



# **BANK FINANCIAL GROUP Analyst Presentation**

February 26, 1998

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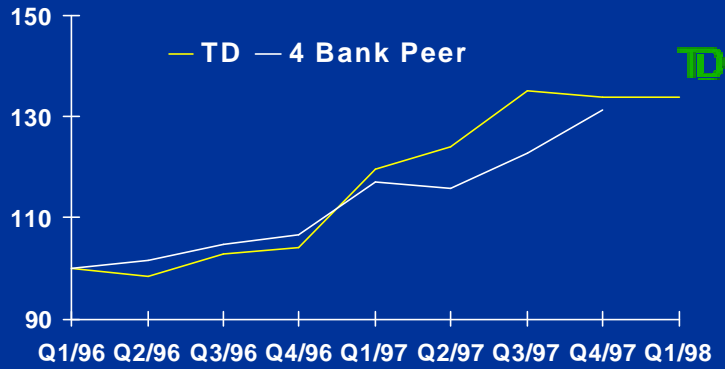
## **Quarter Highlights**

- **Strong Revenue Growth - up 20%vs Q1/97**
- **EPS up 12% over Q1/97**
- **Payroll services sold**
- **Kennedy Cabot and Rivkin Croll Smith purchases completed**
- **Credit losses forecast at \$250 million for 1997**
- **Tier 1 ratio of 7.1% and total capital ratio of 10.8%**
- **Unrealized securities gains at \$ 753 million**

Q 1 Results — Highlights

# TD EPS Growth

Scale of 100

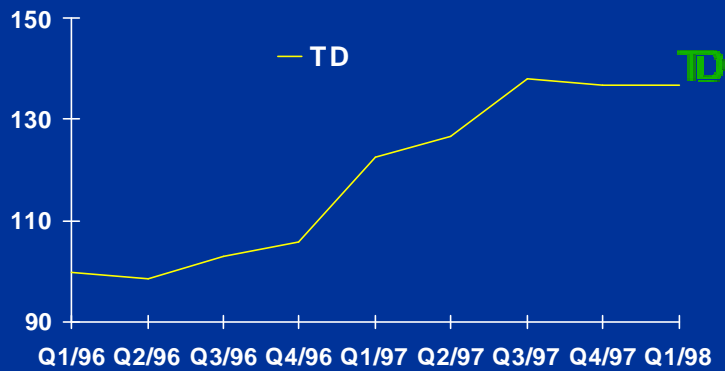


Note: Data has been adjusted to exclude extraordinary items.

Q 1 Results — Highlights

# TD EPS Growth Cash Basis \*

Scale of 100



\* Cash basis measurement is based on excluding goodwill expense. Data has been also been adjusted to exclude extraordinary items.

Q 1 Results — Highlights

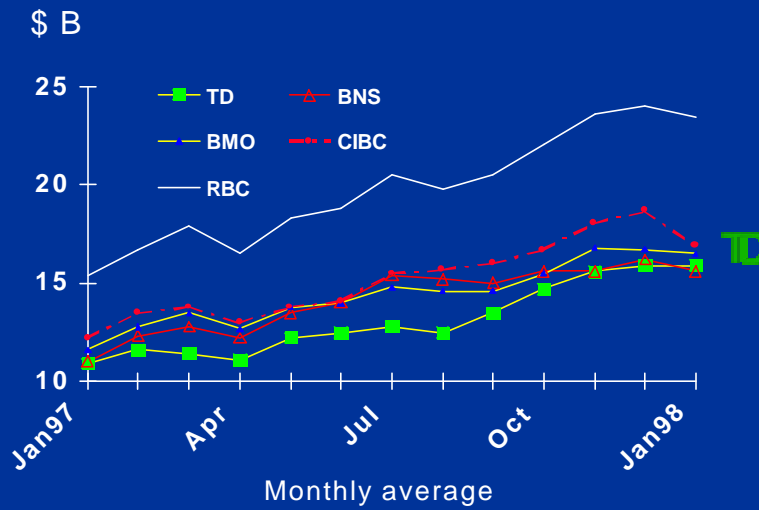
# TD ROE Cash Basis \*



\* Cash basis measurement is based on excluding goodwill expense from the income statement and deducting unamortized goodwill from shareholders' equity.

