TD Bank Financial Group
Investor Relations

TD BANK FINANCIAL GROUP

TD ACQUIRES COMMERCE BANCORP ACQUISITION UPDATE CONFERENCE CALL

APRIL 21, 2008

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PRESENTATION

Tim Thompson ***- Toronto Dominion Bank - SVP IR***

Good morning and welcome to the TD post-acquisition presentation, discussing the acquisition of Commerce Bancorp. My name is Tim Thompson and I'm Senior Vice President of Investor Relations at TD. We will begin today's presentation with remarks from Ed Clark, the Bank's CEO. Afterwards, Colleen Johnston, the Bank's CFO will discuss the financial parameters of the transaction, along with other details on the combined entity. Bharat Masrani, President and CEO of TD Commerce Bank, will talk about our plans for our U.S., personal and commercial banking franchise. Also joining us are Steve Boyle, CFO of TD Commerce Bank and Mark Chauvin, Chief Risk Officer for TDBFG. At the end of the presentation, we will entertain questions from pre-qualified analysts and investors on the phone.

Depending on the slide, please note we will be talking about either TD Banknorth, Commerce Bancorp, or when talking about TD Banknorth and Commerce together, TD Commerce Bank. We will try to keep the call to around one hour. We are asking those participating in the question-and-answer portion of the call to ask one question at a time, so that everybody has an opportunity to contribute.

Please turn to page two. We know that this presentation contains forward-looking statements and actual results could differ materially from what is discussed. Certain material factors or assumptions were applied in making these statements. For additional information, we refer you to TD's filings with the securities regulators in Canada including our 2007 annual report. The forward-looking information contained in this presentation is presented for the purpose of assisting our shareholders and analysts in understanding our U.S. personal and commercial segment's financial position as at and for the periods ended on the date presented and our strategic and financial priorities and objectives, and may not be appropriate for other purposes. Over to Ed.

Ed Clark ***- Toronto Dominion Bank - President & CEO***

Thanks, Tim. I'd like to thank you for joining us today for our investor presentation to update you on the details related to the close of the Commerce Bancorp acquisition, the integration of TD Banknorth and Commerce Bancorp and the expected impact of the new combined TD Commerce Bank on TD Bank's overall results. Growing in the United States through TD Commerce Bank and TD Ameritrade is an important part of our future. We are very positive about both of them and their ability to grow organically and deliver value to our shareholders. We started our journey into the United States banking with TD Banknorth in 2005.

Over the past two years, we have proven out our ability to successfully operate and grow earnings in the United States. A pretty tough assignment given the environment. Colleen will talk later about the latest results from TD Banknorth. We have also made great progress transforming TD Banknorth to the point where an integration with Commerce actually leverages our past investments and accelerates our organic growth strategy. When we step back and look at the earnings we expect from our U.S. banking operations in 2009, we are pleased with where we've landed. We're still finalizing our numbers but all in we've got a premium U.S. retail franchise for about 14 to 15 times earnings.

A franchise that has solid operations in five of the top ten MSA's in the United States, delivering a unique service model to our customers, with a conservative balance sheet and a surplus of deposits in a liquidity-starved world. And as I will mention later, a source of very positive earnings momentum for the TD Bank as a whole. As part of our strategy of becoming a North American powerhouse in financial services, we have decided to run a North American wealth management strategy alongside TD Commerce in order to leverage the full power of our wealth management capability. We are also going to extend the power of our Canadian insurance business with a North American insurance strategy. And finally, we see excellent opportunities to link our wholesale business to TD Commerce, as we have already started doing with TD Banknorth.

Now, I recognize that some people are worried about our strategy in the United States. They have two concerns. First, people believe that the United States is going to go into a recession, so they assume we will be damaged as a result of that. And second, they worry we won't pull off the TD Banknorth and Commerce Bancorp integration. On the first point, both TD Banknorth and Commerce are conservative lenders. We are not saying we can operate in the United States in a recession and not be impacted. Obviously, we will be, as will our commercial operations if the slow down in the United States moves into Canada. Our provision expectations assume a tough period for the next 18 months.

What we are saying is that we believe the TD Bank will be a positive outlier in both Canada and the United States and that we can meet our earnings targets with higher expected provisions. When we announced the Commerce Bancorp acquisition we told you our expectations on earnings. I recognize you worry that we will revise down these targets. The opposite is true. We are expecting to do a little better in 2008, setting a new target of at least C$750 million in earnings. And even though visibility for 2009 is much less clear, we are reiterating our expectation for a minimum of C$1.2 billion in earnings in 2009, despite the higher loan losses we expect from a weaker U.S. economy and narrower deposit margins.

As for the concerns about integration, people have to understand we bought Commerce to get the Commerce model. We understand their model because it is very similar to the TD Canada Trust model. We're highly sensitive to the key elements that must be preserved. We are true believers in convenience and service in retail banking. It's terrific for customers, it's terrific for employees and it's terrific for shareholders. And when you own that brand position, the benefits are cumulative.

If you look at what TD Canada Trust has achieved, it has outperformed the market, delivering better customer satisfaction, while at the same time growing revenue and profits faster. These are not incompatible goals. Quite the opposite, this achievement can be duplicated in the United States. And we know how to do mergers. TD Canada Trust is living proof of that and so are the 27 mergers that TD

Banknorth has done. We believe we can demonstrate these same skills in mobilizing TD Banknorth and Commerce.

Let me put the positive outlook for TD Commerce in a broader context. While we feel very positive about our future for TD Commerce Bank, as I mentioned at our annual meeting, we still believe that 2008 will be a pause year in terms of growth for TD overall. We are unlikely to show any growth in the second quarter. We don't have much visibility on the rest of the year, given the weakening environment. You can think of our business as being split into two parts, those affected by the current market turmoil and those that aren't.

Our wholesale bank has been impacted directly, especially our spread business. In addition for several years now, we have enjoyed the benefits of significant security gains on our wholesale bank. In these markets, these gains will be much smaller. Similarly, our Canadian wealth management business has been hurt by a slow down in activity and its fee business reduced by declining asset values. Those unaffected by the turmoil make up a much larger share of our earnings.

TD Canada Trust, our core banking franchise, is still showing strong earnings growth and TD Ameritrade is having a record year, while achieving excellent net asset growth. Combined with the excellent results expected for TD Commerce Bank, we have an enviable base of retail earnings to weather the volatility of market dependent revenues in those other businesses. Moreover 2008 should be followed by a resumption of earnings closer to our targeted growth rate in 2009, as the impact of increased Commerce earnings plus some potential spring back in TD Securities and TD Wealth Management earnings more than offsets a possible slow down in earnings at TD Canada Trust.

I want to take the opportunity to let you know that we are planning an investor day in New Jersey on Thursday, June 19, that will be dedicated to introducing you to the great leadership and vision we have for TD Commerce Bank. We feel it is important for us to spend more time walking you through how we hope to see our U.S. retail platform develop over the next 18 to 24 months. This will be a great opportunity for you to meet directly and ask questions of the key members of the TD Commerce Bank leadership team. The people who are responsible for executing the organic growth plans for their businesses. We will be sending out a press release with all the conference details by mid-May.

