TORONTO DOMINION BANK
Form 6-K
May 25, 2006

**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, 2006.

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 x

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 x

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

**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 25, 2006 | By: | /s/ Rasha El Sissi | |
| | | Name: | Rasha El Sissi |
| | | Title: | Associate Vice President, Legal |

# Bank Financial Group

**2nd Quarter 2006 • Report to Shareholders •** *Three and six months ended April 30, 2006*

## TD Bank Financial Group Delivers Solid Second Quarter 2006 Results

**SECOND QUARTER FINANCIAL HIGHLIGHTS compared with the second quarter a year ago:**

- **Reported diluted earnings per share[1] were $1.01, up 17% from $.86.**
- **Adjusted diluted earnings per share[2] were $1.09, up 9% from $1.00.**
- **Reported net income was $738 million, compared with $599 million.**
- **Adjusted net income was $780 million, compared with $672 million.**

**SECOND QUARTER ADJUSTMENTS (ITEMS OF NOTE)**
**The second quarter reported diluted earnings per share figures above include the following items of note:**

- **Amortization of intangibles of $86 million after-tax (11 cents per share), compared with $90 million after-tax (13 cents per share) in the second quarter last year.**
- **The impact of hedging relationships accounting guideline (AcG-13) resulting in a gain of $10 million after-tax (1 cent per share), compared with a gain of $33 million after-tax (5 cents per share).**
- **A general loan loss provision release of $39 million after-tax (5 cents per share).**
- **A reduction to the TD Ameritrade dilution gain of $5 million (1 cent per share) due to final adjustments to the purchase and sale price.**
- **The diluted earnings per share figures above do not include the Bank's equity interest in the April 2006 results of TD Ameritrade because there is a one month lag between fiscal quarter ends. The results of the Bank include its equity share in TD Ameritrade from January 25, 2006 to March 31, 2006. As a result of the one month lag, the impact on earnings per share was approximately 2 cents per share. This effect will not repeat in future quarters.**

All dollar amounts are expressed in Canadian currency unless otherwise noted.

1 Reported results are prepared in accordance with Canadian generally accepted accounting principles (GAAP).
2 Adjusted earnings and reported results referenced in this Press Release and the Report to Shareholders are explained in detail on page 5 under the "How the Bank Reports" section. Commencing from the first quarter 2006, the items of note include the Bank's amortization of intangible assets. Previously, the Bank described adjusted earnings as earnings before amortization of intangibles and items of note.

**TORONTO, May 25, 2006 -** TD Bank Financial Group (the "Bank") today announced its financial results for the second quarter ended April 30, 2006. The Bank delivered a solid quarter with particular strength from Canadian retail operations, which includes Canadian Personal and Commercial Banking through TD Canada Trust, and Canadian Wealth Management through TD Waterhouse Canada.

"Once again, operating results this quarter clearly show consistent performance focused on long-term growth," said W. Edmund Clark, TD Bank Financial Group President and Chief Executive Officer. "To complement the momentum of our domestic franchise, we made further investments to strengthen our U.S. growth strategy including our support for TD Banknorth's acquisition plans for Interchange Financial Services, and we continue to believe our U.S. operations are well positioned to deliver long-term shareholder value."

"Over the last three years, our overall Canadian retail operations have delivered earnings growth in the 15% to 18% range - a remarkable achievement," said Clark. "We think this performance is based on the strength of our integrated customer-focused business model and our ability to leverage our great distribution systems across all our businesses in Canada," added Clark.

**SECOND QUARTER BUSINESS SEGMENT PERFORMANCE**

**Canadian Personal and Commercial Banking**

TD Canada Trust produced another very strong quarter with earnings up 16% compared with the second quarter last year. Real estate secured lending, small business banking and term deposits all contributed to broad-based volume growth and earnings strength this quarter. The Bank acquired VFC Inc., a leading provider of automotive purchase financing and consumer instalment loans, with 90.2% acquired during the quarter and the remainder acquired by May 19, 2006. Early indications show this business is trending positively.

"Consistent operational excellence and record-breaking customer service levels are what we continue to see from our Canadian Personal and Commercial Bank," said Clark. "We've been focused on growing small business banking, insurance and credit card products, and I'm pleased with the progress we've made. Clearly our strategy is working," added Clark.

**Wealth Management**

The second quarter was a record-breaking one for Wealth Management, with a 54% increase in earnings, compared with the second quarter last year. This includes the Bank's equity share of TD Ameritrade.

