TD Bank Financial Group (TDBFG)
Follow up Q&A from Conference Call
Q1 2009 Results: February 25, 2009

Caution regarding Forward-Looking Statements

From time to time, the Bank makes written and oral forward-looking statements, including in this document, in other filings with Canadian regulators or the U.S. Securities and Exchange Commission (SEC), and in other communications. In addition, the Bank's senior management may make forward-looking statements orally to analysts, investors, representatives of the media and others. All such statements are made pursuant to the "safe harbour" provisions of the U.S. Private Securities Litigation Reform Act of 1995 and applicable Canadian securities legislation. Forward-looking statements include, among others, statements regarding the Bank's objectives and targets for 2009 and beyond, and strategies to achieve them, the outlook for the Bank's business lines, and the Bank's anticipated financial performance. The forward-looking information contained in this document is presented for the purpose of assisting our shareholders and analysts in understanding our financial position as at and for the periods ended on the dates presented and our strategic priorities and objectives, and may not be appropriate for other purposes. The economic assumptions for 2009 for the Bank are set out in the Bank's 2008 Annual Report under the heading "Economic Summary and Outlook" and for each of our business segments, under the heading "Business Outlook and Focus for 2009." Forward-looking statements are typically identified by words such as "will", "should", "believe", "expect", "anticipate", "intend", "estimate", "plan", "may" and "could". By their very nature, these statements require us to make assumptions and are subject to inherent risks and uncertainties, general and specific. Especially in light of the current, unprecedented financial and economic environment, such risks and uncertainties may cause actual results to differ materially from the expectations expressed in the forward-looking statements. Some of the factors – many of which are beyond our control and the effects of which can be difficult to predict – that could cause such differences include: credit, market (including equity and commodity), liquidity, interest rate, operational, reputational, insurance, strategic, foreign exchange, regulatory, legal and other risks discussed in the Bank's 2008 Annual Report and in other regulatory filings made in Canada and with the SEC; general business and economic conditions in Canada, the U.S. and other countries in which the Bank conducts business, as well as the effect of changes in existing and the introduction of new monetary and economic policies 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; defaults by other financial institutions in Canada, the U.S. and other countries; the accuracy and completeness of information the Bank receives on customers and counterparties; the development and introduction of new products and services in markets; developing new distribution channels and realizing increased revenue from these channels; the Bank's ability to execute its strategies, including its integration, growth and acquisition strategies and those of its subsidiaries, particularly in the U.S.; changes in accounting policies (including future accounting changes) and methods the Bank uses to report its financial condition, including uncertainties associated with critical accounting assumptions and estimates; changes to our credit ratings; global capital market activity; increased funding costs for credit due to market illiquidity and increased competition for funding; the Bank's ability to attract and retain key executives; reliance on third parties to provide components of the Bank's business infrastructure; the failure of third parties to comply with their obligations to the Bank or its affiliates as such obligations relate to the handling of personal information; technological changes; the use of new technologies in unprecedented ways to defraud the Bank or its customers and the organized efforts of increasingly sophisticated parties who direct their attempts to defraud the Bank or its customers through many channels; legislative and regulatory developments; change in tax laws; unexpected judicial or regulatory proceedings; continued negative impact of the U.S. securities litigation environment; unexpected changes in consumer spending and saving habits; the adequacy of the Bank's risk management framework, including the risk that the Bank's risk management models do not take into account all relevant factors; 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; and the effects of disruptions to public infrastructure, such as transportation, communication, power or water supply. 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 risk factors and other factors could also adversely affect the Bank's results. For more information, see the discussion starting on page 64 of the Bank's 2008 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. Any forward-looking information or statements contained in this document represent the views of management only as of the date hereof. 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, except as required under applicable securities legislation.

1. Prior to TD's acquisition of Commerce Bancorp ("Commerce"), what was their peak loss rate?

TDBFG completed its acquisition of Commerce on March 31, 2008. Prior to this, Commerce was a publicly-traded company, listed on the NYSE under the ticker symbol "CBH".

