses toward a larger component of securities based and other businesses which, while requiring relatively higher non-interest expenses than traditional lending and deposit businesses, are not exposed to credit losses. This change in our business mix has been accelerated with the acquisition of Waterhouse Investor Services, Inc. which will add significant brokerage commissions to our revenue and require significant additional non-interest expenses.

In prior years the Bank established a goal of improving the productivity ratio to 55% in the medium-term. Given the change in the mix of our businesses, we are reviewing this objective.

¹ excluding one-time costs or credits



PROVISION FOR CREDIT LOSSES RATIO

This ratio represents the provision for credit losses expressed as a percentage of average loans and bankers' acceptances (BA's). The quality of the loan portfolio continued to improve during the year and the ratio dropped to .18% in 1996, the lowest rate in over 10 years.

The Bank's goal is to average a .30% ratio, a challenging target, but achievable given our focus on quality asset growth.

\* 1996 figures for six major Canadian banks for the nine months ended July 31, 1996.