TORONTO DOMINION BANK
Form 6-K
May 26, 2005

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FORM 6-K

SECURITIES AND EXCHANGE COMMISSION

450, 5th Street
Washington, D.C. 20549

REPORT OF FOREIGN PRIVATE ISSUER

Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

For the month of May, 2005.

The Toronto-Dominion Bank
(Translation of registrant's name into English)

c/o General Counsel's Office
P.O. Box 1, Toronto Dominion Centre,
Toronto, Ontario, M5K 1A2
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F o Form 40-F ý

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes o No ý

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-_________

This Form 6-K is incorporated by reference into all outstanding Registration Statements of The Toronto-Dominion Bank and its affiliates filed with the U.S. Securities and Exchange Commission and the Private Placement Memoranda of Toronto Dominion Holdings (U.S.A.), Inc. dated February 24, 2005.

FORM 6-K

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

THE TORONTO-DOMINION BANK

DATE: May 26, 2005

By: /s/ RASHA EL SISSI

Name: Rasha El Sissi
Title: Associate Vice President, Legal

2nd Quarter 2005 Report to Shareholders *Six months ended April 30, 2005*

TD Bank Financial Group Delivers Solid Second Quarter Results

SECOND QUARTER FINANCIAL HIGHLIGHTS

On a reported basis[1], diluted earnings per share were $.86, compared with $.74 for the second quarter last year.

Diluted earnings per share before amortization of intangibles[2] were $.99, compared with $.90 for the second quarter last year.

On a reported basis, return on total common equity for the quarter was 17%, compared with 17% for the second quarter last year.

Return on invested capita1[3] before amortization of intangibles for the quarter was 16%, compared with 16% for the second quarter last year.

Reported net income was $599 million for the quarter, compared with reported net income of $490 million for the second quarter last year.

Net income before amortization of intangibles was $689 million, compared with $597 million for the second quarter last year.

The diluted earnings per share figures above include the following:

specific non-core portfolio loan loss recoveries related to prior year sectoral provisions of $25 million after-tax, (3 cents per share), compared with a sectoral provision release of $130 million after-tax (20 cents per share) for the second quarter last year;

the impact of Accounting Guideline 13 (AcG-13) resulting in a gain of $33 million after-tax, (5 cents per share), compared with a loss of $16 million after-tax ((3) cents per share) for the second quarter last year;

an internal restructuring tax charge of $25 million after-tax ((4) cents per share), compared with nil in the second quarter of last year;

a restructuring charge in TD Securities resulting in a loss of $15 million after-tax ((2) cents per share) compared with nil in the second quarter of last year.

The diluted earnings per share figures above do not include TD Banknorth's April earnings because there is a one month lag between fiscal quarter ends. Only one month of TD Banknorth's earnings were included this quarter while two months of funding cost and share issuance resulted in a negative earnings impact of approximately 3 cents per share. This effect will not repeat in future quarters.

TORONTO, May 26, 2005 TD Bank Financial Group (TDBFG) today announced its financial results for the second quarter ended April 30, 2005. Results for the quarter reflect strong contributions from the Bank's three historical segments and include results for the month of March from the Bank's fourth segment: U.S. Personal and Commercial Banking through TD Banknorth.

"We have pursued a strategy aimed at delivering consistent and growing earnings for shareholders at lower risk than our peers and this quarter we have delivered on that strategy," said W. Edmund Clark, TD Bank Financial Group President and Chief Executive Officer. "The addition of TD Banknorth represents a significant milestone for TDBFG and provides us with another viable growth platform for many years to come." Clark also noted that following the acquisition of a majority stake in TD Banknorth on March 1, 2005, TDBFG's Tier 1 capital position stood at 10% for the quarter, compared with 11.9% at the end of the second quarter 2004.

SECOND QUARTER BUSINESS SEGMENT PERFORMANCE

Canadian Personal and Commercial Banking

The Canadian Personal and Commercial Banking operations of TD Canada Trust once again posted strong results in the second quarter. Earnings before amortization of intangibles were up 16% compared with the second quarter last year.

Strong volume growth in real estate secured lending, savings and business deposits, combined with both sales growth and fewer claims from insurance were responsible for much of Canadian Personal and Commercial Banking's performance this quarter.

"This was another great quarter for Canadian Personal and Commercial Banking, fueled by strong performances in our high growth businesses. I often say look at our weaknesses to see additional sources of strength because that is where we can enhance the rate of earnings growth inherent in our industry-leading personal bank. Businesses where we are underrepresented in terms of market share provide us with considerable upside," said Clark. "This quarter these high growth businesses insurance and small business banking in particular provided a significant boost to earnings and we believe they continue to offer above-average growth potential going forward."