In summary, let me finish by summarizing my thoughts. TD Commerce Bank has a clear strategy for the future that emphasizes delivering both short and long-term earnings growth that are in line with TD's overall growth objective. At the same time, we will be highly focused on insuring that we own the convenience and service brand with our customers. That we fully engage our employees. That we push ahead with our organic growth plan, while managing our credit portfolio and maintaining a discipline approach to cost management. We believe we have yet to tap the enormous synergies as we leverage all of our American platforms to build the first North American bank. This is a great story for our customers, our employees and our shareholders. With that, I would now like the turn things over to Colleen.

Colleen Johnston ***- Toronto Dominion Bank - CFO***

Thanks, Ed and good morning. On slide four, the economic value of the transaction at close was U.S. $7.5 billion. For accounting purposes, we are required to value the deal at announcement date, which was U.S. $8.4 billion. The difference reflects the change in TD share value from announcement to close.

Original estimates for restructuring and integration costs of U.S. $490 million included balance sheet, as well as ongoing charges. The total of these costs is expected to be higher than previously estimated. Total restructuring charges of $420 million pretax will go through the P&L, with some charges recognized in our second quarter 2008 and with the majority of merger and integration related charges taken by the end of 2009. We will treat these charges as items of note. Please also note, that we expect TD's earnings per share in Q2 will have a C$0.04 negative impact due to the one month reporting lag. This will also be treated as an item of note. Cost synergies are expected to be U.S. $310 million and are expected to be fully realized by the end of 2009.

Please turn to slide five. Here we show selected financial impacts of the transaction. When we announced the deal back in October, our pro forma capital ratio at July 31, 2007 was 8.75% to 9%. That is still our projected range for Q2 2008 after closing the Commerce deal. So same answer, which is good, but some pluses and minuses. Basel II and preferred share issues have added to our ratio, while the capital impact of the Commerce deal was more than expected. Fair value adjustments to the Commerce balance sheet were higher than expected, which impacted capital by about 30 basis points. I would also caution that it is getting harder to predict risk-weighted assets under Basel II and we are seeing upward pressure due to some limited credit migration and market volatility. On November 1, subsequent to the TD Ameritrade adjustments, we expect to show an 8% tier 1 capital ratio.

Let me take a moment to comment on fair value, especially in this environment. For accounting purposes, we are required to fair value the Commerce balance sheet at March 31, the date of close, which resulted in a downward adjustment to asset values, partially in the commercial loan portfolio but largely in the securities portfolio. The assets in the securities portfolio are of very good quality but current market pricing reflects high liquidity premium and we view the fair value adjustments as largely temporary. Our target remains a return on invested capital of 7% in 2009.

In terms of accretion, back in October we advised that on an adjusted basis, the Commerce deal would be C$0.10 dilutive in 2008 and neutral in 2009. The picture has improved especially for 2009. Why? We expect higher segment earnings in 2008 and lower funding costs in both years. In addition, the starting point for earnings per share, prior to inclusion of Commerce, is lower than originally modeled due to earnings pressure on the banking sector and on TD.

On slide six, we have summarized our Q2 2008 estimated earnings for the U.S. P&C segments. As mentioned earlier, on a GAAP basis, we will also have a restructuring charge, which is still being finalized. Due to the one month reporting lag, Commerce earnings won't come in to TD's earnings until Q3 2008. More details can be found on pages 18 to 21 in the appendix concerning the Q2 results. Our estimated earnings of C$130 million reflect solid quarter-over-quarter performance.

We will have noticeably higher PCL's, mainly as a result of the change in methodology for small business loans. In fact NPL's were down quarter-over-quarter at both TD Banknorth and Commerce. The latter of which was impacted by fair value adjustments. Quarter-over-quarter we estimate loan growth of 2% and a 3% decrease in deposits. In addition, our U.S. P&C business experienced 15 basis points of margin compression to a net margin of 3.73% for the quarter due to intense competition for retail deposits.

With respect to Commerce Bank's first quarter earnings, on a normalized basis, they exceeded historical run rates of approximately U.S. $80 million. The results were driven by improved net interest margin and a sequential improvement in loan volumes. Commerce deposit volumes were up quarter-over-quarter but growth was slower than anticipated due to ongoing market disruption and the sector-wide impact on deposits.

Please turn to slide seven. On slide seven, we are providing the expected run rate for our U.S. P&C bank for Q3 2008. So why are we giving you this break down? It is difficult for our investors and analysts to take TD Banknorth, plus Commerce, plus the impact of deal synergies and accounting, plus the changes we've made to the balance sheet and then also overlay the impact of the current operating and economic environment. So we are giving you our target new baseline P&L and we will take it from there going forward.

Let's talk about the baseline for the combined businesses in U.S. P&C beginning in third quarter and beyond. Banknorth earnings of C$130 million, plus Commerce earnings of C$80 million, plus changes/synergies, will result in earnings of about C$250 million per quarter. That includes -- please note the tax rate, which will go down as a result of tax optimization strategies associated with the deal. PCL's will increase to C$75 million to reflect the potential further slow down of the U.S. economy, up from the current run rate of C$40 to C$50 million on a combined basis. And deposit spreads will narrow due to intense competition for retail deposits. The addition of Commerce will result in an efficiency ratio of about 63% to start. We anticipate improvements in productivity going forward due to deal synergies, but not at the risk of damaging the exceptional client experience received by our customers.

Please turn to slide eight. Let's look at the earnings impact on our U.S. personal and commercial banking segment. In 2007, U.S. P&C earned C$359 million. With the addition of Commerce, those earnings will now be at least C$750 in 2008. We are targeting the segment to deliver at least C$1.2 billion in fiscal 2009, assuming Canadian dollar parity with the U.S. dollar. In fact, you should think of C$1.2 billion as a starting point. We won't be satisfied at this level. With the increased earnings from U.S. P&C, our earnings mix will now move up to an ultra-premium retail mix, over 85% retail. With U.S. P&C making up between 20% to 25% of total bank earnings.

Turning to slide nine, we show a break down of the Commerce Bank investment portfolio as of April 15, 2008. This slide is based on fair value and reflects the changes that have been made post-close. From an investor perspective, let me outline key points to consider. We've said all along and continue to emphasize, the issue with the portfolio was interest rate risk not credit risk. We are comfortable now with the duration match in the portfolio. We have applied extreme stress testing to the credit quality of the portfolio and its intrinsic value is well above its mark.

Over half of this portfolio has been repositioned, including both the short term agency and asset backed components. The remaining fixed rate mortgage backed securities portfolio has undergone an extensive review. As required by the accounting rules, the portfolio has been marked to fair value. We are comfortable with these fair values.

With respect to the Alt-A portfolio, you might be asking why we didn't sell it. From where we are today, based on our analysis, it is better to hold this portfolio because there's a great deal of intrinsic value within this book. All of the components of the portfolio remain AAA rated. As we indicated previously, margin will be impacted to a certain degree and is now expected to be 3.50% to 3.70% in Q3 '08 in U.S. P&C, which factors in these changes in the portfolio. Please refer to the appendix for additional support information on the investment portfolio. And with that, I will now turn the presentation over to Barrett.