Canadian Wealth Management's discount brokerage saw record earnings and trading volumes, while record net mutual fund sales boosted TD mutual funds into the category of the top five largest mutual fund portfolios in the country.

TD Ameritrade's net income contribution translated into a very strong showing of $39 million. This was the result of strong trading volumes, increased client balances and their resulting yields, and new account openings. The combination of TD Ameritrade and TD Waterhouse U.S.A. continues to give the Bank strength in both the long-term investor market and active trader space.

"We are very pleased with the record earnings across the Wealth Management platform in the second quarter," said Clark. "In Canada, a very strong performance was complemented by solid growth in assets and new client account openings. While we recognize that buoyant markets and typical seasonality contributed to this success, our Canadian Wealth segment continues to invest in building its customer-facing advisor network and supporting infrastructure to generate future growth," added Clark.

**U.S. Personal and Commercial Banking**

TD Banknorth had weaker earnings this quarter because of the demanding operating conditions currently facing the U.S. banking market. TD Banknorth continued to experience margin compression during the quarter as a result of a challenging U.S. interest rate environment. This was partially mitigated by strong asset quality while growing consumer loans and deposits, primarily due to the acquisition of Hudson United Bancorp at the end of the first quarter.

The integration of Hudson is progressing well and earlier this month TD Banknorth successfully completed a systems conversion which will provide all Hudson customers with access to a broader array of products and services. Also notable this quarter was TD Banknorth's agreement to acquire Interchange Financial Services Corporation for US$480.6 million, which will increase TD Banknorth's presence in the New Jersey market. The all cash transaction will be financed primarily through TD Banknorth's sale of approximately 13 million shares of its common stock to the Bank. Together, these acquisitions represent significant growth potential for TD Banknorth.

"With TD Banknorth and TD Ameritrade we have a two-pronged approach in the United States and together, they are generating strong results and solidifying our U.S. platform," said Clark. "The TD brand is also about to become better known among millions of U.S. consumers as we launched our first-ever U.S. advertising campaign in April."

**Wholesale Banking**

Wholesale Banking delivered solid results in the second quarter driven mainly by a strong contribution from the foreign exchange business and the equity investments portfolio. On a year-to-date basis, adjusted earnings increased by $33 million to $339 million, compared with the prior year period. Wholesale Banking also generated a strong return on invested capital.

"I am very pleased with the performance Wholesale Banking delivered in the first half of the year, an 11% improvement over the same period one year ago," said Clark. "We still expect to see 2006 results higher than what we saw in 2005. We continue to believe TD Securities is positioned well to generate solid returns with less risk, and achieve our mission to build a top three dealer in Canada."

**Corporate**

As first announced on February 22, 2006, the Bank continued to purchase TD Ameritrade shares on the open market throughout the second quarter. The Bank's ownership interest in TD Ameritrade increased to 34.3%, as at April 30, 2006. Subsequent to the second quarter, the Bank increased its ownership interest in TD Ameritrade to 39.4%.

The Bank also acquired TD Banknorth shares and TD Banknorth re-purchased 8.5 million of its own shares during the quarter, increasing the Bank's ownership percentage in TD Banknorth to 56.2%.

**Conclusion**

"The Board and our senior management team are pleased with the Bank's performance for the first half of the year. As I have said before, our goal is to strategically position the Bank - to build for the future - while delivering an acceptable rate of return in the short term. We've said that means consistently growing earnings per share by 7% to 10%. We're doing that this year and we expect to do that next year," Clark concluded.

**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 and in any applicable Canadian securities legislation. 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", "anticipate", "intend", "estimate", "plan", "may" and By their very nature, these statements require us to make assumptions and 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, reputational, insurance, strategic, foreign exchange, regulatory, legal 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 2005 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 development and introduction of new products and services in markets; expanding existing distribution channels; developing new distribution channels and realizing increased revenue from these channels, including electronic commerce-based efforts; the Bank's ability to execute its integration, growth and acquisition strategies, including those of its subsidiaries, particularly in the U.S.; changes in accounting policies and methods the Bank uses to report its financial condition, including uncertainties associated with critical accounting assumptions and estimates; the effect of applying future accounting changes; global capital market activity; consolidation in the Canadian financial services sector; 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 securities 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; the effects of disease or illness on local, national or international economies; the effects of disruptions to public infrastructure, such as transportation, communications, power or water supply; and management's ability to anticipate and manage the risks associated with these factors and execute the Bank's strategies. A substantial amount of the Bank's business involves making loans or otherwise committing resources to specific companies, industries or countries. Unforeseen events affecting such borrowers, industries or countries could have a material adverse effect on the Bank's financial results, businesses, financial condition or liquidity. 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 56 of the Bank's 2005 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, whether written or oral, that may be made from time to time by or on its behalf.

