



## At TD, our goal is to provide a positive service experience for each and every customer.

Planning to have their son Steve help manage the family farm on a full-time basis, John and Ruth Ann Schoonjans of Forest, Ontario, looked to expand their successful hog operation. A trusted advisor since 2000, TD Canada Trust worked with the Schoonjans to accommodate their growing business while helping set up the family's business succession plan.

# Our customers

## *Making a difference together*

Our customers have a wide variety of choices and options, so we never take it for granted when they choose to conduct their financial affairs with TD. We're constantly working to ensure customers feel comfortable, respected, accommodated, safe and secure. By listening to their ongoing feedback and input and working together with them to identify opportunities that best meet their evolving needs, we're moving closer to being the better bank that we envision.

### Excelling in Customer Service

Paying serious attention to what counts for our customers is important to TD. That's helped us build our reputation for exceptional service. We have a culture that believes in and constantly focuses on our customers.

We're always looking for ways to provide superior customer service and a comfortable banking experience. For example, in 2006, we:

- Opened 31 new TD Canada Trust branches across Canada, the bank's single largest group of openings ever. While almost half of TD Canada Trust customers do their banking online, many of our customers have told us they want the choice to meet face to face with people in branches.
- Hired 145 new domestic wealth management advisers to meet customer demand for personalized financial advice.
- Introduced more than 2,500 new state-of-the-art ABMs across Canada, offering five language choices, greater security features, a deposit calculator and improved

accessibility such as audio guidance for visually impaired customers.

TD Canada Trust EasyWeb continued to be Canada's leading Internet banking service in 2006. In addition to having the highest number of personal and small business active online banking customers among Canadian banks, as measured by the Canadian Interactive Reid Report and Forrester Research Online Banking Benchmark Report, we were:

- Rated Best Consumer Internet Bank in Canada for the third year in a row as part of the world's best Internet banks competition by *Global Finance* magazine.
- Ranked number one for online banking satisfaction (Synovate Survey).
- Rated "highest ranking bank site" (in two Forrester Research reports: Canadian Bank Public Web Site Rankings, January 2006, and Canadian Bank Secure Web Site Rankings, March 2006).

## Measuring Customer Satisfaction

An important way we measure how satisfied our customers are is through ongoing research. Customer research allows us to tap into our customers' satisfaction and expectations of TD so we know where we're excelling and where improvement is needed. We have a variety of research methods in place, two of which are:

- **Voice of the Customer** research. This helps us to measure what matters to consumers and the "drivers" that influence their opinions.
- **Customer Service Index (CSI)**. The CSI is used to monitor service quality in our banking and wealth businesses. The

## Appreciating Our Customers

It's our customers who make us great, and TD's Customer Appreciation Day is just one way to let our customers know that. In June 2006, TD Canada Trust and TD Waterhouse held local celebrations in branches across the country, with giveaways and other fun activities.

As part of these festivities, we wanted to thank our customers for their business in a way that would give back to the local community. TD donated \$400,000 to the Tree Canada Foundation to plant 160,000 trees in selected locations throughout the country that have lost large stands of trees to natural disasters or that require reforestation to improve their environment, including wildlife habitats. Plantings took place in Sudbury, Ontario; Gatineau, Quebec; Kelowna, B.C.; and Halifax, Nova Scotia.

"This very large cross-Canada tree planting effort adds to TD's reputation as a corporate environmental leader. Together with TD, we're striving to 'Grow Clean Air,' making our communities greener while creating a living legacy for generations to come."

Jeff Monty, President,  
Tree Canada Foundation,  
a not-for-profit group encouraging  
Canadians to plant and care for trees

results are used to drive improvement within individual branches, offices and electronic channels; and annual targets are set linking customer service scores to employee compensation.