Q 1 Results — Highlights

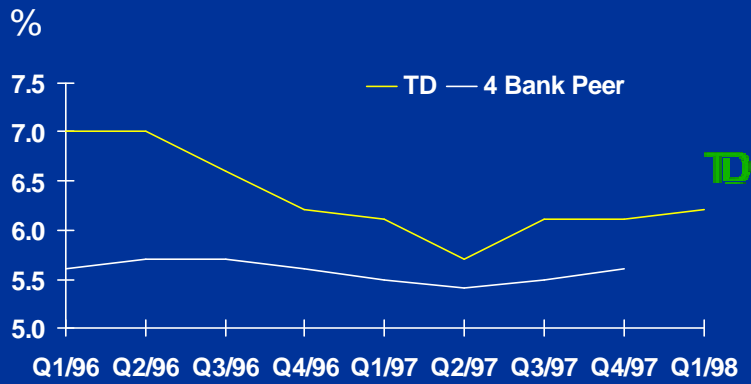
# TD Market Capitalization



Q 1 Results — Highlights



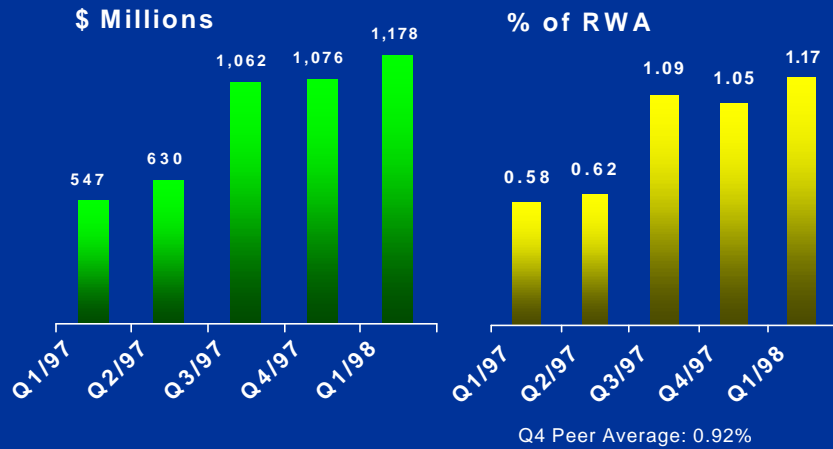
## Net Common Equity to Risk-Weighted Assets



Q 1 Results — Highlights



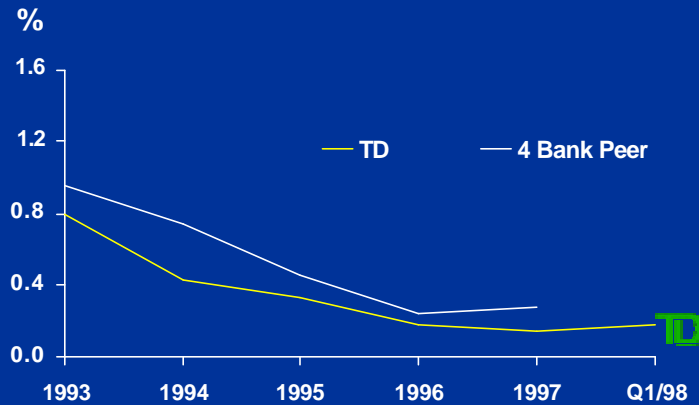
## General Reserves & Securities Surplus





## Strong Asset Quality

### PCL to Loans & BAs



Excludes Special General Provisions



## Margin Contribution

Basis Points	Q1/97	Q4/97	Q1/98
1. Earning assets – Excl. reverse repos	149	141	141
2. Deposits and equity	<u>107</u>	<u>105</u>	<u>113</u>
3. Margin from intermediation	256	246	254
4. Effect of reverse repos, gap earnings, specials, other	<u>(11)</u>	<u>(15)</u>	<u>(33)</u>
5. Total as reported	<u>245</u>	<u>231</u>	<u>221</u>

Q 1 Results — Highlights

## Expense Rationalization

	<u>Q1/Q1</u>	<u>Q1/Q4</u>
Reported Increase	21 %	(4) %
Less:		
■ Wealth Management & Investment Banking and related performance compensation	11	(5)
■ Kennedy Cabot and Green Line Australia (Pont & Rivkin, Croll, Smith)	6	4
■ Other performance driven compensation	1	(2)
Base Bank	<u>3 %</u>	<u>(1) %</u>