*As in prior quarters, this document, prior to its release, was reviewed by the Bank's Audit Committee and was approved by the Bank's Board of Directors, on the Audit Committee's recommendation.*

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF OPERATING PERFORMANCE**

This Management's Discussion and Analysis (MD&A) is presented to enable readers to assess material changes in the financial condition and operational results of TD Bank Financial Group (the "Bank") for the quarter and the six months ended April 30, 2006, compared with the corresponding periods. This MD&A should be read in conjunction with our unaudited interim consolidated Financial Statements and related Notes included in this Report to Shareholders and with our 2005 Annual Report. This MD&A is dated May 24, 2006. Unless otherwise indicated, all amounts are expressed in Canadian dollars and have been primarily derived from the Bank's annual or interim consolidated financial statements prepared in accordance with Canadian generally accepted accounting principles (GAAP). Certain comparative amounts have been restated to conform to the presentation adopted in the current period. Additional information relating to the Bank is on the Bank's website www.td.com, as well as on SEDAR at www.sedar.com.

**FINANCIAL HIGHLIGHTS**
(unaudited)

| | *For the three months ended* | | | *For the six months ended* | |
|---|---|---|---|---|---|
| | **April 30** | January 31 | April 30 | **April 30** | April 30 |
| (millions of Canadian dollars, except as noted) | **2006** | 2006 | 2005 | **2006** | 2005 |
| **Results of operations** | | | | | |
| Total revenues | **$ 3,118** | $ 3,404 | $ 2,910 | **$ 6,522** | $ 5,716 |
| Dilution gain, net | **(5)** | 1,564 | - | **1,559** | - |
| Provision for credit losses | **16** | 114 | 20 | **130** | 30 |
| Non-interest expenses | **2,103** | 2,290 | 2,057 | **4,393** | 4,002 |
| Net income - reported | **738** | 2,307 | 599 | **3,045** | 1,229 |
| Net income - adjusted[1] | **780** | 835 | 672 | **1,615** | 1,357 |
| Economic profit[2] | **271** | 353 | 242 | **629** | 518 |
| Return on common equity | **16.5%** | 55.4% | 17.2% | **35.5%** | 18.2% |
| Return on invested capital[2] | **14.6%** | 16.5% | 15.8% | **15.6%** | 16.3% |
| **Financial position** | | | | | |
| Total assets | **$ 388,596** | $ 384,377 | $ 359,544 | **$ 388,596** | $ 359,544 |
| Total risk-weighted assets | **135,763** | 135,883 | 127,599 | **135,763** | 127,599 |
| Total shareholders' equity | **19,283** | 18,473 | 15,592 | **19,283** | 15,592 |
| **Financial ratios - reported** (percent) | | | | | |
| Efficiency ratio | **67.6%** | 46.1% | 70.7% | **54.4%** | 70.0% |
| Tier 1 capital to risk-weighted assets | **12.1** | 11.9 | 10.0 | **12.1** | 10.0 |
| Tangible common equity as a % of risk-weighted assets | **9.0** | 8.8 | 6.9 | **9.0** | 6.9 |
| Provision for credit losses as a % of net average loans | **.04** | .29 | .06 | **.16** | .04 |
| **Common share information - reported** (Canadian dollars) | | | | | |
| Per share | | | | | |
| Basic earnings | **$ 1.02** | $ 3.23 | $ .87 | **$ 4.25** | $ 1.83 |
| Diluted earnings | **1.01** | 3.20 | .86 | **4.21** | 1.81 |