Bharat Masrani *- TD Commerce Bank - President & CEO*

Thank you, Colleen, and good morning. I want to give you an update on our integration planning, which is noted on slide 10. In short, the integration is going extremely well and we are making tremendous progress toward our goal of creating a single operating model for our U.S. personal and commercial banking business. Integration guidelines centered on the customer, have been established. Integration teams have been formed with experienced representation from TD Bank Financial Group, TD Banknorth and Commerce Bank. Plans have been developed to identify our go-to-market strategies and the systems needed to support those strategies and we are now moving into the detailed conversion planning and execution phases.

I have named my senior management team. It is a balanced team, drawing on top talent from all three companies and I am incredibly excited about the team's energy, depth of experience and enthusiasm to get the job done. You will have an opportunity to meet many of them at our June investor day and I am looking forward to that. We have announced our brand in the U.S., TD Commerce Bank, America's Most Convenient Bank and we are on track for the integration to be substantially completed in the second half of 2009.

Let me provide you with some additional color on our commercial loan book. Slide 11 provides a break down of our commercial lending portfolio for TD Banknorth and Commerce combined. The portfolio is well diversified across both geographies and categories. With respect to our exposure to investment real estate in the U.S. as you will see from the next slide, that too is well diversified. As a result of the Commerce transaction, our overall exposure to investment real estate has declined from 41% to 36%. Overall, the portfolio continues to perform well. At the same time, we have shared with you previously, if the U.S. economy continues to weaken, we will be impacted like everyone else.

On a combined basis at TD Banknorth and Commerce, our normalized run rate for PCL for the past year or so has been in the C$40 to C$45 million range per quarter. As Colleen mentioned, we anticipate increasing this to a C$75 million PCL run rate starting in Q3 and continuing through fiscal '09, given the current economic climate. Given our solid underwriting at both TD Banknorth and Commerce however, if the U.S. economy continues to deteriorate, we believe we will still be a positive outlier. On the following slide we have broken out our investment real estate loans in more detail.

Please turn to slide 12. Here you can see our investment real estate portfolio is well diversified by asset class and geography. The majority of the investment real estate portfolio consists of permanent amortizing mortgages, which continue to perform satisfactorily. The one area where we have some weakness, given the downturn in the housing industry, is in residential for-sale real estate, which overall, represents approximately 6% of our portfolio. All other sectors continue to perform satisfactorily, with no material negative trends. From a geographic perspective, our investment real estate is in markets which has performed comparatively well recently, such as the metropolitan areas of New York, Connecticut, Philadelphia and Massachusetts. And we have limited exposure to the markets hardest hit by the current economic conditions.

We are probably ahead of others, and over the past year, TD Banknorth taken a proactive approach in response to the declining housing market in the U.S. We've tightened our underwriting standards to reflect changing market conditions and have taken a conservative view when underwriting new transactions. We have experienced lenders who are working closely with borrowers to monitor performance and underlying collateral and are working out nonperforming assets in the normal course.

We are comfortable with our investment real estate exposure but we continue to monitor the portfolio closely. Again, as we have said, we cannot outrun a U.S. recession. If the economy deteriorates further, we will be impacted along with everyone else. But from everything we are seeing, we believe we will still be a positive outlier.

Before turning to the next slide, I should share with you that we also remain comfortable with our consumer lending portfolio, which while subject to the same market conditions as our commercial book, consists of almost exclusively bank originated assets. Further details are provided in the appendix.

Please turn to slide 13. With respect to the environment for loans and deposits at Commerce Bank, we are confident in our ability to continue to deliver profitable loan and deposit growth. Despite a challenging environment for deposit growth in the U.S., Commerce has outperformed its peers and continues to take market share particularly, in our newer immature stores. This gives us great confidence that we will be able to build on and leverage the Commerce business model, built on unparalleled convenience and legendary customer service. Year-over-year, deposits are up 8.5%, including 3% in our mature stores and up 36% in our immature stores, those opened since 2004.

We have seen deposit margins continue to narrow in this environment, given pressure on deposit pricing from larger banks, which have turned to retail deposits as a source of funding to replace the loss of wholesale funding. With respect to loan growth, we are seeing solid growth, with commercial loans up 16% year-over-year and consumer loans up 12%. I am pleased to see that loan spreads are firming up and our underwriting remains conservative.

Please turn to slide 14. Although economic conditions in the U.S. remain challenging, we are focused on building an enduring franchise in the United States. We have achieved scale in the Northeast and mid-Atlantic with over 1,100 stores from Maine to Florida. We have a fantastic retail and commercial platform from which to grow and are in a position to leverage TD's North American capabilities to cross-sell additional products, including wealth and insurance, through our stores and other channels. We will introduce the TD Commerce brand at Commerce this fall and we'll roll out the brand to the rest of the franchise to coincide with the systems conversion in the second half of 2009.

As America's Most Convenient Bank, we are committed to continuing to WOW! our customers with unparalleled convenience and legendary customer service, as Commerce has done and as we do in Canada at TD Canada Trust. We are well on our way. The transaction has closed, the leadership team has been announced, high level systems decisions have been made, go to market strategies identified, detailed plans developed. As Colleen said, we'll earn at least C$750 million in 2008, C$50 million more than we projected in October when the transaction was first announced.

I am incredibly excited about the progress we are making on our integration and look forward to sharing our plans with you in more detail at our June investor day. There you will have an opportunity to meet our senior management team and hear more about our plans to integrate our companies, grow our market share and leverage the WOW! culture across all of TD Commerce Bank. Let me pass the presentation back to Tim.

QUESTION AND ANSWER

Tim Thompson *- Toronto Dominion Bank - SVP IR*

Thanks, Bharat. As I mentioned at the beginning of the call, we're asking those participating in the Q&A portion to ask one question at a time. Before ending the call today, I'll ask Ed to offer some final remarks. Let's get started with the questions. Our first caller please.

Operator

Your first question comes from Robert Sedran of National Bank Financial. Please go ahead.

Robert Sedran *- National Bank Financial - Analyst*

Hello. Good morning. I'm wondering if you can split the incremental C$50 million for 2008 between Banknorth and Commerce Bancorp? And if you could us what tell your economic assumptions behind your targets are, that would be helpful. Thank you.

Colleen Johnston *- Toronto Dominion Bank - CFO*

Maybe I will start out. In terms of the target for 2008, we actually were somewhat conservative when we announced the deal back in October. If fact, our own models were suggesting something higher than the C$700 million. And now that we have gone through and obviously in greater detail and a better idea of those underlying drivers we are quite comfortable at the C$750 million. The Commerce earnings, the base earnings, I would say are performing better than we expected in our original model. Maybe I will turn it over to Bharat to talk about the underlying economic assumptions.

Bharat Masrani *- TD Commerce Bank - President & CEO*

As I would say, that the fundamentals of the business, although challenging given the environment, we have been able to maintain the momentum that we outlined at our June investor day last year. If you look at our quarterly earnings for the first two quarters at TD Banknorth, they're within the expectation that we had outlined. And at Commerce Bank, I think we are seeing the growth continuing. Now, there is margin pressure but Commerce has taken a conscious strategy not to chase deposits or unprofitable deposits. So, when you combine those two aspects, we are seeing over the next six months, that our results will be better than what we have pointed out. I don't have precise numbers as to what particular amount comes from Commerce or Banknorth but suffice to say that I am comfortable, very comfortable that we will deliver C$750 million for fiscal 2008.