# 2006 Highlights

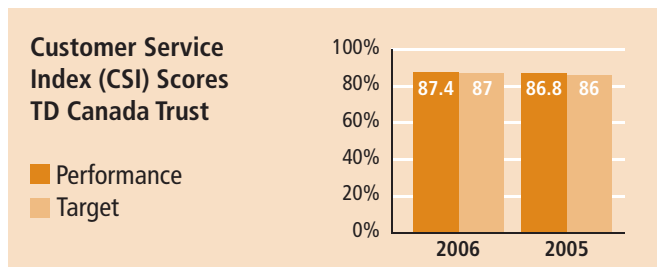
- For the second year in a row, the Customer Service Index ranked TD Canada Trust number one for Overall Quality of Customer Service. (Recognized for Overall Quality of Customer Service among The Big 5 Banks according to the Customer Service Index conducted by Synovate, September 2005 and 2006.)
- TD Canada Trust achieved an impressive second place on the list of Best Canadian Brands 2006 (Interbrand and *The Globe and Mail*).
- TD Asset Management (TDAM), the manager of TD Mutual Funds, moved from sixth position to fourth in industry rankings over the past year (according to the Investment Funds Institute of Canada).
- Premier bank among six of the largest ethnic populations in Canada (Solutions Research Group).



At a TD Meloche Monnex client service centre, analyst Tetyana Nichols and team leader Ian McMahon make a difference together for customers, working to ensure all incoming and outgoing calls meet service quality standards.

**Banking:** On a regular basis, TD Canada Trust personal and small business banking customers are surveyed within a few days of their banking experience in our branches or after using Easyline™ telephone banking or EasyWeb™ Internet banking. In 2006, approximately 400,000 customers were surveyed. On a corporate composite basis, we surpassed our target for the year (see graph) and scored very well on virtually all attributes we measure. The categories in which we performed particularly well (exceeding scores of 95%) included:

- Appreciating customers' business
- Treating customers in a respectful manner
- Processing transactions quickly and accurately
- Handling customer requests
- Giving customers undivided attention
- Greeting customers pleasantly



**Wealth:** In our TD Waterhouse business, the CSI surveys capture feedback from close to 19,000 clients who utilize our broad range of wealth offerings: discount brokerage phone and Web services, financial planning, private client services and institutional services. For discount brokerage clients feedback is obtained within 24 hours of client interaction with the phone representative or of using the WebBroker®

interface. For clients receiving financial advice from our wealth businesses, feedback on the quality of service provided by the key relationship manager is obtained over a period of time. On a corporate composite basis, our score in 2006 was 76.5%, or 0.1% below our target of 76.6%.

## Responding to Customer Complaints

Customer feedback is not just about hearing the good news. There are times we don't get it right or customers have concerns. Listening and responding to complaints helps us get better – and reflects an approach to treating customers with respect.

TD has a formal Customer Problem Resolution Process in place to ensure that complaints are received and addressed in a consistent and comfortable way. Most customer problems are resolved at the first point of contact. If that isn't possible, the issue is elevated to a senior officer. If it is still unresolved, customers can contact the TD Office of the Ombudsman.

TD's Ombudsman acts as an independent intermediary between customers and TD, striving to resolve all problems fairly and impartially. In 2006:

- 211 new files were opened for investigation by the Ombudsman's office, dealing with processing and transaction issues across TD's product base. This is up 48% from the 143 investigations opened in 2005, reflecting primarily an increase in access card fraud claims that were escalated to the Ombudsman's office. In almost half (47%) of these cases, the TD Ombudsman ruled in full or partial agreement with the customer.
- A total of 21 files investigated by the TD Ombudsman were referred by customers to the financial industry's Ombudsman for Banking Services and Investments (OBSI), representing no change from 2005. OBSI ruled in favor of the customer in three of the cases and agreed with the Bank's conclusion in the other 18 cases.

*More information: [td.com/ombudsman\\_report.jsp](http://td.com/ombudsman_report.jsp)*

Handling Complaints				
	2006	2005	2004	2003
Complaints investigated by TD Ombudsman	211	143	174	285
Complaints referred to external industry ombudsman	21	21	47	53

## Protecting Our Customers

### Customer Information

As an organization, we believe that managing and implementing our privacy policies and practices are among the most important things we do. Banking, perhaps more than any other business, relies on the trust and confidence that exists with its customers. Our privacy program is one of the key elements making that possible.