1 Reported results are prepared in accordance with Canadian generally accepted accounting principles (GAAP).

2 Earnings before amortization of intangibles and reported results referenced in this report are explained in detail on page 3 under "How the Bank Reports."

3 Return on invested capital is explained in detail on page 4 under "Economic Profit and Return on Invested Capital."

Wealth Management

Robust mutual fund sales and continuing progress in the advice based businesses drove solid net income results for the Bank's global Wealth Management business in the second quarter. Muted discount brokerage transactional volumes, particularly in April, partially offset these strong results as market volatility kept many investors on the sidelines.

"We continue to make steady progress in our advice-based businesses and in mutual funds. In addition to driving revenue growth, this earnings diversification reduces our exposure to the volatility associated with trades per day volumes throughout the segment," said Clark. "This quarter builds on a strong first quarter and is evidence that Wealth Management is steadily transitioning itself to a more diverse and comprehensive offering."

Wholesale Banking

Wholesale Banking generated very good results this quarter. TD Securities saw broad based contributions from across the dealer, with particularly strong results in trading, investment banking and domestic equity. On balance, Wholesale Banking generated an excellent return on capital in the quarter.

At the end of the quarter TD Securities made a decision to reposition the global capital markets businesses to reduce the focus on some of the less profitable products in order to dedicate resources on growing the parts of the business where TD Securities has a competitive advantage.

"I am very pleased with Wholesale Banking's results this quarter and with their continued focus on growing economic profit and generating a superior Return On Invested Capital," said Clark.

U.S. Personal and Commercial Banking

On March 1, 2005, TDBFG closed the transaction to acquire a majority stake in Banknorth Group, Inc. of Portland, Maine. The new company, TD Banknorth Inc., along with its subsidiaries, operates under the brand name TD Banknorth. Starting this quarter, TD Banknorth's performance will be reported as TDBFG's fourth business segment U.S. Personal and Commercial Banking. "With the transaction now complete, TD Banknorth's management can place renewed focus on growing the business and continuing to execute on their community-based banking strategies," said Clark.

TD Banknorth Inc.'s fiscal quarter ends March 31 while TDBFG's second quarter ends April 30. As a result, there is a one month lag in the quarterly results of TD Banknorth that is consolidated into TDBFG's earnings. Because the transaction closed March 1, TDBFG's second quarter results include TD Banknorth results for the month of March only. This staggered start is unique to this quarter and, due to funding cost and share issuance had a net impact of reducing TDBFG's second quarter earnings per share by approximately three cents.

Corporate

The Bank had specific non-core portfolio loan loss recoveries related to prior year sectoral provisions totaling $25 million after-tax, (3 cents per share). The Bank recorded a gain of $33 million after-tax or 5 cents per share this quarter as a result of the impact of Accounting Guideline 13 (AcG-13), requiring management to mark-to-market the value of its credit protection on its corporate lending portfolio.

CONCLUSION

"This was a very successful quarter marked by broad based earnings strength across the Bank and the closing of the TD Banknorth acquisition," said Clark. "With back-to-back strong quarters, a continued focus on capital allocation, and what I believe is the best growth platform in the United States, we are well positioned for continued success."

Caution regarding forward-looking statements

From time to time, the Bank makes written and oral forward-looking statements, including in this report, in other filings with Canadian regulators or the U.S. Securities and Exchange Commission (SEC), and in other communications. All such statements are made pursuant to the "safe harbour" provisions of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements include, among others, statements regarding the Bank's objectives and targets and strategies to achieve them, the outlook for the Bank's business lines, and the Bank's anticipated financial performance. Forward-looking statements are typically identified by words such as "believe", "expect", "may" and "could". By their very nature, these statements are subject to inherent risks and uncertainties, general and specific, which may cause actual results to differ materially from the expectations expressed in the forward-looking statements. Some of the factors that could cause such differences include: the credit, market, liquidity, interest rate, operational and other risks discussed in the management discussion and analysis section in other regulatory filings made in Canada and with the SEC, including the Bank's 2004 Annual Report; general business and economic conditions in Canada, the United States and other countries in which the Bank conducts business, as well as the effect of changes in monetary policy in those jurisdictions and changes in the foreign exchange rates for the currencies of those jurisdictions; the degree of competition in the markets in which the Bank *operates, both from established competitors and new entrants; legislative and regulatory developments; the accuracy and completeness of information the Bank receives on customers and counterparties; the timely development and introduction of new products and services in receptive markets; the Bank's ability to execute its growth and acquisition strategies including those of its subsidiaries; the Bank's ability to attract and retain key executives; reliance on third parties to provide components of the Bank's business infrastructure; technological changes; change in tax laws; unexpected judicial or regulatory proceedings; continued negative impact of the United States litigation environment; unexpected changes in consumer spending and saving habits; the possible impact on the Bank's businesses of international conflicts and terrorism; acts of God, such as earthquakes; and management's ability to anticipate and manage the risks associated with these factors and execute the Bank's strategies. The preceding list is not exhaustive of all possible factors. Other factors could also adversely affect the Bank's results. For more information see the discussion starting on page 37 of the 2004 Annual Report. All such factors should be considered carefully when making decisions with respect to the Bank, and undue reliance should not be placed on the Bank's forward-looking statements. The Bank does not undertake to update any forward-looking statements that may be made from time to time by or on its behalf.*