Q 1 Results — Highlights

## Key Goals - How Did We Do?

	<u>Goals</u>	<u>Q1/98</u>
ROE	16 -18%	16.3%
PCL/Loans & BAs	30 bps	22 bps
Efficiency - excl. goodwill	58%	59.7%
Customer service index	82.5	80.9

Q1 Results



## Key Strategies – Update

1



Invest in wealth  
management  
business

2



Reposition  
retail banking  
network

3



Build investment  
banking business  
– TD Securities

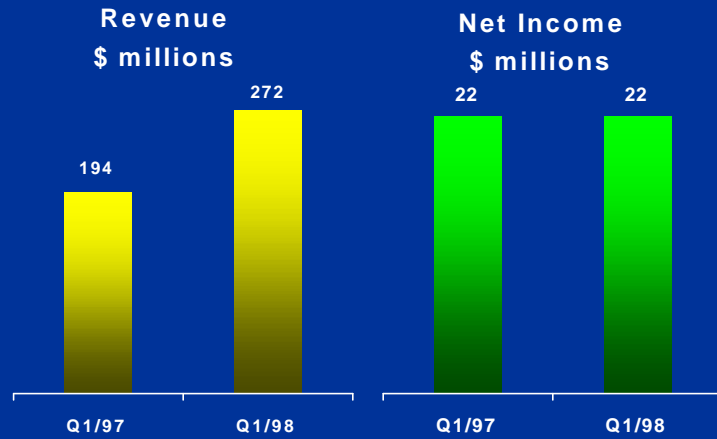
Q1 Results – Key Strategies



## Strategy #1 Invest in Wealth Management



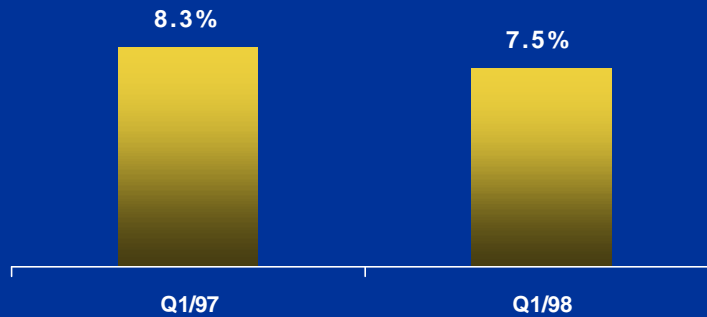
# Wealth Management



Excluding Rivkin, Croll, Smith purchase costs



# Wealth Management Net Income as % of Total



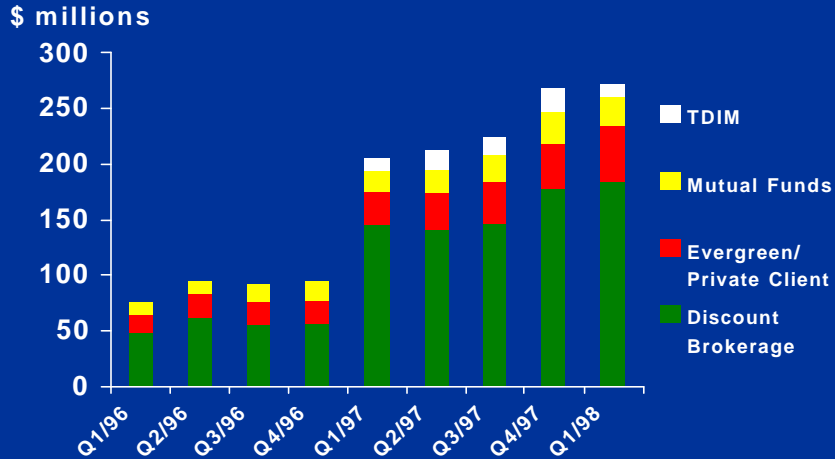
Excluding Rivkin, Croll, Smith purchase costs

