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FINANCIAL RESULTS

FINANCIAL RESULTS

CONSOLIDATED FINANCIAL STATEMENTS

FINANCIAL REPORTING RESPONSIBILITY

The consolidated financial statements of The Toronto-Dominion Bank and related financial information presented elsewhere in this Annual Report have been prepared by management, which is responsible for their integrity, consistency, objectivity and reliability. Generally accepted accounting principles as well as the requirements of the Bank Act and the related regulations have been applied and management has exercised its judgement and made best estimates where deemed appropriate.

The Bank's accounting system and related internal controls are designed, and supporting procedures maintained, to provide reasonable assurance that financial records are complete and accurate and that assets are safeguarded against loss from unauthorized use or disposition. These supporting procedures include the careful selection and training of qualified staff, the establishment of organizational structures providing a well-defined division of responsibilities and accountability for performance, and the communication of policies and guidelines of business conduct throughout the Bank.

The Bank's Board of Directors, acting through the Audit Committee which is comprised of directors who are not officers or employees of the Bank, oversees management's responsibilities for the financial reporting and internal control systems.

The Bank's Chief Auditor, who has full and free access to the Audit Committee, conducts an extensive program of audits in coordination with the Bank's shareholders' auditors. This program is an integral part of the system of internal control and is carried out by a professional staff of auditors.

The Superintendent of Financial Institutions Canada makes such examination and enquiry into the affairs of the Bank as he may deem necessary to satisfy himself that the provisions of the Bank Act, having reference to the safety of the depositors and shareholders of the Bank, are being duly observed and that the Bank is in a sound financial condition.

Ernst & Young and KPMG, the shareholders' auditors, have audited our consolidated financial statements. They have full and free access to, and meet periodically with, the Audit Committee to discuss their audit and matters arising therefrom such as comments they may have on the fairness of financial reporting and the adequacy of internal controls.

Richard M. Thomson
Chairman and
Chief Executive Officer

A. Charles Baillie
President

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the Consolidated balance sheet of The Toronto-Dominion Bank as at October 31, 1996 and 1995 and the Consolidated statements of income, changes in shareholders' equity and changes in financial position for the years then ended. These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Bank as at October 31, 1996 and 1995 and the results of its operations and the changes in its financial position for the years then ended in accordance with generally accepted accounting principles, including the accounting requirements of the Superintendent of Financial Institutions Canada.

The consolidated financial statements for the year ended October 31, 1994 were audited by Ernst & Young and Price Waterhouse who expressed an opinion thereon without reservation in their report dated November 24, 1994.

Ernst & Young
Chartered Accountants

KPMG
Chartered Accountants

Toronto, Canada
November 28, 1996

CONSOLIDATED BALANCE SHEET

As at October 31

(millions of dollars)	1996	1995
ASSETS		
Cash resources		
Cash and deposits with		
Bank of Canada	\$ 906	\$ 526
Deposits with other banks		
Interest bearing	3,843	3,556
Non-interest bearing	467	269
	5,216	4,351
Securities (Note 2)		
Investment	10,723	11,205
Trading	13,501	10,923
	24,224	22,128
Loans (net of allowance for credit losses) (Note 3)		
Residential mortgages	28,624	26,327
Consumer instalment and other personal	8,587	7,088
Credit card	2,145	2,059
Business and government	33,035	30,821
Securities purchased under resale agreements	13,063	6,363
	85,454	72,658
Other		
Customers' liability under acceptances	6,411	6,297
Land, buildings and equipment (Note 4)	1,350	1,314
Other assets (Note 5)	2,989	2,260
	10,750	9,871
Total assets	\$ 125,644	\$ 109,008

Richard M. Thomson
Chairman and
Chief Executive Officer

A. Charles Baillie
President

(millions of dollars)	1996	1995
LIABILITIES		
Deposits (Note 7)		
Personal	\$ 43,546	\$ 41,551
Banks	14,164	12,992
Business and government	29,853	26,588
	87,563	81,131
Other		
Acceptances	6,411	6,297
Securities sold short or under repurchase agreements	18,170	9,725
Other liabilities (Note 8)	4,486	3,398
	29,067	19,420
Subordinated notes (Note 9)	2,335	2,404
SHAREHOLDERS' EQUITY		
Capital stock (Note 13)		
Preferred	534	535
Common	1,305	882
Retained earnings	4,840	4,636
	6,679	6,053
Total liabilities and shareholders' equity	\$ 125,644	\$ 109,008

CONSOLIDATED STATEMENT OF INCOME

For the years ended October 31

(millions of dollars)	1996	1995	1994
Interest income	\$ 7,360	\$ 7,308	\$ 5,814
Interest expense	4,855	4,888	3,363
Net interest income before securities gains	2,505	2,420	2,451
Net investment securities gains	103	92	32
Net interest income (Note 15)	2,608	2,512	2,483
Provision for credit losses (Note 3)	152	180	345
Net interest income after credit loss provision	2,456	2,332	2,138
Other income			
Investment and securities services	440	267	230
Credit fees	312	289	243
Service charges	260	251	240
Foreign exchange and derivative financial instruments	213	171	199
Card services	150	133	87
Other	233	216	148
	1,608	1,327	1,147
Net interest and other income	4,064	3,659	3,285
Non-interest expenses			
Salaries and staff benefits (Note 16)	1,452	1,305	1,221
Occupancy including depreciation	283	283	276
Equipment including depreciation	237	216	179
Other	682	609	533
	2,654	2,413	2,209
Income before provision for income taxes	1,410	1,246	1,076
Provision for income taxes (Note 17)	496	452	393
Net income	914	794	683
Preferred dividends	32	38	40
Net income applicable to common shares	\$ 882	\$ 756	\$ 643
Per common share (Note 14)			
Net income – basic	\$ 2.95	\$ 2.51	\$ 2.14
– fully diluted	2.89	2.48	2.12
Dividends	1.00	.88	.79

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
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For the years ended October 31

(millions of dollars)	1996	1995	1994
Preferred shares (Note 13)			
Balance at beginning of year	\$ 535	\$ 397	\$ 408
Proceeds from share issues	-	225	234
Share redemptions	-	(85)	(248)
Translation adjustment on shares issued in a foreign currency	(1)	(2)	3
Balance at end of year	534	535	397
Common shares (Note 13)			
Balance at beginning of year	882	879	877
Issued on acquisition of a subsidiary	459	-	-
Proceeds from shares issued on exercise of options	12	3	2
Share repurchases for cancellation	(48)	-	-
Balance at end of year	1,305	882	879
Retained earnings before foreign currency translation			
Balance at beginning of year	4,593	4,107	3,719
Net income	914	794	683
Preferred dividends	(32)	(38)	(40)
Common dividends	(302)	(265)	(238)
Share repurchases for cancellation	(375)	-	-
Other	7	(5)	(17)
Balance at end of year	4,805	4,593	4,107
Foreign currency translation			
Balance at beginning of year	43	56	12
Translation adjustments	(18)	(9)	24
Income taxes applicable to translation adjustments	10	(4)	20
Balance at end of year	35	43	56
Retained earnings at end of year after foreign currency translation			
	4,840	4,636	4,163
Total common equity	6,145	5,518	5,042
Total shareholders' equity	\$ 6,679	\$ 6,053	\$ 5,439