Tim Thompson *- Toronto Dominion Bank - SVP IR*

Next caller, please.

Operator

Your next question comes from Brad Smith of Blackmont Capital. Please go ahead.

Brad Smith *- Blackmont Capital - Analyst*

Thanks very much. I was just wondering, with respect to the securities investment portfolio, I heard some comment but I wasn't quite clear as to the movement. In particular, the asset-backed securities that you are showing here of $8.7 billion seems to be up quite a bit from the last record that I had, by in fact, just under $2 billion. Is that somehow tied into the reduction in the mortgage-backed security portfolio?

Mark Chauvin *- Toronto Dominion Bank - Chief Risk Officer*

It's Mark Chauvin speaking. Yes, as we sold certain parts of the portfolio, they were moved into asset-backed securities as one category that we were comfortable with because they're vanilla-type assets. Credit cards, only prime, including prime car loans, highly liquid and it was a category that we were comfortable with in terms of the making the investment.

Brad Smith *- Blackmont Capital - Analyst*

So, proceeds from the MBS dispositions went into ABS?

Mark Chauvin *- Toronto Dominion Bank - Chief Risk Officer*

Correct.

Brad Smith *- Blackmont Capital - Analyst*

Okay. Great. Thank you.

Operator

Your next question comes from Jim Bantis of Credit Suisse. Please go ahead.

Jim Bantis - ***Credit Suisse - Analyst***

Hi, good morning. You talked about some of the background being difficult in the U.S. And then -- sorry. My back is out. So, if I am pausing while I am talking, that's the catalyst for it. But looking at the 2009 earnings of C$1.2 billion, with the backdrop of rising PCL's even above what you guided for Q3 and tighter NIM because of the deposit pressure. I'm wondering where that shortfall -- where is the shortfall being made up from in terms of the C$1.2 billion? Is it primarily on accelerated cost savings or is there some intrinsic gains coming from the investment portfolio? If you could just talk a little bit about that, that would be helpful. Thanks.

Bharat Masrani - ***TD Commerce Bank - President & CEO***

I would say yes. I think the PCL story, as I indicated in my comments, I expect PCL for '09 to be in the C$300 million range because I don't expect conditions to improve substantially year-over-year. Having said that, at Commerce, our full strategy there is growth. We continue to expand with our de novo strategy. We are seeing good momentum on the Commerce side and as well, as we pointed out in Colleen's comments, our synergies are expected to kick in in 2009 as well. With that, with other momentum areas such as Wealth Management, I expect us to start getting benefits out of all of those initiatives that have been ongoing at Banknorth and now will be introduced at Commerce. '09 is a long way away and I know it is hard to predict specifically what might happen in each quarter but overall, given the combined entities, I feel comfortable that it is a number that we can certainly target for the following fiscal year.

Ed Clark - ***Toronto Dominion Bank - President & CEO***

Jim, it's Ed here. I think the other thing, to pick up your specific point, is there's no question that as we move the assets around the balance sheet we are buying assets at higher spreads than we initially anticipated. We are also getting lower spreads on the deposit side. So that is the general trend that is going on in the U.S. marketplace.

Jim Bantis - ***Credit Suisse - Analyst***

Got it. Thanks very much.

Operator

Your next question comes from Michael Goldberg of Desjardins Securities. Please go ahead.

Michael Goldberg - ***Desjardins Securities - Analyst***

Okay. I will start with my first question. Of the C$250 million baseline earnings that you are talking about, you had said C$130 from Banknorth, C$80 from Commerce Bank. Can you fill in the gap of the other C$40 million? I know you said something but I just didn't catch it.

Colleen Johnston - ***Toronto Dominion Bank - CFO***

So most of the difference, Michael, is coming in the synergies side of it. So the expense synergies isn't a huge number in 2008 but as you will see from the effective tax rate in the segment, we do have some tax synergies that are in the deal. And that is helping to bridge us to the C$250 million. Those would be the largest amounts.

Michael Goldberg *- Desjardins Securities - Analyst*

So the tax synergies are greater than the expense synergies at the outset?

Colleen Johnston *- Toronto Dominion Bank - CFO*

They're -- yes, I would say on a per quarter basis they're a little bit greater.

Michael Goldberg *- Desjardins Securities - Analyst*

Okay. Thanks.

Tim Thompson *- Toronto Dominion Bank - SVP IR*

Next caller.

Operator

Your next question comes from John Aiken of Dundee. Please go ahead.

John Aiken *- Dundee Securities - Analyst*

There's been a lot of discussion about the competitive environment on the deposits and that's understandable with what's going on in the U.S. But could you give us sort of flavor as to what's going on in the competitive environment on the lending, both on commercial as well as personal?

Bharat Masrani *- TD Commerce Bank - President & CEO*

I would say, on the deposit side, it's the same story that we have been say saying for a few quarters now where the large banks are coming into the retail side to fund their wholesale books. On the lending side, it is robust and I would say that all of the banks are probably having a better time in increasing their market share. And that is to be expected given that there is a bit of a credit crunch going and some players, the nonbanks that were playing in our markets such as the conduits perhaps are no longer active. So that gives us an opportunity, not only to get growth, but I think the good story there is that you get firmer spreads and better structures. So, when you combine those three, four banks like our bank, which is deposit heavy and we have clearly outlined that the asset side of the balance sheet is where we would like to see good growth, so that is a favorable type of situation for us. Having said that, it is still highly competitive for good deals. There are a lot of banks chasing good deals. So, it is competitive but I would say the environment is more favorable for the lender than it was six or eight months ago.

John Aiken *- Dundee Securities - Analyst*

That's great. Thank you.

Tim Thompson *- Toronto Dominion Bank - SVP IR*

Next caller.

Operator

Your next question comes from Mario Mendonca of Genuity Capital Markets. Please go ahead.

Mario Mendonca *- Genuity Capital Markets - Analyst*

Good morning. Colleen, I need -- it would be helpful for me to drill down some of the accounting implications of the transaction. Early on, in your comments when you were referring to slide four, you said that the transaction economic value was U.S. $7.5 billion because TD's stock price had declined. But you said that it was necessary that the Bank value this at the announcement date. Maybe you could just clarify that for me?

Colleen Johnston *- Toronto Dominion Bank - CFO*

From an accounting standpoint, in terms of the purchase price, we have to recognize that at the U.S. $8.4 billion, not at the U.S. $7.5 billion, which we view the latter as being more the economic value. So, we in fact do have to value the deal at announcement date not at close date.

Mario Mendonca *- Genuity Capital Markets - Analyst*

So for the purposes of calculating goodwill then on the transaction, the U.S. $8.4 million is the purchase price then?

Colleen Johnston *- Toronto Dominion Bank - CFO*

Correct.

Mario Mendonca *- Genuity Capital Markets - Analyst*

Could you give us some, that must new for me because I don't remember it working that way. But I am sure it's right. Could you give us an idea on what the goodwill then would be on some -- because it sounds to me like goodwill has to be significantly larger than I was ever looking for?

Colleen Johnston *- Toronto Dominion Bank - CFO*

These -- I would stress, Mario as you know, we still have some time to work out the exact splits on the purchase price equation but our current expectation is that the amount of goodwill in the deal is U.S. $5.8 billion.

