TD Bank Financial Group (TDBFG)

Supplemental Financial Information: Q3/2010 Guide to Reader

Page 1 - Highlights

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

Average diluted shares outstanding for Q3'10 were up about 20 million or 2% from the same quarter last year. This increase was primarily caused by normal additions from dividend reinvestment plan (DRIP) and stock option activity as well as the issuance of $250 million in common shares for prudent capital management in advance of closing the proposed acquisition of The South Financial Group, Inc.

Page 1 line 27 – What factors contributed to the quarter-over-quarter increase of 50 bps in the Tier 1 Capital Ratio?

As at July 31, 2010, the Bank's Tier 1 capital ratio was 12.5%, compared with 11.3% as at October 31, 2009. The increase was primarily a result of strong earnings, a common share issuance of $250 million during the third quarter, and strong participation in the Bank's dividend re-investment plan and exercise of stock options.

Page 2 – Shareholder Value

Page 2 line 15 – What are the main reasons for the increase in Book Value Per Common Share compared to last year?

The year-over-year increase in book value per common share was primarily driven by growth in common shares and retained earnings.

Page 5 - Canadian Personal and Commercial Banking

Page 5 lines 3, 5 - What was the year-over-year operating leverage in Q3/10?

Operating leverage was 4%: revenue increased 8% year-over-year, while expenses increased 4%.

Revenue increase was driven primarily due to strong volume growth, primarily in real estate secured lending, business deposits, and insurance.

Expenses increased primarily due to higher employee compensation and project-related costs.

Page 5 line 4 – Why did the Provision for credit losses (PCL) in the Canadian P&C segment decrease $54 million from the same quarter, last year?

PCL for the quarter was $236 million, a decrease of $54 million, or 19%, compared with the third quarter last year. Personal banking PCL was $222 million, a decrease of $46 million, or 17%, mainly due to better credit conditions resulting from an improving economic and employment environment. Business banking PCL was $14 million, a decrease of $8 million, or 36%.

Page 6 – Wealth Management

Page 6 line 8 – Why was the contribution from TD Ameritrade down from the same quarter last year?

The Bank's reported investment in TD Ameritrade generated net income for the quarter of $62 million, a decrease of $6 million, or 9%, compared with the third quarter last year. The decrease was due to the translation effect of a stronger Canadian dollar, partially offset by higher earnings at TD Ameritrade. For its third quarter ended June 30, 2010, TD Ameritrade reported net income of US$179 million, an increase of US$8 million, or 5%, compared with the third quarter last year. For more information on TD Ameritrade's results, go to *www.amtd.com/investors*.

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

Page 7 line 26 - Why did the U.S. P&C margin decrease 12bps from the previous quarter?

Margin on average earning assets decreased by 12 bps to 3.47% compared with the prior quarter, primarily due to lower prepayment speed on loans and securities. Spreads on deposits and loans remained stable.

Page 8 line 4 – Why did the U.S. P&C PCL decrease by $37 million over last quarter?

While net impaired loans increased somewhat, US credit quality was generally better in the third quarter. Total PCL for the quarter was US$126 million, a decrease of US$37 million, or 23%, compared with the third quarter last year. PCL for loans for the quarter was US$127 million, a decrease of US$36 million, or 22%, compared with the third quarter last year. Annualized PCL for loans as a percentage of credit volume was 0.89%, a decrease of 34 bps compared with the third quarter last year. Net impaired loans, excluding debt securities classified as loans that are impaired and covered assets, were US$1,046 million, an increase of US$358 million, or 52%, compared with the third quarter last year. The increase was largely due to net new formations resulting from weakness in the commercial real estate market in the U.S. and the impact of the recession. Net impaired loans, excluding debt securities classified as loans and covered assets, as a percentage of total loans were 1.8%, compared with 1.3% as at July 31, 2009. Net impaired debt securities classified as loans were US$966 million at July 31, 2010. Covered impaired loans were US$40 million at July 31, 2010.

Net impaired loans includes assets originated by U.S. Personal and Commercial Banking, as well as assets acquired under an FDIC loss sharing agreement ("covered assets") that substantially reduce the risk of credit losses to the Bank.

Page 9 – Wholesale Banking Segment

Page 9 line 10 – What are the main reasons for the decrease in Net Income – Adjusted - from $220 million in Q2/10 to $179 million this quarter?

Wholesale Banking net income for the quarter decreased $41 million, or 19%, compared with the prior quarter, primarily due to increased uncertainty in global markets resulting in reduced trading flows, reduced issuance activity, and lower equity trading revenue. The annualized return on invested capital for the quarter was 22.7%, compared with 29.0% in the prior quarter, and continued to normalize towards our medium-term target of 15%-20%.

Page 10 – Corporate Segment

Page 10 line 14 – What are the main reasons for the decrease in Net Income – Adjusted - from $(106) million in Q3/09 to $(182) million this quarter?

Adjusted net loss for the quarter was $182 million, compared with an adjusted net loss of $106 million in Q3/09. Compared with the third quarter last year, the higher adjusted net loss was primarily attributable to unfavourable tax-related items and losses associated with hedging and treasury activities, partially offset by lower net corporate expenses.

Page 12 – Non-interest income

Page 12 line 9 – What caused the decrease of $95 million in trading income (loss) from last quarter compared to this quarter?

Trading income declined by $95MM compared to last quarter driven primarily by reduced trading activity due to sovereign credit concerns which decreased inventory values.