MANAGEMENT'S DISCUSSION AND ANALYSIS OF OPERATING PERFORMANCE

This Management's Discussion and Analysis is as of May 26, 2005. Additional information relating to the Bank is on SEDAR at www.sedar.com, as well as on the Bank's website www.td.com.

HOW WE PERFORMED

How the Bank Reports

The Bank prepares its financial statements in accordance with Canadian generally accepted accounting principles (GAAP), relevant aspects of which are presented on pages 14 to 27 of this Second Quarter Report to Shareholders. The Bank refers to results prepared in accordance with GAAP as the "reported basis".

The Bank also utilizes earnings before amortization of intangibles to assess each of its businesses and to measure overall Bank performance. To arrive at this measure, the Bank removes amortization of intangibles from reported basis earnings. The Bank's intangible amortization relates to the TD Banknorth acquisition in March 2005 and the Canada Trust acquisition in fiscal 2000. The Bank excludes amortization of intangibles as this approach is how the Bank manages its businesses internally. Consequently, the Bank believes that earnings before amortization of intangibles provides the reader with an understanding of the Bank's results that can be consistently tracked from period to period.

As explained, earnings before amortization of intangibles is different from reported results determined in accordance with GAAP. Earnings before amortization of intangibles and related terms used in this report are not defined terms under GAAP, and therefore may not be comparable to similar terms used by other issuers. The table below provides a reconciliation between the Bank's earnings before amortization of intangibles and its reported results.

Reconciliation of Earnings before Amortization of Intangibles to Reported Results (unaudited)

	For the three months ended		**For the six months ended**	
	April 30 2005	**April 30 2004**	**April 30 2005**	**April 30 2004**
	(millions of Canadian dollars)			
Net interest income	**$ 1,393**	$ 1,441	**$ 2,804**	$ 2,886
Provision for (reversal of) credit losses	**20**	(192)	**30**	(296)
Other income	**1,517**	1,284	**2,912**	2,584
Non-interest expenses	**1,923**	2,109	**3,734**	3,864
Income before provision for income taxes and non-controlling interest	**967**	808	**1,952**	1,902
Provision for income taxes	**257**	211	**525**	544
Non-controlling interest	**21**		**21**	
Net income before amortization of intangibles	**$ 689**	$ 597	**$ 1,406**	$ 1,358
Amortization of intangibles, net of income taxes	**90**	107	**177**	286
Net income applicable to common shares reported basis	**$ 599**	$ 490	**$ 1,229**	$ 1,072
	(Canadian dollars)			
Basic net income per common share reported basis	**$ .87**	$ .74	**$ 1.83**	$ 1.63
Diluted net income per common share reported basis	**.86**	.74	**1.81**	1.62
Basic net income per common share before amortization of intangibles	**1.00**	.91	**2.09**	2.07
Diluted net income per common share before amortization of intangibles	**.99**	.90	**2.07**	2.05

Certain comparative amounts have been restated. See Note 1 of the Consolidated Interim Financial Statements.

Net Income

Reported net income was $599 million for the second quarter 2005, compared with $490 million in the same quarter last year. Reported basic earnings per share were $.87, compared with $.74 in the same quarter last year. Reported diluted earnings per share were $.86 for the quarter, compared with $.74 in the same quarter last year. Reported return on total common equity, on an annualized basis was 17.2% for the quarter compared with 16.5% in the same quarter last year.

Net income before amortization of intangibles for the second quarter 2005 was $689 million, compared with $597 million in the same quarter last year. Basic earnings per share before amortization of intangibles were $1.00, compared with $.91 in the same quarter last year. Diluted earnings per share before amortization of intangibles were $.99 for the quarter, compared with $.90 in the same quarter last year. Return on total common equity before amortization of intangibles, on an annualized basis was 19.8% for the quarter compared with 20.1% in the same quarter last year.