Mario Mendonca *- Genuity Capital Markets - Analyst*

Okay.

Colleen Johnston *- Toronto Dominion Bank - CFO*

I would point out as well though that we, that we also value our intangibles and that number on net of tax is about U.S. $1.1 billion.

Mario Mendonca *- Genuity Capital Markets - Analyst*

Okay. So all in.

Colleen Johnston *- Toronto Dominion Bank - CFO*

With the remainder being your net book value, those are the three moving parts.

Mario Mendonca *- Genuity Capital Markets - Analyst*

So it's just a little shy of --

Colleen Johnston *- Toronto Dominion Bank - CFO*

The goodwill is the same amount that we had expected when we did the deal, U.S. $5.8 billion. The intangible value is in fact higher because these deposits are worth a lot more than when we did the deal. I mean particular in this environment. So that number is higher and then the net book value is lower.

Mario Mendonca *- Genuity Capital Markets - Analyst*

So just to clarify that then, if the goodwill is the same now as it was at the time of the deal was announced, does that mean there were enough assets that were of higher value than book value at the time the deal was announced to offset the markdowns on the securities and the loans?

Colleen Johnston *- Toronto Dominion Bank - CFO*

When we did the deal originally, we assumed a certain fair value decrement already in our economics. So when we looked at what we thought the net book value of the deal was on an adjusted basis, it certainly wasn't the number you would have seen in the Commerce balance sheet. It was a lower number than that. We assumed that there would be a fair value decrement. The actual amount was higher given the environment. Again, it's really driven on the liquidity side but that adjustment was higher than we had expected in the deal model. So, as I say, that brought the net book value down but we did have more or less a full offset on the intangibles because of the value of the deposit.

Mario Mendonca *- Genuity Capital Markets - Analyst*

Thanks very much.

Tim Thompson *- Toronto Dominion Bank - SVP IR*

Next caller.

Operator

Your next question comes from Shannon Cowherd. please go ahead.

Shannon Cowherd *- Citi Investment Research (US) - Analyst*

At year-end 2007 Commerce's securities portfolio was about half and half held-to-maturity and available-for-sale. You gave the split out of the portfolio as of April 2008, would you say that it is still going to be about 50/50 available-for-sale and held-to-maturity?

Colleen Johnston *- Toronto Dominion Bank - CFO*

No, we will pretty much classify it all as an available-for-sale portfolio.

Shannon Cowherd *- Citi Investment Research (US) - Analyst*

Okay. Thanks.

Tim Thompson *- Toronto Dominion Bank - SVP IR*

Next caller.

Operator

Your next question comes from Ian de Verteuil of BMO Capital Markets. Please go ahead.

Ian de Verteuil *- BMO Capital Markets - Analyst*

Thanks. Continuing on the vein of goodwill, the projected tier one at the end of Q2 is 8.75% to 9%. When you announced the deal, you had said pro forma July of last year, the target was 8.75% to 9%. But TD itself has generated 60 basis points of tier one between then and now. So, and even possibly a little more. It seems to me the fair value adjustments weren't 50 basis points, there were more like 60 or 70 basis points. Am I missing something, Colleen?

Colleen Johnston *- Toronto Dominion Bank - CFO*

Yes. So, if you look at the capital impact of the deal, Ian, it was about 200 basis points, which was higher than we had assumed originally.

Ian de Verteuil *- BMO Capital Markets - Analyst*

Because you originally 130 I think.

Colleen Johnston *- Toronto Dominion Bank - CFO*

Yes. We were -- we had communicated a range of 120 to 145. So it is about 200. So in terms of the difference, about 1/2 of that due to the fair value issue. So, and then the other 1/2 is due to higher risk-weighted assets in Commerce. So, I would say the difference is about 60 basis points, it is about half and half. Half is the fair value piece and half is the higher risk weighted assets in Commerce.

Ian de Verteuil *- BMO Capital Markets - Analyst*

So, what's the RWA presumably it's -- I know you would be standardized but what is the RWA that is coming in from Commerce on the close of this deal?

Colleen Johnston *- Toronto Dominion Bank - CFO*

About $30 billion.

Ian de Verteuil *- BMO Capital Markets - Analyst*

Thanks.

Tim Thompson *- Toronto Dominion Bank - SVP IR*

Next caller.

Operator

Your next question comes from Darko Mihelic of CIBC World Markets. Please go ahead.

Darko Mihelic *- CIBC World Markets - Analyst*

Hi. I'm going to sneak in two, one because one is a point of clarification. Did I hear 8% by November 1, tier one capital ratio? And second, my actual question is maybe for Bharat. Deposits on slide 13, you're showing year-over-year deposits up 8%. Up about 1% Q over Q. And one of the things you are saying there is that you're a positive outlier in deposit growth. It seems to me like this deposit growth is slowing. So I wonder if you have some sort industry statistics to suggest -- or if you can point out what the difference is for Commerce versus say the industry growth rate? And maybe touch upon plans for branch growth and openings at Commerce Bancorp. Thanks.

Colleen Johnston *- Toronto Dominion Bank - CFO*

To your first question, the answer is yes. 8% by year end, including the TDA adjustments.

Darko Mihelic *- CIBC World Markets - Analyst*

Okay. Is that a little skinny? Doesn't that sound a little skinny in this environment or are you not including any sort of earnings -- or addition to capital and/or perhaps pref. issues?

Colleen Johnston *- Toronto Dominion Bank - CFO*

We are assuming all of those things but we are definitely comfortable at the 8% number. That's what we communicated at the end of Q1 as well.

Ed Clark *- Toronto Dominion Bank - President & CEO*

The thing here, as Colleen mentioned, it is getting harder and harder to predict risk weighted asset growth in this environment. So you have to enter a scenario, which is the scenario we're assuming of continued deterioration, that is going to put upward pressure on everybody's risk weighted assets, including ours. So, it is not, you have to take that into account in your forward projections.

Bharat Masrani *- TD Commerce Bank - President & CEO*

So Darko, with respect to deposits, I think in this environment, if you look at industry stats, it is not going to give you the true story because there are certain banks that are chasing deposits because of their funding needs. And they're willing to pay out more than the cost of funds. What I am talking about is that based on our paradigm, and I think we've outlined what we do at TD, we feel very comfortable with the growth we are achieving at Commerce Bank given the market conditions.

We are not chasing deposits. In fact, we are consciously look at running off certain high price deposits, which are purely rate sensitive. It has nothing to do with building a franchise. So, I feel comfortable in the markets we are in that we are getting the type of growth that we are after. It is more core deposit growth. It is more number of accounts that we are opening in the Commerce footprint.

With respect to new branches, new stores, I think we had outlined that we expect to open between 25 and 35 stores next year, which is the still on track. That's what we will do. But the bigger story there is, as well, is in our overlapping footprint between TD Banknorth and Commerce. You will see a lot of activity at the TD Banknorth stores, refurbishing them, making sure that we have a consistent look, feel, a consistent customer experience between the two different branch networks we have in the mid-Atlantic.

So, overall, I feel comfortable. I don't have specific information on markets. Perhaps we will dig that out for you at a later date. But I feel comfortable with the numbers I have outlined.

Tim Thompson *- Toronto Dominion Bank - SVP IR*

Our next caller, please.