Regulatory filings of the company while it was publicly traded, including certain financial metrics, continue to be available at http://www.sec.gov/edgar.shtml. Historical performance is not necessarily representative of forward-looking performance.

2. a) What is the current loan to value ("LTV") on your U.S. RESL[1] book?

The current LTVs on our U.S. RESL books are estimated as follows:

Current Estimated LTV	Residential Mort.	1st Lien HELOCs	2nd Lien HELOCs
>80%	17%	12%	33%
61-80%	32%	23%	37%
<=60%	51%	65%	30%
Current FICO Score >700	65%	79%	76%

Also worth noting on TD's U.S. RESL portfolio is that approximately 45% of the total HELOC book, and 43% of the 2nd lien HELOC book referenced in the table above, are structured as reducing term loans.

b) What is your methodology for establishing current LTVs on your U.S. RESL book?

Current LTVs on the U.S. RESL book are estimated by adjusting the original LTV using the Loan Performance Home Price Index. This index is available in multiple markets in the U.S.

3. Referring to page 38 of the Q1/09 Supplemental Financial Information package (available at *td.com/investor*),

a) is the expected loss rate adjusted after the actual loss rates have been determined?

[1] "RESL" refers to Real Estate Secured Lending, which includes Residential Mortgages and HELOCs (Home Equity secured Lines of Credit and Loans)

No. As stated in footnotes 1 and 2 in the Supplemental Financial Information package, the expected loss rate represents the loss rate predicted at the beginning of the applicable consecutive 4-quarter period, in this case the period ending Q1 2009. The expected loss rate is calculated using Basel II risk parameters, which are calculated on a "through the cycle" basis. The risk parameters are updated at least annually, taking into account actual loss experience.

b) if the expected loss rate is greater than the actual loss rate, is this an indication that your provisions for credit losses are expected to rise?

Not necessarily. The two rates measure losses over different time horizons, and reflect different measurements. As outlined above, Expected Loss is calculated on a "through the cycle" basis, and represents an estimate of loss rates over an extended period of time. The various risk parameters (Probability of Default, Loss Given Default, and Exposure at Default) used to calculate Estimated Losses are based on conservative estimates, as the historical loss data used in the calculation does not cover a full business cycle. Actual loss rates, on the other hand, reflect the loss experience realized during a given period. During periods of relative prosperity, Expected Losses will normally exceed actual losses, whereas during a recession, actual loss rates may exceed Expected Losses.

Given our position in the current economic cycle, we expect losses to increase in Q2/09 due to: i) a worsening of the North American economic environment, and ii) a rise in short-term delinquency in Q1/09, which is expected to create higher provisions in Q2/09.

4. Referring to page 35 of the Q1/09 Supplemental Financial Information package, can you provide an indication of how much Probability of Default ("PD") should change from peak to trough?

Exposure Weighted Average PD is dependent on the PD assigned to, and the amount of exposure in, each retail risk category (Low, Medium, High). As outlined in response to question 3 above, the parameters used to estimate PD in each category are calculated conservatively on a "through-the-cycle" basis which takes into account the default experience over a business cycle. As a result, PD estimates within a range are not expected to vary widely.

The exposure in each retail risk category at any point in time is dependent on the risk profile and distribution of individual borrowers within the portfolio. This risk profile and distribution will change from quarter to quarter depending on the impact of current economic conditions. It is possible to estimate a range of

Exposure Weighted Average PDs over a cycle, however, the range will be based on the specific assumptions used to develop individual scenarios. Given current uncertain economic conditions, and their potential impact on a number of variables, it is difficult to predict a PD range from peak to trough with certainty.

5. How much of TD Bank NA's loan book is categorized as construction and residential for sale?

Residential For Sale: 5% of Commercial Loans Outstanding
Other Construction & Land Development: 4% of Commercial Loans Outstanding
Total Commercial Loans Outstanding: US$34B