For the six months ended April 30, 2005, reported net income was $1,229 million compared with $1,072 million in the same period last year. Reported basic earnings per share were $1.83, compared with $1.63 in the same period last year. Reported diluted earnings per share were $1.81 for the six months ended April 30, 2005, compared with $1.62 in the same period last year. Reported return on total common equity, on an annualized basis was 18.2%, unchanged as compared with the same period last year.

Net income before amortization of intangibles for the six months ended April 30, 2005 was $1,406 million, compared with $1,358 million in the same period last year. Basic earnings per share before amortization of intangibles were $2.09, compared with $2.07 in the same period last year. Diluted earnings per share before amortization of intangibles were $2.07 for the period, compared with $2.05 in the same period last year. Return on total common equity before amortization of intangibles, on an annualized basis was 20.8% for the period compared with 23.1% in the same period last year.

Economic Profit and Return on Invested Capital

The Bank utilizes economic profit as a tool to measure shareholder value creation. Economic profit is net income before amortization of intangibles less a charge for average invested capital. Average invested capital is equal to average common equity plus the average cumulative after-tax goodwill and intangible assets amortized as of the reporting date. The rate used in the charge for capital is the equity cost of capital calculated using the Capital Asset Pricing Model. The charge represents an assumed minimum return required by common shareholders on the Bank's invested capital. The Bank's goal is to achieve positive and growing economic profit.

Return on invested capital (ROIC) is net income before amortization of intangibles, divided by average invested capital. ROIC is a variation on the economic profit measure that is useful in comparison to the equity cost of capital. Both ROIC and the cost of capital are percentage rates, while economic profit is a dollar measure. When ROIC exceeds the equity cost of capital, economic profit is positive. The Bank's goal is to maximize economic profit by achieving ROIC that exceeds the equity cost of capital.

Economic profit and ROIC are not defined terms under GAAP, and therefore may not be comparable to similar terms used by other issuers. The following table provides a reconciliation between the Bank's economic profit, return on invested capital and net income before amortization of intangibles. Earnings before amortization of intangibles and related terms are discussed in the "How the Bank Reports" section.

Reconciliation of Economic Profit, Return on Invested Capital and Net Income before Amortization of Intangibles

	For the three months ended		For the six months ended	
	April 30 2005	**April 30 2004**	**April 30 2005**	**April 30 2004**
	(millions of Canadian dollars)			
Average common equity	**$ 14,298**	$ 12,058	**$ 13,625**	$ 11,839
Average cumulative goodwill/intangible amortization, net of income taxes	**3,166**	2,791	**3,123**	2,727
Average invested capital	**$ 17,464**	$ 14,849	**$ 16,748**	$ 14,566
Rate charged for invested capital	**10.1%**	10.7%	**10.1%**	10.7%
Charge for invested capital	**(430)**	(390)	**(839)**	(775)
Net income before amortization of intangibles	**689**	597	**1,406**	1,358

	For the three months ended		For the six months ended	
Economic profit	**$ 259**	$ 207	**$ 567**	$ 583
Return on invested capital	**16.2%**	16.4%	**16.9%**	18.7%
Return on total common equity reported basis	**17.2**	16.5	**18.2**	18.2

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Net Interest Income

Net interest income on a reported basis was $1,393 million for the second quarter 2005, a decrease of $48 million compared with the same quarter last year. The decrease in net interest income related to Wholesale Banking where there was reduced trading-related net interest income. However, this was largely offset by higher trading income. The decrease in net interest income also related to the Corporate segment where there was interest on an income tax refund in the prior year which did not repeat in 2005. These decreases were partially offset by additional net interest income as a result of the inclusion of the results from the acquisition of TD Banknorth. There was also increased net interest income in Canadian Personal and Commercial Banking due to strong volume growth in real estate secured lending, savings and business deposits partly offset by lower margins. Net interest income in Wealth Management also increased due to higher deposit spreads and balances.

For the six months ended April 30, 2005, net interest income on a reported basis was $2,804 million compared with $2,886 million in the same period last year, a decrease of $82 million. This decrease was mainly due to Wholesale Banking and Corporate due to similar reasons previously noted for the quarter. Partially offsetting the decrease in net interest income was additional income as a result of the inclusion of the results from the acquisition of TD Banknorth and an increase in Canadian Personal and Commercial Banking mainly due to volume growth in real estate secured lending, savings and business deposits slightly offset by lower margins.

At the total Bank level, the Bank does not discuss net interest income on a taxable equivalent basis (TEB), as it is not useful at that level. However, on a segmented basis, the Bank discusses net interest income on a TEB. For further details, see the introductory discussion in the "How Our Businesses Performed" section on page 11.

Other Income

Other income, on a reported basis was $1,517 million for the second quarter 2005, an increase of $233 million from the same quarter last year.