Operator

Your next question comes from Sumit Malhotra of Merrill Lynch. Please go ahead.

Sumit Malhotra *- Merrill Lynch - Analyst*

Good morning. Numbers questions for Colleen. First off, Colleen, the tax rate in U.S. P&C segment going from the mid-30's to the low 20's. Is that going be offset in the corporate segment or this going to be an all-Bank reduction? And the second one, is the Visa gain for Banknorth, it looks like $11 million that you've talked about coming through in Q2. Can you quantify the number for CBH, I'm guessing that TD will include? And number three, last one on goodwill, with the Banknorth brand being retired, does the

Bank envision any kind of charge against the goodwill that's been built up for BNK with the deals over the last few years? Thanks.

Colleen Johnston *- Toronto Dominion Bank - CFO*

Back to your first question. Yes, so there is no offset. That is the benefit of the segment level, as well as at the all-Bank level. Your second question was regarding --?

Sumit Malhotra *- Merrill Lynch - Analyst*

The Visa gain.

Steve Boyle *- TD Commerce Bank - CFO*

The Visa gain at Commerce was $6.4 million. And that's already been taken.

Colleen Johnston *- Toronto Dominion Bank - CFO*

It's been taken in their Q1. It doesn't affect us going forward.

Sumit Malhotra *- Merrill Lynch - Analyst*

So the $11 million is just BNK and Commerce has already been taken in their Q1?

Colleen Johnston *- Toronto Dominion Bank - CFO*

There's no Commerce numbers in the Q2 numbers that we put out there.

Sumit Malhotra *- Merrill Lynch - Analyst*

Okay.

Colleen Johnston *- Toronto Dominion Bank - CFO*

That's strictly Banknorth.

Sumit Malhotra *- Merrill Lynch - Analyst*

And number three was goodwill.

Colleen Johnston *- Toronto Dominion Bank - CFO*

So in terms of the piece on the name part of it is something that would typically be included in intangibles and it's a very, very small number. So, it really has no impact whatsoever.

Sumit Malhotra *- Merrill Lynch - Analyst*

And you are not envisioning anything for the brand being retired going forward?

Colleen Johnston *- Toronto Dominion Bank - CFO*

Nope.

Sumit Malhotra *- Merrill Lynch - Analyst*

Okay. Thank you.

Tim Thompson *- Toronto Dominion Bank - SVP IR*

Next caller, please.

Operator

Your next question comes from Brad Smith of Blackmont Capital. Please go ahead.

Brad Smith *- Blackmont Capital - Analyst*

Thanks. Colleen, just a quick follow up on the fair value adjustment. I think what I heard you say in your earlier comments was that they were higher than expected, it reduced the tier 1 capital ratio expectation by about 30 basis points but that the goodwill amount of U.S. $5.8 billion remains largely unchanged. Is that -- another way of saying that, is that the value decline in the hard assets, got pushed into the intangibles because the deposits are worth more? And could you just describe how you value the goodwill component on the deposits? Why has it gone up, is the question?

Colleen Johnston *- Toronto Dominion Bank - CFO*

Yes, so in terms of the goodwill number, the goodwill number is basically the residual, once you figure everything else out, you back into the goodwill number. So, again in this environment, especially given the liquidity premium, the value of those core deposits is a lot higher. So, we've gone through that exercise with a third party provider and validated those numbers. So, again, it's certainly higher than we expected.

On the flip side, on the asset side, again, because of these liquidity issues, the assets are worth less at fair value. And it just so happened that they were largely offsetting in the equation. Now, that said, obviously the intangibles still do affect our capital. So it's not a perfect trade off, that's for sure, from a capital standpoint. But that's the way we look at it in terms of net book value, as well as the value of the intangibles was fairly consistent.

Brad Smith *- Blackmont Capital - Analyst*

Colleen, can you just quantify how much more the deposits are worth? And is there something making them stickier? I was hearing before that there is intense competition for deposits from some of the larger players. I don't -- I am having trouble sort of fitting that in with the idea that the deposit base is worth more.

Bharat Masrani *- TD Commerce Bank - President & CEO*

Can I mention that I am not getting in the numbers with you. I think that the competition you see for the deposits is what I would call in your CD book, perhaps in parts of your money market book. But as a retail bank, you do have core deposits with respect to your DDA balances and savings accounts and all of those, which we would consider as core. And obviously, those deposits in this market are worth more than they used to be. That's just a general point, Colleen --.

Colleen Johnston *- Toronto Dominion Bank - CFO*

No, that's precisely right. Again, what we are really dealing with, Brad, is the difference between what we assumed originally in our model based on our initial analysis and then what we've done with a more fulsome review. And again, it is really the value on the core side.

Brad Smith *- Blackmont Capital - Analyst*

And is there any chance to quantify that value increment?

Colleen Johnston *- Toronto Dominion Bank - CFO*

Pardon me?

Brad Smith *- Blackmont Capital - Analyst*

Can you just quantify how much it changed from your original?

Colleen Johnston *- Toronto Dominion Bank - CFO*

Yes, from our model again after tax, it was about $400 million.

Brad Smith *- Blackmont Capital - Analyst*

Great. Thanks so much.

Tim Thompson *- Toronto Dominion Bank - SVP IR*

Next caller.

Operator

Your next question comes from Jim Bantis of Credit Suisse. Please go ahead.

Jim Bantis *- Credit Suisse - Analyst*

Hi. My question surrounds revenue momentum looking at '09 and 2010. Commerce Bank is often been looked at as a bit of a one-trick pony in the context of building up this very powerful and valuable deposit base. When can you envision that TD's, whether it's the systems, the training, people, the score carding, the performance measurement; get implemented and allow the folks at Commerce Bank to begin to lend? And let's assume that the environment remains flat to stable in terms of the economic outlook. When could you see the loan growth really start to pick up? And how would -- with thinking of revenues, again, you had made -- you had mentioned some comments about a North American wealth and insurance business going forward and how will that impact the Commerce Bank results maybe in to 2009?

Bharat Masrani *- TD Commerce Bank - President & CEO*

Jim, we're already seeing and I should temper my enthusiasm here but I am really excited with three weeks in closing this transaction and we have already introduced what I would call low hanging fruit type of approaches and having referrals that we have sort of perfected in Canada, which we have done very well with in Banknorth. Where how do you get referrals from your teller lines to your site counters to sell your credit card for example. And we see momentum there already in this segment.

Last June I talked about introducing the sales revenue system that has worked very well with TD Canada Trust, that we were going to implement that at TD Banknorth by the end of the year. We introduced that first of January. And in fact, now it's part of our incentives for our retail network at TD Banknorth, and the response has been extremely good. I am very happy with how that has worked out. We plan to introduce that at Commerce Bank as soon as we can.

You looked at --- you talked about wealth. You heard of our plans last year at TD Banknorth as to how we were going to hire more advisors, we're going to take advantage of our North American scale there. We were going to have TD Asset Management products being offered to our wealth channels. Well, those get multiplied by two given the size of Commerce Bank. And there is tremendous excitement at the Commerce level to have those products because they, as you rightly pointed out, did not have a compelling offering on that side.