Wealth Management

Q 1 Results — Key Strategies



# Wealth Management Revenue by Component

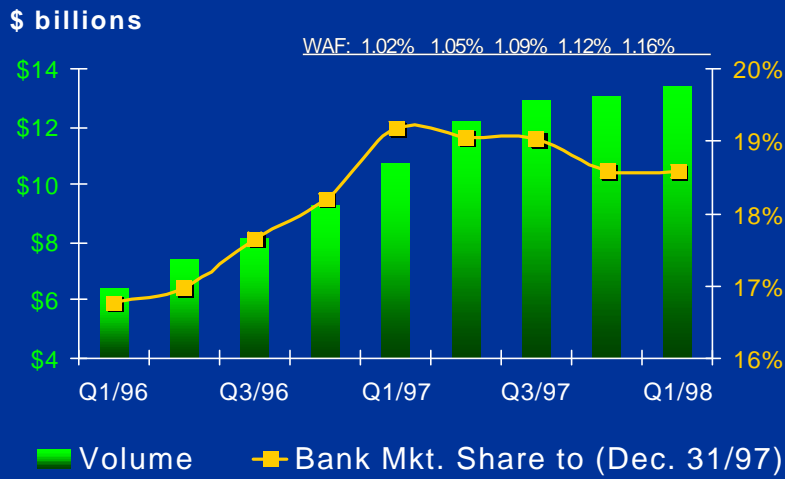


Wealth Management

Q 1 Results — Highlights



# Mutual Funds



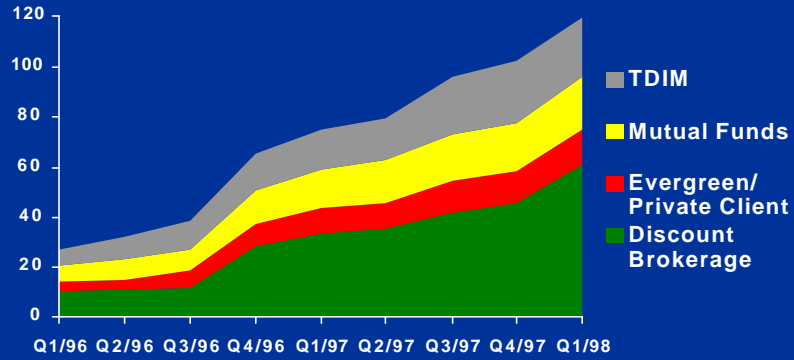
Volume Bank Mkt. Share to (Dec. 31/97)