Trading income reported in other income was $79 million for the second quarter 2005 compared with a loss of $55 million in the same quarter last year mainly due to an increase in trading income within Wholesale Banking. However, trading-related income (which is the total of trading income reported in other income and the net interest income on trading positions reported in net interest income) decreased by $19 million compared with the same quarter last year primarily due to a decline in interest rate and credit trading that more than offset an increase in equity trading. The Bank also recognized income of $51 million in the current quarter, compared with $25 million of losses in the same quarter last year, related to derivatives not afforded hedge accounting subsequent to the adoption of the hedging relationships accounting guideline in fiscal 2004.

Insurance revenues, net of claims, increased by $72 million compared with the same quarter last year, mainly due to the acquisition of business from Liberty Mutual Group, organic volume growth and improved claims experience. Credit fees increased by $9 million compared with the same quarter last year. However, securitization income declined by $7 million due to lower average levels of securitized assets.

Investment and securities services decreased by $47 million primarily as a result of self-directed brokerage fees which decreased by $70 million compared with the same quarter last year due to lower trading volumes and a decline in commissions per trade. Average trades per day decreased by 16% to 106,000 from 126,000 in the same quarter last year. Mutual fund management fees, however, increased by $8 million as compared with the same quarter last year due to an increase in assets under management.

For the six months ended April 30, 2005, other income on a reported basis was $2,912 million, an increase of $328 million from the same period last year.

Trading income reported in other income for the period was $155 million compared with a loss of $3 million in the same period last year while trading-related income decreased by $102 million compared with the same period last year. The changes in trading and trading-related income can be attributed to similar reasons previously noted for the quarter. The Bank also recognized income of $35 million in the current period compared with $56 million of losses in the same period last year, related to derivatives not afforded hedge accounting subsequent to the adoption of the hedging relationships accounting guideline in fiscal 2004.

Insurance revenues, net of claims, increased by $145 million compared with the same period last year, due to similar reasons previously noted for the quarter. Credit fees and card services increased by $16 million and $12 million, respectively. However, securitization income declined by $25 million due to lower average levels of securitized assets.

Investment and securities services decreased by $58 million primarily as a result of self-directed brokerage fees which decreased by $128 million compared with the same period last year due to a decline in trading volumes. However, capital market fee revenue (which includes revenues from mergers and acquisitions, underwriting and equity sales and trading) increased by $19 million due to improvements in advisory fees in mergers and acquisitions and stronger equity trading commissions. Mutual fund management fees also increased by $18 million and investment management fees increased by $7 million compared with the same period last year due to an increase in assets under management.

Non-Interest Expenses

On a reported basis, expenses for the second quarter 2005 were $2,057 million compared with $2,271 million in the same quarter last year, a decrease of $214 million.

The decrease in expenses was mainly a result of the recognition of $300 million of losses related to contingent litigation reserves in the second quarter 2004. There were no losses of this nature recognized in the second quarter 2005. Slightly offsetting this decrease was the recognition of $22 million in restructuring costs relating to the global structured products businesses in Wholesale Banking. In addition, expenses increased due to the inclusion of the results from the acquisition of TD Banknorth. The impact of the amortization of intangibles on the Bank's reported basis before tax expenses was $134 million for the second quarter 2005, compared with $162 million in the same quarter last year. Expenses before amortization of intangibles in the second quarter 2005 decreased by $186 million to $1,923 million compared with $2,109 million in the same quarter last year.

On a reported basis, the Bank's overall efficiency ratio for the second quarter was 70.7% compared with 83.3% in the same quarter last year. The Bank's consolidated efficiency ratio is impacted by shifts in its business mix. The efficiency ratio is viewed as a more relevant measure for Canadian Personal and Commercial Banking, which had an efficiency ratio before amortization of intangibles of 57.2% this quarter compared with 59.8% in the same quarter last year. The Bank's efficiency ratio before amortization of intangibles improved to 66.1% in the second quarter 2005 from 77.4% in the same quarter last year.

For the six months ended April 30, 2005, reported expenses were $4,002 million compared with $4,196 million in the same period last year, a decrease of $194 million.

The decrease in expenses compared with the same period last year was primarily related to the contingent litigation reserves included in the second quarter 2004, as previously discussed for the quarter. This decrease was partially offset by an increase in expenses in Canadian Personal and Commercial Banking mainly due to growth in the insurance business, including the Liberty acquisition. The inclusion of TD Banknorth's results also contributed to an increase in expenses. The impact of the amortization of intangibles on the Bank's reported basis before tax expenses was $268 million for the current period, compared with $332 million in the same period last year. Expenses before amortization of intangibles in the current year decreased by $130 million to $3,734 million from $3,864 million in the same period last year.