So when you aggregate all these initiatives and you are seeing some -- look at the loan growth numbers at Commerce Bank on the consumer side, they are impressive. I feel comfortable that we are already seeing momentum when we get the systems converted. When we have one platform, it will give us even better momentum to take advantage of all of those approaches that are now being worked at TD Banknorth.

Tim Thompson *- Toronto Dominion Bank - SVP IR*

Next caller, please.

Operator

Your next question comes from Michael Goldberg of Desjardins Securities. Please go ahead.

Michael Goldberg *- Desjardins Securities - Analyst*

Thank you. I still had some number questions. First of all, the 1050 Q3 revenue that you are talking about, how much of that is non-interest revenue? Second, how much does Commerce Bank add in personal demand and notice deposits overall? And what is the baseline in Banknorth? And third, how is the $1.1 billion of intangibles going to be amortized?

Colleen Johnston *- Toronto Dominion Bank - CFO*

Yes, in terms of the detail, we are not at this point, Mike, we are not going to provide the break down between the NII and the other income. What was your second question, with respect to deposits?

Michael Goldberg *- Desjardins Securities - Analyst*

The amount of personal demand and notice being added with Commerce Bank and what is the baseline for Banknorth?

Colleen Johnston *- Toronto Dominion Bank - CFO*

Why don't I hand that to Steve? In terms of -- you're looking at total deposits being added?

Michael Goldberg *- Desjardins Securities - Analyst*

No just personal demand and notice.

Colleen Johnston *- Toronto Dominion Bank - CFO*

Let me just see here. Steve, why don't you take that? We've got our total deposits there.

Steve Boyle *- TD Commerce Bank - CFO*

So, we have somewhat different terms in the U.S. but personal demand we have about $4 billion. Savings is about $5.5 billion, premier savings is about $4 billion. Time is $4 billion and money markets are about $8 billion.

Michael Goldberg *- Desjardins Securities - Analyst*

So, it is leaving out the personal time from total personal deposits.

Colleen Johnston *- Toronto Dominion Bank - CFO*

Why don't we get back to you on that, Michael.

Michael Goldberg *- Desjardins Securities - Analyst*

And the third one was about how the U.S. $1.1 billion of deposit intangibles will be amortized?

Colleen Johnston *- Toronto Dominion Bank - CFO*

So we are still working through that. We'll treat it in our normal way, which is to treat it as an item of note. And it won't be attributed to the segment. So, we are still finalizing the amortization of that U.S. $1.1 billion.

Michael Goldberg *- Desjardins Securities - Analyst*

Okay. And actually there's one other. You said that one area of weakness in terms of loan quality is residential for-real real estate at about 6.8% of the portfolio. I assume that's $1.8 billion. Can you give us some additional color on what's happening with those loans? And how much in the way of condo loans are there in Florida?

Bharat Masrani *- TD Commerce Bank - President & CEO*

Sorry. Mark, go ahead.

Mark Chauvin *- Toronto Dominion Bank - Chief Risk Officer*

It's Mark Chauvin responding. I will address the Florida exposure first. There's a very small percentage of real estate exposure in Florida. Since Commerce acquired that entity, they have really been very cautious in their lending approach, and they have actually worked the loans down. So, I would clearly class -- it would be less than 1.5% of the total. So it's a very small amount.

In terms of the residential for sale, those are sectors that Banknorth identified probably four to six quarters ago as being an issue and Commerce two quarters ago. And we're at point now where we're -- and at this -- and when you identify these you also kind of tighten up your underwriting standards. So, we are in a phase now where we're really -- it's pretty much stabilized. Some new ones might come in but the old ones are getting resolved. So, we're kind of -- I would say we are about 2/3 through that process. And that area is relatively stable.

Bharat Masrani *- TD Commerce Bank - President & CEO*

The only thing I would add, Michael is that these are loans that when you have a weakness in the housing sector, the lots are not turning over as they should but the good thing here is that the original underwriting was solid. So, yes some of them might become nonperforming but as they're working out to our normal processes, we are not experiencing as much sort of principle loss as you'd normally expect. So my comment, with respect to weakness, was to do with we are seeing more sort of migration into the non-accrual status but at the same time, we are seeing them being working out in the normal course without any substantial reduction in principle value.

Michael Goldberg *- Desjardins Securities - Analyst*

Thank you very much.

Tim Thompson *- Toronto Dominion Bank - SVP IR*

Next caller, please.

Operator

Your next question comes from Mario Mendonca of Genuity Capital Markets. Please go ahead.

Mario Mendonca - ***Genuity Capital Markets - Analyst***

Good afternoon. A question about the HELOC portfolio. About $7.6 billion, if I am following the color coding correctly. First, Colleen, is that correct? or whomever? About $7.6 billion.

Bharat Masrani - ***TD Commerce Bank - President & CEO***

Yes.

Mario Mendonca - ***Genuity Capital Markets - Analyst***

And I am talking on a total Bank basis. Because I think, at this point, this is the part of the presentation where you referred to TD Commerce.

Bharat Masrani - ***TD Commerce Bank - President & CEO***

Correct. Out of 48% of $15.9 billion. That's slide 22.

Mario Mendonca - ***Genuity Capital Markets - Analyst***

I believe so, slide 22. It is about $7.6 billion. I think that's probably about right.

Bharat Masrani - ***TD Commerce Bank - President & CEO***

Right.

Brad Smith - ***Blackmont Capital - Analyst***

What I would like to understand is, first, how much of that came from Commerce Bancorp versus -- as opposed to Banknorth? And then, also an idea about a proportion -- if you could help us split that between first and second mortgages? And then, finally, a comment on vintages, what proportion of that is 2006 and after?

Bharat Masrani - ***TD Commerce Bank - President & CEO***

So I don't have the -- I'll pass it on to Steve to give you the details. But I would highlight that these were all Bank originated assets. These are not sort of brokered loans that we are talking about. We do not buy portfolios out there. So these are loans that we've made to our customers through our own channel. Steve, do you have the break down of that?

Steve Boyle *- TD Commerce Bank - CFO*

Yes. So, about $4 billion is from the Commerce portfolio, and the rest would be from the TD Banknorth portfolio. And we don't generally disclose the first versus the second loans.

Brad Smith *- Blackmont Capital - Analyst*

And 2006 and thereafter? Vintage.

Steve Boyle *- TD Commerce Bank - CFO*

I would say that the Banknorth portfolio would be more seasoned than the Commerce portfolio. The Commerce portfolio is growing a little bit faster.

Brad Smith *- Blackmont Capital - Analyst*

So the CBH portion that $4 billion would you say -- I'm probably fair to say that the vast majority of that is 2006 and later?

Bharat Masrani *- TD Commerce Bank - President & CEO*

I wouldn't make that generalized statement. I don't think that would be accurate. It is growing faster than Banknorth. Relatively speaking, it is probably not as well seasoned. But I wouldn't make a general statement like that.

Steve Boyle *- TD Commerce Bank - CFO*

Yes, that would seem too high. It would be more seasoned than is that.

