TD Bank Financial Group (TDBFG)

Supplemental Financial Information: Q4/09 Guide to Reader

Page 1 - Highlights

Page 1 line 21 – Why are the average number of common shares outstanding up vs. last year?

Average diluted shares outstanding for Q4'09 were up 48 million or 6% from the same quarter last year. Of this increase, 35 million was caused by the share issuance in December 2008 with the balance attributed to normal additions from dividend reinvestment plan and stock option activity. The Bank did not buy back any shares in 2009 to offset growth as it focused on maintaining strong capital ratios in a challenging economic environment.

Page 1 line 27 – What factors contributed to the quarter-over-quarter increase of 20 bps in the Tier 1 Capital Ratio?

The Tier 1 Capital ratio improved from 11.1% at Jul. 31/09, adjusted for the impact of CICA Handbook S.3855 reclassification, to 11.3% at Oct. 31/09, primarily driven by earnings (net of dividends) and common share increases through the dividend reinvestment plan and stock option activity, partially offset by the securitization downgrades in Commerce. The FX impact on the Tier 1 Capital ratio was minimal as the impact on capital and RWA offset.

Page 2 – Shareholder Value

Page 2 line 14 – What are the main reasons for the quarter-over-quarter increase in Book Value Per Common Share?

The quarter-over-quarter increase in book value per common share was primarily driven by higher retained earnings slightly offset by the minor impact from the increase in common shares from DRIP and stock option activity.

Page 4 – Segmented Results Summary

Page 4 line 18 – Why has the contribution from Other International to Total Revenue decreased from 17% last quarter to 8% this quarter?

The decrease in the Other International category is driven by the decision to exit certain offshore businesses.

Page 5 - Canadian Personal and Commercial Banking

Page 5 lines 3, 5 - What was the operating leverage in Q4/09?

Operating leverage was 5%: revenue increased 7% year-over-year, while expenses increased 2%.

Revenue increase was driven by strong volume growth across most banking products, particularly in real estate secured lending and personal and business deposits. The increase from volume growth was slightly offset by margin compression, and increasing industry-wide property and casualty insurance loss ratios, including the impact of severe weather events in the insurance business.

Expenses increased primarily due to higher employee compensation and other expenses to support business growth.

Page 6 – Wealth Management

Page 6 lines 16, 17 – What are the main reasons for the $18 billion increase in Assets Under Administration in Fiscal 2009, and the $1 billion increase in Assets Under Management during the same period?

The increase in Assets Under Administration in Fiscal 2009 was primarily due to the addition of net new client assets and market appreciation.

The increase in Assets Under Management in Fiscal 2009 was primarily due to net new client assets and recent market improvement.

Pages 7/8 – U.S. Personal and Commercial Banking

Page 7 line 23 – What are the main reasons behind the decrease in Margin on Average Earning Assets during the past year, from 3.81% in Q4/08 to 3.46% in Q4/09?

The decrease in Margin on Average Earning Assets during the last year is primarily due to the low rate environment and increased levels of non-performing loans.

Page 9 – Wholesale Banking

Page 9 line 14 – Why did Wholesale Risk Weighted Assets (RWA) decline $2 billion from last quarter?

The $2 billion decrease in Wholesale RWA to $34 billion was primarily driven by declines in market risk as measured by Value-at-Risk and a decline in credit exposures.

Page 10 – Corporate Segment

Page 10 line 14 – What are the main reasons for the increase in Net Income – Adjusted - from $(153) million in Q4/08 to $(54) million this quarter?

Lower adjusted net loss in the quarter was primarily driven by decrease in net securitization losses, reduced losses associated with retail hedging activity and impact of tax benefits in the quarter.

Page 14 – Balance Sheet

Page 14 line 3 – Why did Trading Securities go up $4.4 billion, from $46.7 billion last quarter to $51.1 billion this quarter?

The increase is primarily due volume increases in Wholesale banking combined with the impact of mark-to-market movements.

Page 14 line 5 – Why did Available-For-Sale Securities go up $3.5 billion, from $81.3 billion last quarter to $84.8 billion this quarter?

The Available for sale securities balance was driven higher quarter-over-quarter mainly by corporate debt volumes, offset by lower volumes in mortgage-backed securities and US government debt securities.