On a reported basis, the Bank's overall efficiency ratio for the six months ended April 30, 2005 was 70.0% compared with 76.7% in the same period last year. The Bank's efficiency ratio before amortization of intangibles improved to 65.3% in the period from 70.6% in the same period last year.

Taxes

The Bank's effective tax rate, on a reported basis, was 25.6% for the second quarter 2005, compared with 24.1% in the same quarter last year. Based on earnings before amortization of intangibles, the effective tax rate was 26.6% for the quarter compared with 26.1% in the same quarter last year.

For the six months ended April 30, 2005, the Bank's effective tax rate, on a reported basis was 25.8% compared with 31.7% in the same period last year. Based on earnings before amortization of intangibles, the effective tax rate was 26.9% compared with 28.6% in the same period last year.

The change in the effective rates is primarily due to the items listed in the following table. In the second quarter 2005, the Bank's effective tax rate was affected by an income tax expense in the amount of approximately $25 million related to a corporate reorganization included in Other net in the table below.

	For the three months ended				For the six months ended			
	April 30 2005		**April 30 2004**		**April 30 2005**		**April 30 2004**	
	(millions of Canadian dollars)							
Income taxes at Canadian statutory income tax rate before amortization of intangibles	**$ 338**	**35.0%**	$ 284	35.1%	**$ 683**	**35.0%**	$ 668	35.1%
Increase (decrease) resulting from:								
Dividends received	**(68)**	**(7.1)**	(45)	(5.6)	**(116)**	**(5.9)**	(91)	(4.8)
Rate differentials on international operations	**(36)**	**(3.7)**	(32)	(3.9)	**(72)**	**(3.7)**	(48)	(2.5)
Future federal and provincial tax rate increases			1	.1			(17)	(.9)

	For the three months ended				**For the six months ended**			
Federal large corporations tax	**3**	**.3**	3	.4	**3**	**.2**	5	.3
Other net	**20**	**2.1**			**27**	**1.3**	27	1.4
Provision for income taxes and effective income tax rate before amortization of intangibles	**$ 257**	**26.6%**	$ 211	26.1%	**$ 525**	**26.9%**	$ 544	28.6%
Tax effect amortization of intangibles	**(44)**	**(1.0)**	(55)	(2.0)	**(91)**	**(1.1)**	(46)	3.1
Provision for income taxes and effective income tax rate reported basis	**$ 213**	**25.6%**	$ 156	24.1%	**$ 434**	**25.8%**	$ 498	31.7%

Certain comparative amounts have been restated. See Note 1 of the Consolidated Interim Financial Statements.

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Balance Sheet

Total assets were $360 billion at the end of the second quarter 2005, $49 billion higher than October 31, 2004. The increase in assets was primarily driven by the acquisition of TD Banknorth which contributed $37 billion to the increase. Increased positions in securities represented $13 billion of the increase of which TD Banknorth contributed $6 billion. Underlying growth in securities was primarily driven by an increase in trading securities within Wholesale Banking. Also, compared with October 31, 2004, personal loans, including securitizations, increased by $10 billion of which $7 billion was a result of the TD Banknorth acquisition. Growth in personal loans was also a result of steady growth in real estate secured lending volumes. At the end of the quarter, residential mortgages, including securitizations, increased by $6 billion compared with October 31, 2004, primarily as a result of the TD Banknorth acquisition. Bank-originated securitized assets not included on the balance sheet amounted to $23 billion, compared with $20 billion as at October 31, 2004.

Total deposits were $249 billion at the end of the second quarter 2005, an increase of $42 billion compared with October 31, 2004. This increase was mainly driven by the addition of TD Banknorth which contributed $28 billion of the increase. Wholesale deposits increased by $8 billion compared with October 31, 2004 mainly due to funding higher assets within Wholesale Banking. Personal term deposits increased by $7 billion, primarily as a result of the TD Banknorth acquisition and an increase in fixed-term and tax sheltered deposits within Canadian Personal and Commercial Banking. Personal non-term deposits also increased by $15 billion, primarily attributable to the acquisition of TD Banknorth.

The Bank enters into structured transactions on behalf of clients which results in assets recorded on the Bank's Consolidated Interim Balance Sheet for which market risk has been transferred to third parties via total return swaps. As at April 30, 2005, assets under such arrangements amounted to $14 billion, unchanged from October 31, 2004. The Bank also acquires market risk on certain assets via total return swaps, without acquiring the cash instruments directly. Assets under such arrangements amounted to $5 billion as at April 30, 2005 unchanged from October 31, 2004. Market risk for all such positions is tracked and monitored, and regulatory market risk capital is required.