TD has a comprehensive privacy program, which includes a Privacy Code available in branches and on our website, and we remain compliant with all privacy laws. Last year we also made our new Privacy Agreement available on our website. An executive privacy council and management committees also review Bank operations to ensure privacy compliance.

We have devoted considerable time and energy in recent years to ensuring our privacy policies are clear and easily understood by our customers. Whether they are applying for a mortgage at a branch, investing with TD Waterhouse or purchasing insurance with TD Meloche Monnex or TD Insurance, our goal is to allow our customers to easily understand how and why we collect, use, disclose and protect their personal information, not to simply fulfill our legislative requirements.

More than 60 dedicated security professionals develop and oversee security standards to protect our systems and customer information against unauthorized access and use. This group also facilitates efforts to minimize service disruptions to customers in the unlikely event of viruses or any other form of malicious attacks on computer systems.

**More information:** [td.com/privacy](http://td.com/privacy), [td.com/security](http://td.com/security)

### Fraud Prevention and Awareness

Fraud affects thousands of Canadians each year, from debit card fraud to identity theft and online fraud. Here are some of the ways we're fighting fraud and working to provide customers with safe and secure banking environments:

- To provide greater ABM security for customers conducting Green Machine® transactions, we have added mirrors to allow customers to see anyone standing behind them and installed protective metal shields to hide PIN information. Another new ABM feature is highly secure encryption of customer PINs.
- To help customers protect themselves, we communicate safe banking tips and alerts through our website and

### Industry-Leading Privacy Practices

TD's privacy practices continue to be praised as industry-leading by external privacy experts. TD was singled out as the Canadian company providing the clearest, most complete and readily available notice of its privacy policies and practices, according to leading privacy research firm Nymity Inc.

brochures. In March 2006, we joined government and police agencies for the second year in a row in a consumer education campaign called "*Fraud – Recognize It. Report It. Stop It.*"

- Our dedicated Fraud Management Team works 24/7 to prevent and detect unusual and suspicious credit card and debit card activity that could indicate fraud. TD is committed to implementing Smart Card technology as a long-term strategy to mitigate fraud and maintain strong customer confidence in payment cards. This involves the development of debit and credit cards with CHIP technology and upgrading related devices (payment terminals and ABMs) to process these cards.
- Customers who invest and trade online are protected by our WebBroker security guarantee, whereby they receive 100% reimbursement for losses from unauthorized online brokerage activity.
- The same kind of protection is given to our customers who bank online. Backed by our EasyWeb Security Guarantee, they'll receive 100% reimbursement if account losses occur via unauthorized EasyWeb activity. In a major independent survey of Canadian banks by Forrester Research, TD ranked highest in the area of trust for its efforts in educating and protecting online consumers from ID theft and phishing attempts through its online security guarantee.
- In 2006, TD became the first bank to offer its customers Symantec Norton Confidence Online, a free online fraud detection tool that provides extra security.

### Anti-Money Laundering

To combat money laundering and the financing of terrorist activities, TD has robust policies and programs in place, including tracking tools to monitor suspicious transaction activity. We continually update our deterrence and detection infrastructure and train employees in compliance controls so we stay ahead of these sophisticated crimes. We also share

intelligence and coordinate our efforts with governments, international organizations and others in the financial industry, such as the Financial Transactions and Reports Analysis Centre of Canada and the Canadian Bankers Association's Bank Crime Prevention and Investigation Office.

### Customer Health and Safety

TD is vigilant in sustaining its excellent health and safety record. As detailed on page 50, we actively promote healthy and safe workplace conditions for both customers and employees through a formal policy and program addressing such issues.