Q1 Results — Key Strategies



# Wealth Management Assets Under Administration

\$ billion



Wealth Management

Q1 Results — Key Strategies

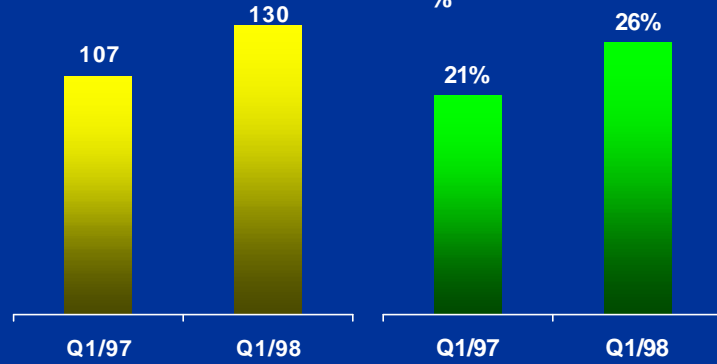


# Strategy #2 Reposition Retail Banking Network

Q 1 Results — Key Strategies

# TD Retail Bank Network

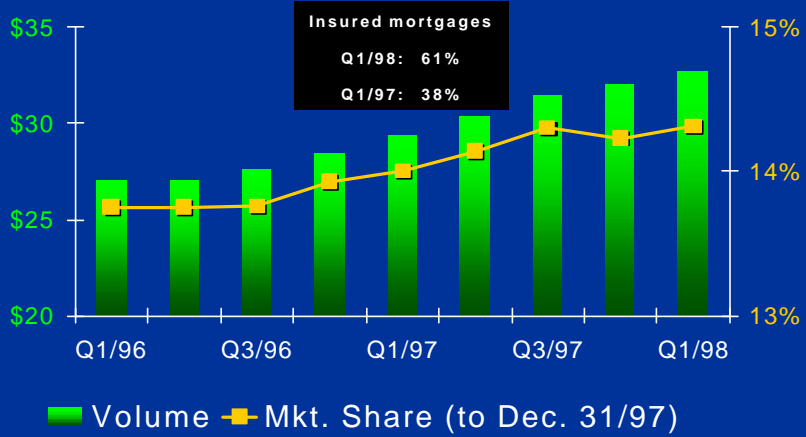
Net Income  
\$ millions



Q 1 Results — Highlights

# TD Residential Mortgages

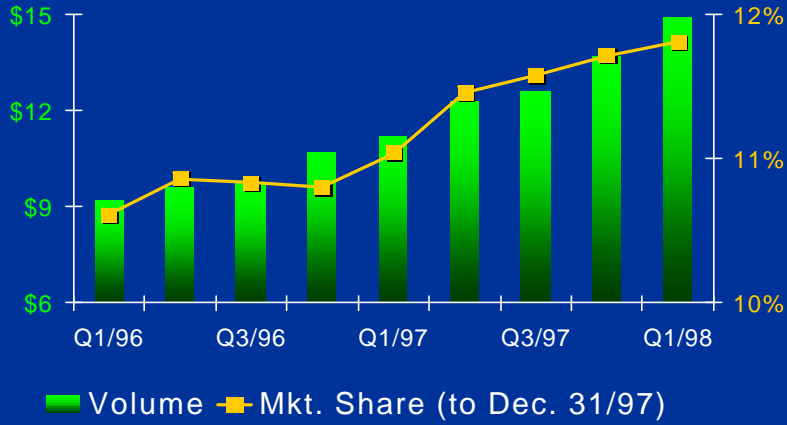
\$ billions



Q 1 Results — Highlights

## TD Personal Loans & Cards

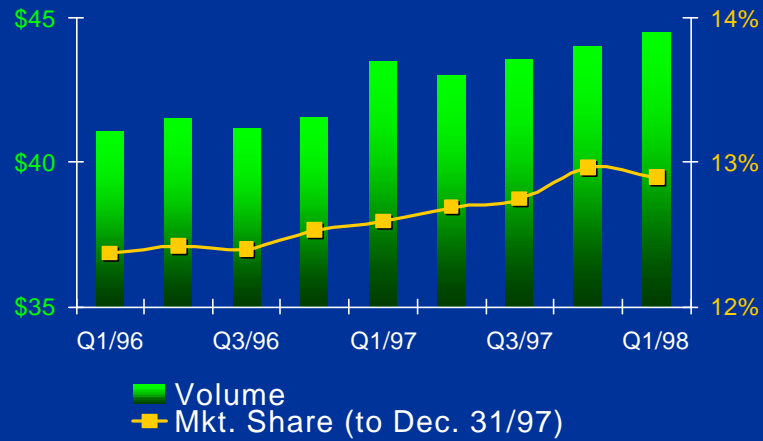
\$ billions



Q 1 Results — Highlights

## TD Personal Deposits

\$ billions



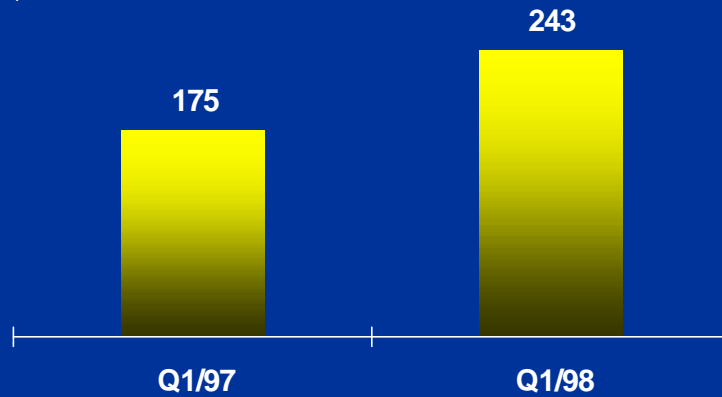


## Strategy #3 Build Investment Banking Business



## Investment Banking Revenue

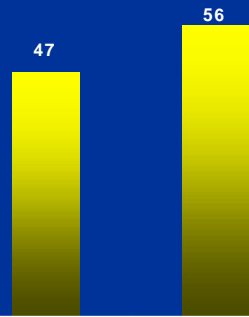
\$ millions



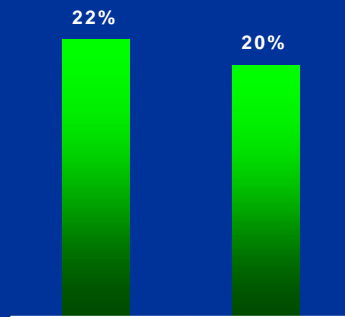


# Investment Banking

Net Income  
\$ Millions



ROE  
%



Q1/97

Q1/98

Q1/97

Q1/98