Managing Risk

Credit Risk and Provision for (Reversal of) Credit Losses

During the second quarter 2005, the Bank recorded a provision for credit losses of $20 million compared with a reversal of credit losses of $192 million in the same quarter last year. The provision for credit losses recorded in the second quarter 2005 was mainly attributable to Canadian Personal and Commercial Banking, which reported a $91 million provision in the normal course of business (before the effect of securitizations). Partially offsetting this provision for credit losses was a $43 million recovery in the non-core lending portfolio for amounts previously provided for under sectoral provisions. U.S. Personal and Commercial Banking reversals and other reversals in the non-core portfolio that had not previously been provided in the sectoral provisions also offset the provision.

For the six months ended April 30, 2005, the Bank recorded a $30 million provision for credit losses compared with a $296 million reversal in the same period last year. The provision for credit losses recorded during the period related mainly to Canadian Personal and Commercial Banking, which reported $186 million in the normal course of business (before the effect of securitizations). This provision was partially offset by the recovery in the non-core lending portfolio noted above.

Interest Rate Risk

The objective of interest rate risk management for the non-trading portfolio is to ensure stable and predictable earnings are realized over time. In this context, the Bank has adopted a disciplined hedging approach to profitability management for its asset and liability positions including a modeled maturity profile for non-rate sensitive assets, liabilities and equity. Key aspects of this approach are:

- minimizing the impact of interest rate risk on net interest income and economic value within Canadian Personal and Commercial Banking; and
- measuring the contribution of each product on a risk adjusted, fully-hedged basis, including the impact of financial options granted to customers.

The Bank uses derivative financial instruments, wholesale instruments and other capital market alternatives and, less frequently, product pricing strategies to manage interest rate risk. As at April 30, 2005, an immediate and sustained 100 basis point increase in rates would have decreased the economic value of shareholders' equity by $156 million or 1% after-tax. On March 1, 2005, the Bank acquired majority ownership of TD Banknorth. The economic value at risk reported as at April 30, 2005 includes the impact of TD Banknorth calculated as $63 million.

Liquidity Risk

The Bank holds a sufficient amount of liquidity to fund its obligations as they come due under normal operating conditions as well as under a base case stress scenario that defines the minimum amount of liquidity that must be held at all times. The surplus liquid asset position is defined as total available liquid assets less the Bank's maturing wholesale funding, potential non-wholesale deposit run-off and contingent liabilities coming due in 90 days. As at April 30, 2005, the Bank's consolidated surplus liquid asset position up to 90 days was $22.2 billion, compared with a consolidated surplus liquid asset position of $18.8 billion on October 31, 2004. The Bank ensures that it meets the requirements by managing its cash flows and holding highly liquid assets that can be readily converted into cash. The Bank manages liquidity on a global basis, ensuring the prudent management of liquidity risk in all its operations. In addition to a large base of stable retail and commercial deposits, the Bank has an active wholesale funding program including asset securitization. This funding is highly diversified as to source, type, currency and geographical location.

Market Risk

The Bank manages market risk in its trading books by using several key controls. The Bank's market risk policy sets out detailed limits for each trading business, including Value at Risk (VaR), stress test, stop loss, and sensitivity to various market risk factors. Policy controls are augmented through active oversight by independent market risk staff and frequent management reporting. VaR is a statistical loss threshold which should not be exceeded on average more than once in 100 days. It is also the basis for regulatory capital for market risk. The following table presents average and end-of-quarter general market risk VaR usage for the three and six months period ended April 30, 2005, as well as the fiscal 2004 average. The Bank backtests its VaR by comparing it to daily net trading revenue. For the three and six months ended April 30, 2005, net daily capital markets revenues were positive for 89% and 90% of the trading days, respectively. Losses never exceeded the Bank's statistically predicted VaR for the total of the Bank's trading-related businesses.

Value at Risk Usage Wholesale Banking

	For the three months ended	For the three months ended	For the six months ended	For the twelve months ended
	Apr. 30, 2005 As at	**Apr. 30, 2005 Average**	**Apr. 30, 2005 Average**	**Oct. 31, 2004 Average**
		(millions of Canadian dollars)		
Interest rate risk	**$ 8.3**	**$ 7.9**	**$ 8.3**	$ 9.1
Equity risk	**6.7**	**6.1**	**5.9**	5.3
Foreign exchange risk	**2.5**	**2.6**	**2.7**	2.6
Commodity risk	**.9**	**1.3**	**1.3**	.8
Diversification effect	**(7.9)**	**(8.2)**	**(8.9)**	(6.9)
General Market Value at Risk	**$ 10.5**	**$ 9.7**	**$ 9.3**	$ 10.9

Capital

As at April 30, 2005, the Bank's Tier 1 capital ratio was 10.0% compared with 12.6% at October 31, 2004. The Bank's Tier 1 capital was relatively unchanged compared with October 31, 2004. Risk-weighted assets increased by $27 billion compared with October 31, 2004. While internal capital generation continued and the acquisition of TD Banknorth resulted in $1,600 million of non-controlling interest and the issuance by the Bank of common shares valued at $1,988 million, these additions were offset by the deduction of $4,483 million of additional goodwill and intangible assets arising primarily from the acquisition.