| | | | | | |
|---|---|---|---|---|---|
| Dividends | **.44** | .42 | .40 | **.86** | .76 |
| Book value | **26.24** | 25.25 | 22.06 | **26.24** | 22.06 |
| Closing share price | **62.45** | 60.65 | 50.34 | **62.45** | 50.34 |
| Shares outstanding (millions) | | | | | |
| Average basic | **715.7** | 712.5 | 690.8 | **714.1** | 673.4 |
| Average diluted | **722.5** | 718.9 | 696.1 | **720.7** | 678.7 |
| End of period | **718.8** | 714.7 | 706.7 | **718.8** | 706.7 |
| Market capitalization (billions of Canadian dollars) | **$ 44.9** | $ 43.3 | $ 35.6 | **$ 44.9** | $ 35.6 |
| Dividend yield | **2.6%** | 2.8% | 2.9% | **2.7%** | 3.0% |
| Dividend payout ratio | **43.0%** | 13.0% | 46.9% | **20.3%** | 42.1% |
| Price to earnings multiple | **11.1** | 11.1 | 14.1 | **11.1** | 14.1 |
| **Common share information - adjusted** (Canadian dollars) | | | | | |
| Per share | | | | | |
| Basic earnings | **$ 1.10** | $ 1.16 | $ 1.00 | **$ 2.27** | $ 2.05 |
| Diluted earnings | **1.09** | 1.15 | 1.00 | **2.25** | 2.03 |
| Dividend payout ratio | **40.7%** | 36.1% | 41.8% | **38.3%** | 38.1% |
| Price to earnings multiple | **14.4** | 14.3 | 13.0 | **14.4** | 13.0 |

[1] Adjusted earnings and reported results are explained in detail on page 5 under the “How the Bank Reports” section.
[2] Economic profit and return on invested capital are adjusted measures and are explained in detail on page 7 under the “Economic Profit and Return on Invested Capital” section.

## HOW WE PERFORMED

### Corporate Overview

The Toronto-Dominion Bank and its subsidiaries are collectively known as TD Bank Financial Group. The Bank serves more than 14 million customers in four key businesses operating in a number of locations in key financial centres around the globe: Canadian Personal and Commercial Banking, including TD Canada Trust; U.S. Personal and Commercial Banking through TD Banknorth; Wealth Management including TD Waterhouse Canada, TD Waterhouse U.K. and the Bank's investment in TD Ameritrade; and Wholesale Banking, including TD Securities. The Bank also ranks among the world's leading on-line financial services firms, with more than 4.5 million on-line customers. The Bank had $389 billion in assets, as at April 30, 2006. The Bank is headquartered in Toronto, Canada. The Bank's common stock is listed on the Toronto Stock Exchange and on the New York Stock Exchange under symbol: TD, as well as on the Tokyo Stock Exchange. Additional information relating to the Bank is on the Bank's website at www.td.com, as well as on SEDAR at www.sedar.com.

### How the Bank Reports

The Bank's financial results, as presented on pages 21 to 34 of this Report to Shareholders, are prepared in accordance with Canadian generally accepted accounting principles (GAAP). The Bank refers to results prepared in accordance with GAAP as "reported" results. The Bank also utilizes "adjusted" earnings to assess each of its businesses and to measure overall Bank performance. To arrive at adjusted earnings, the Bank removes "items of note", net of tax, from reported earnings. The items of note are listed in the tables below. The items of note relate to items which management does not believe are indicative of underlying business performance. Commencing the first quarter of 2006, the items of note include the Bank's amortization of intangible assets which primarily relates to the TD Banknorth acquisition in March 2005 and the Canada Trust acquisition in fiscal 2000. Previously, the Bank described adjusted earnings as earnings before the amortization of intangibles and items of note. The Bank believes that adjusted earnings provide the reader with a better understanding of how management views the Bank's performance. As explained, adjusted earnings are different from reported results determined in accordance with GAAP. Adjusted earnings 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 tables below provide a reconciliation between the Bank's adjusted earnings and its reported results.

**Operating results - reported**
(unaudited)

| | *For the three months ended* | | | *For the six months ended* | |
|---|---|---|---|---|---|
| | **April 30** | January 31 | April 30 | **April 30** | April 30 |
| (millions of Canadian dollars) | **2006** | 2006 | 2005 | **2006** | 2005 |
| Net interest income | **$ 1,427** | $ 1,607 | $ 1,393 | **$ 3,034** | $ 2,804 |
| Other income | **1,691** | 1,797 | 1,517 | **3,488** | 2,912 |
| Total revenues | **3,118** | 3,404 | 2,910 | **6,522** | 5,716 |
| Dilution gain (loss), net | **(5)** | 1,564 | - | **1,559** | - |
| Provision for credit losses | **16** | 114 | 20 | **130** | 30 |
| Non-interest expenses | **2,103** | 2,290 | 2,057 | **4,393** | 4,002 |
| **Income before provision for income taxes, non-controlling interests in subsidiaries and equity in net income of associated company** | **994** | 2,564 | 833 | **3,558** | 1,684 |
| Provision for income taxes | **244** | 220 | 213 | **464** | 434 |
| Non-controlling interests, net of tax | **47** | | | | |