### Transparency and Sales Practices

TD abides by the federal government's various consumer protection laws requiring banks to give consumers clear and timely information about interest rates, fees and terms and conditions; to provide sufficient notice of branch closures; to engage in acceptable sales practices; and to have customer problem resolution procedures in place.

Every customer is entitled to freely choose financial products and providers, and we respect that fundamental right. Further, customers expect us to be transparent so they can make informed decisions about their financial affairs. Our approach is to ensure that employees take sufficient time to explain issues and answer customer questions. We are committed to advising customers of any prospective changes to our fees and charges well in advance of them taking effect. We make product and fee information readily available in our facilities and on our website and we present it in easy-to-understand language.

### External Codes of Conduct

As another layer of consumer protection, TD also abides by several industry-level codes of conduct designed to safeguard consumer interests in various areas. These include:

- The Canadian Code of Practice for Consumer Debit Card Services spells out industry obligations to consumers and their rights and responsibilities when using debit cards.
- The Code of Conduct for Authorized Insurance Activities provides guidelines for bank representatives who promote insurance products in Canada.
- The Model Code for Bank Relations with Small and Medium-Sized Businesses sets out standards for small business dealings.

## Building Customer Diversity & Accessibility

### Serving Diverse and Multicultural Communities

We aim to be the better bank for our more than 14 million customers who represent all walks of life. Our commitment to customer diversity is long-standing, and we've been taking steps to strengthen that pledge – multiplying our efforts to create an environment where each and every person is welcomed, is respected and believes his or her needs are deeply understood and will be satisfactorily met.

Each year we find ways to meet the distinct needs of various customer groups, including cultural and ethnic segments. As one of its key priorities, TD's Diversity Leadership Council created a special subcommittee to focus on how we can better serve diverse communities (see page 6).

Here are just a few examples of both new and long-standing diversity activities:

- A diverse workforce, reflective of our communities, is the first step to ensuring we can best serve our wide range of customers. Pages 44–47 outline steps we're taking to foster greater diversity at all levels within our organization.
- In certain geographic areas, we maintain and continue to strengthen our capacity to service various populations. In particular, we remain focused on reaching out to Canada's growing Asian community. Currently we have 113 Chinese-oriented branches (up from 109 in 2005); offer product

### Ranked Number One Among Multicultural Customers

TD Canada Trust was recognized for its leadership role serving many of Canada's diverse communities, according to the Diversity in Canada survey conducted last year by Solutions Research Group.

The survey concluded that TD Canada Trust is the leading primary financial institution among six communities surveyed: Chinese, South Asian, West Asian/Arab, Black, Hispanic and Italian. In fact, TD Canada Trust has an estimated 43% share of the South Asian market and we were the most popular bank among immigrants who have been in Canada less than 10 years.

literature in Chinese, Punjabi and Korean; and provide Mandarin and Cantonese EasyLine toll-free numbers. Also, we offer ABM service in Italian, Portuguese and Chinese, as well as French and English.

- TD is doing its part to ensure all Canadians, including those with low or vulnerable incomes, have the opportunity to open an account and perform banking transactions. We offer the Value Account, a low-fee, basic banking plan; a Youth Account providing free unlimited transactions for those under 19 years of age; and a discount of over 60% on our Value Plus chequing account for post-secondary school students. We cash federal government-issued cheques that are \$1,500 or less at no charge for those who don't have an account with us and open personal banking accounts regardless of whether a person is unemployed, is or has been bankrupt or can't make an initial deposit.
- For seniors, we continue to improve the accessibility of our premises and services (see next section) and offer the Plan 60 chequing account, which features free services, transactions and discounts.
- To serve Canada's Aboriginal communities, in 1996 we entered a strategic alliance with the Saskatchewan Indian Equity Foundation Inc. (owned by the member nations of the Federation of Saskatchewan Indian Nations) to create First Nations Bank of Canada. It's the first Canadian bank with exclusive Aboriginal common share ownership, with 69% of its employees being of Aboriginal descent. First Nations Bank has been growing steadily since inception and currently operates four full-service branches (two on reserve) and three Community Banking Centres on reserves in conjunction with local First Nations. In accordance with the terms of the strategic alliance, we are gradually reducing our interest in First Nations Bank. We will continue to provide First Nations Bank with operational support for a period of time.
- We are enhancing and promoting an inclusive environment for gay, lesbian, bisexual and transgender customers. Among our initiatives, in 2006, we launched an ad campaign to demonstrate our commitment to this community.