FUTURE ACCOUNTING AND REPORTING CHANGES

The following is a summary of accounting and reporting changes the Bank expects to adopt in future periods. See Note 14 of the Bank's Consolidated Interim Financial Statements for more details of future accounting and reporting changes.

Earnings per Share

The Canadian Institute of Chartered Accountants (CICA) has issued a proposed accounting standard on earnings per share that may be applicable to the Bank at the earliest in fiscal 2006. The primary impact of the proposed standard is that it eliminates the provision that allows the Bank to assume that contracts with the option of settling in either cash or stock will be settled in cash. As a result, the Bank's liability for preferred shares and Capital Trust Securities (comprising Capital Trust Securities and TD Capital Trust II Securities of TD Capital Trust and TD Capital Trust II, respectively) will need to be included in the diluted earnings per share calculation. The impact on diluted earnings per share is expected to be approximately four cents per share per quarter if the standard is issued as proposed. Basic earnings per share will not be affected.

Financial Instruments, Hedges and Comprehensive Income

The CICA has issued three new accounting standards *Financial Instruments Recognition and Measurement, Hedges and Comprehensive Income*. These standards are substantially harmonized with U.S. GAAP and are effective for the Bank beginning with the first quarter of fiscal 2007. The principal impacts of the standards are detailed as follows.

- Financial assets will be classified as available for sale, held to maturity or trading.
- For fair value hedges, where the Bank is hedging changes in the fair value of assets, liabilities or firm commitments, the change in the value of derivatives and hedged items will be recorded through income.
- Comprehensive income will be a new component of shareholders' equity and a new statement entitled Statement of Comprehensive Income will be added to the Bank's primary Consolidated Financial Statements.
- For cash flow hedges where the Bank is hedging the variability in cash flows related to variable rate assets, liabilities or forecasted transactions, the effective portion of the changes in the fair values of the derivative instruments will be recorded through comprehensive income until the hedged items are recognized in income.

Controls and Procedures Surrounding Preparation of Financial Statements

As required, the Bank intends to file a certification on the adequacy of internal controls in the 2006 Annual Report pursuant to Section 404 of the U.S. Sarbanes-Oxley Act of 2002. In 2005, work continues to be conducted throughout the Bank to identify, document and assess internal controls over financial reporting.

SUPPLEMENTARY INFORMATION

Table 1: Quarterly Results

Quarterly Results Reported Basis

	2005		2004				2003			
	Apr. 30	**Jan. 31**	**Oct. 31**	**Jul. 31**	**Apr. 30**	**Jan. 31**	**Oct. 31**	**Jul. 31**	**Apr. 30**	**Jan. 31**
	(millions of Canadian dollars)									
Net interest income	**$ 1,393**	$ 1,411	$ 1,435	$ 1,452	$ 1,441	$ 1,445	$ 1,335	$ 1,358	$ 1,400	$ 1,344
Other income	**1,517**	1,395	1,118	1,181	1,284	1,300	1,094	1,193	968	1,169
Total revenue	**2,910**	2,806	2,553	2,633	2,725	2,745	2,429	2,551	2,368	2,513
Net income (loss) applicable to common shares	**$ 599**	$ 630	$ 595	$ 565	$ 490	$ 582	$ 480	$ 480	$ (295)	$ 324
	(Canadian dollars)									
Basic net income (loss) per common share	**$ .87**	$ .96	$ .91	$ .87	$ .74	$ .89	$ .74	$ .74	$ (.46)	$ .50
Diluted net income (loss) per common share	**.86**	.95	.90	.86	.74	.88	.73	.73	(.46)	.50

Quarterly Results Before Amortization of Intangibles

	2005		2004				2003			
	Apr. 30	**Jan. 31**	**Oct. 31**	**Jul. 31**	**Apr. 30**	**Jan. 31**	**Oct. 31**	**Jul. 31**	**Apr. 30**	**Jan. 31**
	(millions of Canadian dollars)									
Net interest income	**$ 1,393**	$ 1,411	$ 1,435	$ 1,452	$ 1,441	$ 1,445	$ 1,335	$ 1,358	$ 1,400	