TD Bank Financial Group (TDBFG)

Supplemental Financial Information:
Q2/2010 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 Q2'10 were up 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.

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

The Tier 1 Capital ratio increased from 11.5% at Jan. 31/10 to 12.0% at Apr. 30/10, primarily driven by retained earnings growth.

Page 2 – Shareholder Value

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

The year-over-year decrease in book value per common share was primarily driven by the impact of the stronger Canadian dollar on accumulated other comprehensive income (AOCI).

Page 5 - Canadian Personal and Commercial Banking

Page 5 lines 3, 5 - What was the year-over-year operating leverage in Q2/10?

Operating leverage was 7%: revenue increased 11% year-over-year, while expenses increased 4%.

Revenue increase was driven by strong volume growth across most banking products and HELOC re-pricing.

Expenses increased primarily due to higher project related expenditures, non credit losses, and employee compensation.

Page 5 line 4 – Why did the Provision for credit losses (PCL) in the Canadian P&C segment decrease $30 million from the same quarter, last year?

PCL for the quarter was $256 million, a decrease of $30 million, or 10%, compared with the second quarter last year. Personal banking PCL was $230 million, a decrease of $30 million, or

12%, mainly due to lower bankruptcies and better credit quality, partially offset by volume growth. Business banking PCL was $26 million, flat compared with the second quarter last year.

Page 6 – Wealth Management

Page 6 line 8 – Why was the contribution from TD Ameritrade up quarter-over-quarter?

The Bank's reported investment in TD Ameritrade generated net income for the quarter of $56 million, an increase of $8 million, or 17%, compared with the second quarter last year. The increase was due to higher earnings in TD Ameritrade, partially offset by the translation effect of a stronger Canadian dollar. For its second quarter ended March 31, 2010, TD Ameritrade reported net income of US$163 million, an increase of US$31 million, or 23%, compared with the second 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 increase 18bps from the previous quarter?

Margin on average earning assets increased by 18 bps to 3.59% compared to the prior quarter, primarily due to higher spreads on deposits and loans and increased prepayment speeds on loans and securities.

Page 8 line 4 – Why did the U.S. P&C PCL decrease by $29 million over last quarter?

Total PCL for the quarter decreased US$29 million, or 15%. PCL for loans decreased US$28 million, or 15%, compared with the prior quarter. Net impaired loans, excluding debt securities classified as loans that are impaired, were US$1,000 million, a decrease of US$18 million, or 2%, compared with the prior quarter. The decrease was largely due to lower levels of net formations and higher levels of charge-offs. Net impaired loans, excluding debt securities classified as loans, as a percentage of total loans were 1.8%, compared with 1.9% as at January 31, 2010. PCL for securities classified as loans decreased US$1 million compared with the prior quarter due to the relative stability of the U.S. housing market in the current quarter.

Page 9 – Wholesale Banking Segment

Page 9 line 10 – What are the main reasons for the decrease in Net Income – Adjusted - from $372 million in Q2/10 to $220 million this quarter?

Wholesale Banking net income for the quarter decreased $152 million, or 41%, compared with the prior quarter. Higher equity trading revenue and profits in the investment portfolio were more than offset by weaker interest rate and credit trading revenue as markets normalized considerably in the current quarter.

Page 10 – Corporate Segment

Page 10 line 14 – What are the main reasons for the decrease in Net Income – Adjusted - from $(33) million in Q1/10 to $(159) million this quarter?

Adjusted net loss for the quarter was $159 million, compared with an adjusted net loss of $80 million. Compared with the second quarter last year, the higher adjusted net loss was primarily attributable to lower securitization gains, unfavourable valuations of hedges, and higher net corporate expenses in the current quarter.

Page 12 – Non-interest income

Page 12 line 13 – What caused the decrease of $199 million in trading income (loss) from this quarter compared to last quarter?

Trading income was decreased by $199 million quarter-over-quarter due to reduced trading results in wholesale banking due to normalization in the capital markets and reduced demand.

Page 14 – Balance Sheet

Page 14 line 5 – Why did Available-For-Sale Securities go up $6.1 billion, from $89.2 billion last quarter to $95.3 billion this quarter?

The available-for-sale securities balance was driven higher quarter-over-quarter primarily due to purchase of new Canadian MBS' and growth in U.S. Personal and Commercial Banking related to reinvestment of balances previously invested in securities purchased under reverse repurchase agreements. Also contributing to the increase are higher ABS balances.

Page 14 line 3 – Why did Trading Securities go up $4.4 billion, from $50.8 billion last quarter to $55.2 billion this quarter?

The trading securities balance was driven higher quarter-over-quarter primarily due to mark-to-market increases in common equity positions in Wholesale banking.