Brad Smith *- Blackmont Capital - Analyst*

Just maybe one final point of clarification. If the Bank in coming up with the appropriate or what the mark to market on the securities portfolio and even on the loans, if the bank had used sort of observable credit spreads out there, the mark to markets, I suppose, would have been fairly large. And Colleen, when you were making your comments, you were making the distinction between fair value, market value and intrinsic value. What I am trying to figure out is, were you suggesting that the Bank marked the securities and the loan book to what is seen as intrinsic but not necessarily what the observable market credit spreads would suggest because those really reflect liquidity and that's not something you were really trying to bake in? Is that a fair characterization of what you were saying?

Colleen Johnston *- Toronto Dominion Bank - CFO*

No, it isn't. We are required under the accounting rules to mark this at fair value. Clearly, that's a lot tougher in this environment but we have gone to independent pricing. We have dealer quotes. We have an independent pricing service. So, when I talk about fair value, that's where we fair valued it at. In terms of intrinsic value, what we look at there is really the underlying economic value, which in our view is substantially better than fair value would reflect currently.

Brad Smith - ***Blackmont Capital - Analyst***

I follow you. But you went right down to fair value in marking it?

Colleen Johnston - ***Toronto Dominion Bank - CFO***

Correct.

Brad Smith - ***Blackmont Capital - Analyst***

Implying that then, when -- if these are temporary, as you suggest, and the values improved, do those fall back into earnings then?

Colleen Johnston - ***Toronto Dominion Bank - CFO***

Some of that will come back into earnings over time, yes.

Brad Smith - ***Blackmont Capital - Analyst***

Got it. Thanks very much.

Tim Thompson - ***Toronto Dominion Bank - SVP IR***

Next caller, please.

Operator

Your next question comes from John Aiken of Dundee Capital Markets. Please go ahead.

John Aiken - ***Dundee Securities - Analyst***

Good afternoon, just wanted to touch upon the residential available for -- sorry, the -- in terms of your securities folio, the residential for sale. Is there any geographic concentration within that loan group?

Bharat Masrani - ***TD Commerce Bank - President & CEO***

This is the securities portfolio or our own book?

John Aiken - ***Dundee Securities - Analyst***

No, within the investment real estate portfolio.

Bharat Masrani *- TD Commerce Bank - President & CEO*

This within our own footprint. It would be in the United States for the most part. Our own -- this is for our own originated, we're not talking about the securities portfolio?

John Aiken *- Dundee Securities - Analyst*

Yes, for your own originated. Is it analogous to the chart that you are showing in terms of geographic spread or is there any areas of concentration for that?

Bharat Masrani *- TD Commerce Bank - President & CEO*

It is largely I would say within the footprint of our branch network and that is largely concentrated in the northeast of the United States.

John Aiken *- Dundee Securities - Analyst*

Okay. Thank you.

Tim Thompson *- Toronto Dominion Bank - SVP IR*

Next caller, please.

Operator

Your next question comes from Darko Mihelic of CIBC World Markets. Please go ahead.

Darko Mihelic *- CIBC World Markets - Analyst*

I think this question is for Bharat. It has to do with slide 19 where you show the total revenue for TD Banknorth. If I back out net interest income and I back out the Visa IPO gain, I still get a fairly substantial increase in other income or fee income at Banknorth, something like $30 million quarter-over-quarter. About a 21% increase. I am just wondering what that is related to and if that is in fact sustainable?

Colleen Johnston *- Toronto Dominion Bank - CFO*

We did have a couple of other items that were somewhat unusual. On a growth basis, we had an amount of $15 million related to the sale of a business. And then we had the IPO gain and a security gain. So, Darko, I would say that number is not sustainable in the near term at that level.

Darko Mihelic *- CIBC World Markets - Analyst*

Okay. Thank you.

Tim Thompson *- Toronto Dominion Bank - SVP IR*

Next caller, please.

Operator

Your next question comes from Sumit Malhotra of Merrill Lynch. Please go ahead.

Sumit Malhotra *- Merrill Lynch - Analyst*

Hi, good afternoon. Colleen or maybe for Steve Boyle. I just wanted to go back on the securities portfolio. When CBH reported in late January, we were told then that the unrealized losses on the book had increased to $1.1 billion. A good part of that seemed like it was due to that change in methodology for pricing the book. You were using some trader quotes because the financial data was a little bit less reliable in this market. Could you just -- I don't think you have done this yet. Could you give us a number as to what the unrealized loss on the securities book was at close? And I'm comparing this to the $1.1 billion that we were told for Q4, the December 31, number.

Colleen Johnston *- Toronto Dominion Bank - CFO*

We are not going to provide specific break down, Sumit, on all of the portfolios but what I would tell you is, in terms of the difference in fair value which we talked about earlier being about $0.5 billion, that I would clarify is an after tax number. A significant portion of that does relate to the securities portfolio.

Sumit Malhotra *- Merrill Lynch - Analyst*

So doesn't sound like between December and March there was too much of an increase from that unrealized pretax $1.1 billion?

Colleen Johnston *- Toronto Dominion Bank - CFO*

Yes, there was because again, what we are talking pre-imposed tax. So the amount -- we did add as I say on the fair value side about $0.5 billion after tax.

Sumit Malhotra *- Merrill Lynch - Analyst*

After tax, $0.5 billion.

Colleen Johnston *- Toronto Dominion Bank - CFO*

After tax exactly.

Sumit Malhotra *- Merrill Lynch - Analyst*

Okay. Thank you.

Tim Thompson ***- Toronto Dominion Bank - SVP IR***

It looks like we have one final question before we turn it over to Ed to wrap up. So, we'll take the last caller, please.

Operator

Your next question comes from Ian de Verteuil of BMO Capital Markets. Please go ahead.

Ian de Verteuil ***- BMO Capital Markets - Analyst***

Slide 23, the NPA's, I think Colleen, you had mentioned that some of the -- that may not be apples to apples because of the closing of the transaction. So, if we look at CBH, which had I think NPA's $108 million as of December 31, '07 what would that number be as of March before you did any closing adjustments?

Mark Chauvin ***- Toronto Dominion Bank - Chief Risk Officer***

Ian, it's Mark. The number would be slightly higher by the range of maybe 10% or 15%. That's the closing adjustment.

Ian de Verteuil ***- BMO Capital Markets - Analyst***

So, just a touch higher but nothing meaningfully changed from year end?

Mark Chauvin ***- Toronto Dominion Bank - Chief Risk Officer***

We had 10% to 15%.

Ian de Verteuil ***- BMO Capital Markets - Analyst***

Okay. Thank you.

Tim Thompson ***- Toronto Dominion Bank - SVP IR***

And back to Ed.

Ed Clark ***- Toronto Dominion Bank - President & CEO***

Well, thank you all for your interest and multiple questions today. When we step back, we view the acquisition of the Commerce Bancorp as a great acquisition. And when we put it together with TD Banknorth, we think we have obtained a great franchise in the United States. And we are very comfortable with the entry price that we have ultimately paid for entering into the United States. We are quite comfortable with the balance sheet that we now have, and believe that it has been conservatively marked. I think we are pleased that TD Commerce is going to be a source of earnings momentum for the TD Bank, overall, even assuming a slow down. And as I indicated, we are very comfortable with our ability to carry out the integration. And all of this is part of building the North American brand -- where the TD brand symbol will stand for convenience, service and a WOW! culture across North America. Thank you for your attendance today.

Tim Thompson *- Toronto Dominion Bank - SVP IR*

That's the end of the call. Thank you very much. Have a good day.