

Merger Update #3

Building a better bank for you.

To our valued customers:

I want to bring you up to date on our progress in building a better bank by integrating the retail operations of TD Bank and Canada Trust.

Since our integration was first announced in February, you've had an opportunity to experience first-hand that it's business as usual at your branch, through our telephone banking service and on the web. If anything, our customers are telling us that service has improved. But this isn't surprising considering we've extended the hours of operation in many TD Bank branches across the country. We've also frozen our service fees for all TD Bank and Canada Trust customers until at least next January; and our combined 3,000 ABMs are now accessible to all our customers with no Interac[®] withdrawal fees whatsoever.

Obviously, now as in the past, you can continue to use the TD Bank or Canada Trust branch you bank at now, and be looked after by the same people you're used to dealing with today. Or you can call on our existing telephone and web banking services to experience the same "best in class" service that may well have made you our customer in the first place. As I said, it's **business as usual**.

Looking To The Future

The process of consolidating our branches, telephone and web banking services is a complex one that thousands of our employees are working on, so that when the merger is completed by the end of next summer, the transition will be as seamless and painless as possible, and the result will be better banking for all our customers.

That said, our coming together will not be pain-free. Some of our branches will have to be consolidated, as will some of our products, in order to streamline our operations and simplify your banking experience. The product consolidation will take place in a series of four waves beginning in March of 2001 in the Atlantic Provinces. It will be completed on the weekends of March 24 in Atlantic Canada, May 19 in Alberta and British Columbia, June 23 in Manitoba, Saskatchewan and Quebec. Consolidation in northwestern Ontario will also be completed on June 23, and in the remainder of Ontario on the weekend of August 4. The branch consolidation will be completed over the next 36 months in order to ensure the minimum disruption in service.

Our Commitment To You

Inevitably, there will be bumps along the way. We will make mistakes. **But we will move to correct them quickly, completely – and cheerfully.** We will also let you know well in advance of any changes that could affect you. If your branch location is going to move, we'll let you know – in writing – in clear language – at least four months beforehand.

You can also rest assured that **we will not change the quality of your banking and our commitment to customer service – except to work constantly on improving them both.**

Merger Benefits For You

All Canada Trust branches now offer 'paperless banking', and by the Fall of 2001, all our retail TD Canada Trust branches will as well. This means that deposit and withdrawal slips will be a thing of the past.

We also recently combined the management of our small business sales teams at both TD Bank and Canada Trust. As a result, the nation's burgeoning small business sector will enjoy a new level of service and a new kind of attitude from their bankers.

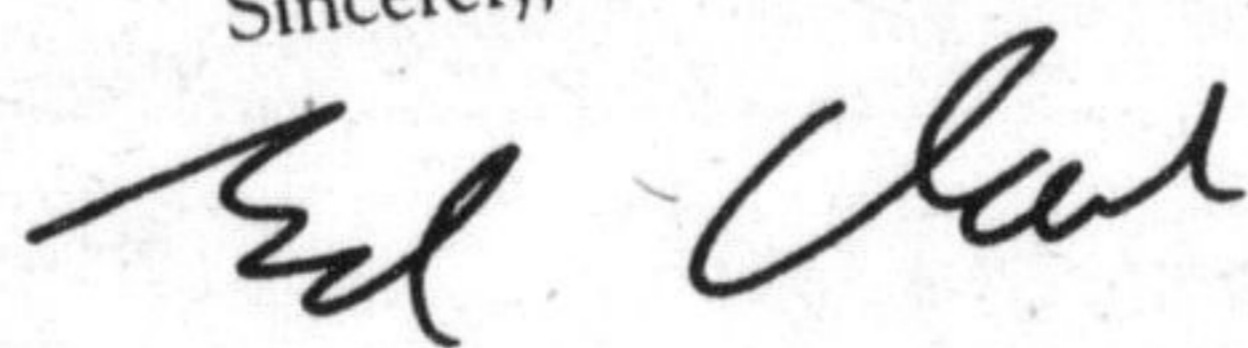
In October, our two mutual fund arms – TD Asset Management Inc. and CT Investment Management Group Inc. – are integrating their operations. **This will give our customers access to what will be one of the largest and most diversified fund families in Canada.**

Investing In Our Common Future

No matter what stage we're at with our integration, we will always continue to give back to the communities we serve – in every province and territory of Canada. This is why we are expanding the largest single cause that Canada Trust supports through its charitable contributions program – the Friends of the Environment Foundation which funds projects to preserve the health of our environment. Next year, following the conversion of TD Bank and Canada Trust retail operations into TD Canada Trust, all our customers will be able to support the Friends of the Environment Foundation.

Let me close by repeating that we will do our utmost to keep you up to date on developments as our two organizations become one. You can access our regular reports on the web, or pick one up in any of our branches. In addition, I will continue to report to you personally via updates such as this in Canada's newspapers. If you have any questions, or if you feel we are not meeting your expectations, I urge you to call our TD Canada Trust Customer Information Line at 1-888-572-8924.

Sincerely,



Ed Clark
TD Canada Trust