### Access to Financial Services

Whether through our 1,036 branches, 2,503 ABMs, telephone banking or Web banking, each year we continue to provide increased accessibility to TD services.



TD was recognized in Orangeville, Ontario, with the "Promoting a Barrier-Free Community Award." Pictured are local branch managers (with awards) and members of the town's Accessibility Committee.

Customers with disabilities have been a particular focus of our diversity strategy. TD's Diversity Leadership Council created a subcommittee dedicated to exploring and implementing ways to make TD a bank and employer of choice among persons with disabilities (see page 6).

Many of our initiatives over the past year have been designed to build our capabilities as an organization to better service this population. That has meant, for example, delivering sensitivity training to our employees and educating them on the services we provide for customers who have a disability. Here are some of the specific initiatives undertaken in 2006:

- Developed a training program for customer-facing retail employees to update their knowledge of TD's accessibility and accommodation initiatives.
- Created the ability in branches to capture accommodation requests.
- Added a question to our Customer Service Index (CSI) survey for persons with disabilities. We are pleased that initial results indicated their level of satisfaction is in line with that of other customers.
- Launched the TD Assistive Technology lab to develop a technology standard to ensure compatibility with all software applications used by our internal and external stakeholders.
- Established an External Advisory Committee with representation from Canadian organizations that support and/or champion the needs of persons with disabilities.
- Improved the efficiency of TTY services with several enhancements.

- Completed an accessibility audit of all our branches.

Among our existing initiatives:

- Customers with visual impairments have the option to receive documentation, including account statements and marketing materials, in alternative formats including large print, Braille and audio. Customers who are deaf or hard of hearing can use our TTY services, which utilize teletype devices with written text for communication.
- We continue to implement the Canadian Standards Association's guidelines for barrier-free design for ABMs. By the end of 2006 all our ABMs had been equipped with audio functionality. Customers who have difficulty reading Green Machine screens can now plug in a headset and an audio guide will take them through any transaction. As part of our ABM upgrade project, we also installed wheelchair-accessible ABMs that incorporate lower screens and buttons, plus partial shelves to accommodate wheelchairs.
- We have a TD Premises Accessibility Standard in place that ensures all new premises are fully accessible. For instance, all new branches and facilities are designed to include automated/accessible doors, vestibules and washrooms; wheelchair-friendly ramps, vaults and service areas; front-access ABMs accessible from wheelchairs; and, where parking is provided, at least one parking space designated for customers with disabilities.

Many of our existing older branch locations have accessibility features, and we're constantly making improvements to them, including 37 projects undertaken last year to provide designated barrier-free parking spaces and/or ramps to automatic door operators, accessible greeter stations, accessible teller stations and accessible offices.

## Supporting Small Business

Small businesses are an important engine fuelling national growth. Year in and year out, TD consistently stands behind them, aiding their start-up and development by offering constructive advice, helpful resources and flexible financing options. We are committed to building lasting relationships with small business customers based on trust, confidence and convenience.

### Access to Financing

Our commitment starts with diverse and innovative financing products and programs, sometimes offered in collaboration



Together with the Sri Lankan Business Council, TD Canada Trust hosted the Path to Success seminar, reflecting our commitment to both diversity and small business.

with governments and local organizations. Our application process is streamlined and easy to understand – in many cases, it takes only minutes to approve business credit up to \$50,000.

Key financing initiatives in 2006 included:

- TD Canada Trust continued its participation in the federal government's *Canada Small Business Financing Loan* program. Businesses with annual revenue of \$5 million or less can apply for loans up to \$250,000 to finance up to 90% of equipment, leaseholds or property purchases.
- TD Canada Trust extended its current small business loans up to \$50,000 at prime plus 1.99%.
- We continued to focus on direct marketing programs in Quebec to improve business financing to micro businesses. New customers can call a toll-free number with bilingual service and receive a credit decision in minutes.
- During Small Business Week, TD Canada Trust offered special 1% Below Prime Small Business Loan programs for enterprises in Ontario with sales less than \$500,000.
- We updated our mortgage policy for businesses to create more financing opportunities for small business owners looking to own their own property. We increased the loan-to-value limit to 75% and allowed for a rental component of up to 50%. Also, we introduced a new payment option to make ownership more affordable and a line of credit option to support the operations of the business.
- To assist our agricultural customers, TD Canada Trust paid a cash-back incentive on Farm Improvement Loans and Rural Property Mortgages. We continued our participation

## Our Small Business Banking Commitment

To build strong, positive relationships with all our business customers, we will:

- Encourage open communication to help us fully understand and meet your financial needs
- Explain our credit process to help you obtain the financing you need in a timely manner
- Maintain the accountability of TD Canada Trust employees in following our Business Relationship Standards (which explain the quality of service you can expect from us)
- Guide you through our Customer Problem Resolution Process, which includes access to the TD Ombudsman, to help make sure any concerns you may have about your banking relationship with us are resolved quickly and fairly
- Provide equal access to our products and services, regardless of gender, race, disability, or ethnic origin

in both the federal government's Farm Improvement Loan Program and the Alberta government's Alberta Farm Development Loan Program. Farmers can apply for loans up to \$250,000 to finance up to 80% of equipment, livestock or property purchase.

### Providing Helpful Services and Advice

Credit solutions are only part of what entrepreneurs need – in fact only a third of our small business customers are borrowers. Small business owners tell us they want a full range of financial advice and services. To serve them properly:

- We have a team of more than 270 Small Business Advisers, along with 150 Agricultural Specialists helping farmers across the country. They are supported by several hundred specialists working behind the scenes to understand the diverse industries and priorities of our clients. Last year we launched a new advanced lending curriculum to ensure our people had the most up-to-date expertise to serve business customers.
- We strive to make it easier for time-pressed entrepreneurs to take care of their financial affairs, with longer branch hours than our major competitors, Business Tellers in half of our branches and EasyLine telephone banking and EasyWeb

Internet banking. Our EasySwitch™ service makes it hassle-free for small business owners to transfer their banking business to TD Canada Trust.

- Helpful Internet tools have been created. For example, our online Small Business Resource Centre provides small business economic trends, information on creating the most effective business plan and loan payment and foreign exchange calculators. Last year we enhanced our Web presence to speak directly to specific business sectors, such as doctors, dentists, lawyers, engineers and others.

Also in 2006, TD sponsored events in 22 cities across Canada during Small Business Week that ranged from learning workshops to networking luncheons for entrepreneurs. We continued to provide sponsorship support for the Advanced Agricultural Leadership Program (AALP), designed to enhance learning and development courses for professionals in the agricultural industry, and for the 4-H Agricultural Scholarships, worth \$2,000 each to 10 high-achieving students who are studying agriculture and the agribusiness fields.

### Listening to Small Business

We regularly undertake research into the issues and concerns affecting our business clients. Through our Voice of Customer Research, we surveyed more than 1,000 small business owners in 2006 to better understand how we are doing and what they want from their bank. Last year, through our Customer Service Index research (also see page 36), roughly 54,000 small business customers were surveyed about their most recent banking experience, and we surpassed our target once again. The categories in which we performed particularly well (exceeding scores of 95%) included treating customers in a respectful manner, processing transactions quickly and accurately, handling customer requests and giving customers undivided attention.

*More information: [tdcanadatrust.com/smallbusiness](http://tdcanadatrust.com/smallbusiness)*