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TD Bank Financial Group

Credit Portfolio Q3 2009

September 2009

Caution regarding forward-looking statements

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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 newly introduced 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; 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 businesses, financial results, 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.

Gross Lending Portfolio
Includes B/As

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Balances (C$B unless otherwise noted)

	Q2/09		Q3/09
Canadian Personal & Commercial Portfolio	**$ 150.3**		**$ 162.9**
Personal[1]	**$ 121.2**		**$ 133.4**
Residential Mortgages	44.8	*2/3 insured*	52.1
Home Equity Lines of Credit (HELOC)	49.1		53.5
Unsecured Lines of Credit	8.5		9.3
Credit Cards	6.9		7.2
Other Personal	11.9		11.3
Commercial Banking (including Small Business Banking)[2]	**$ 29.1**		**$ 29.5**
U.S. Personal & Commercial Portfolio (all amounts in US$)	**US$ 52.2**		**US$ 52.7**
Personal	**US$ 18.0**		**US$ 18.9**
Residential Mortgages	5.5		6.3
Home Equity Lines of Credit (HELOC)[3]	8.4		8.2
Indirect Auto	2.9		3.0
Credit Cards[4]	0.6		0.7
Other Personal	0.6		0.7
Commercial Banking	**US$ 34.2**		**US$ 33.8**
Non-residential Real Estate	8.6		8.5
Residential Real Estate	4.0		3.7
Commercial and Industrial (C&I)	21.6		21.5
FX on U.S. Personal & Commercial Portfolio	$ 10.1		$ 4.1
U.S. Personal & Commercial Portfolio (C$)	**$ 62.3**		**$ 56.8**
Wholesale Portfolio	**$ 24.2**		**$ 21.2**
Other[5]	**$ 5.9**		**$ 5.2**
Total	**$ 242.7**		**$ 246.1**

1. Excluding Securitized Residential Mortgage/Home Equity Off-Balance Sheet: Q2/09 $52B; Q3/09 $53B.
2. Q2/09 captures the retroactive reclassification of Multiple Unit Residential (MUR, comprising 5+ units) mortgages from Personal-Residential mortgages to Commercial Banking ($5.8B).
3. U.S. HELOC includes Home Equity Lines of Credit and Home Equity Loans.
4. For purposes of this Credit Portfolio Review, U.S. Credit Cards are included in the U.S. Personal & Commercial portfolio. U.S. Credit Cards are managed by the Canadian P&C Segment.
5. Other includes Wealth Management and Corporate Segment. Corporate Segment includes residential mortgages booked by TD Capital Trust (approximately $2B).

Note: Some amounts may not total due to rounding.

Gross Impaired Loans ("GIL") by Portfolio

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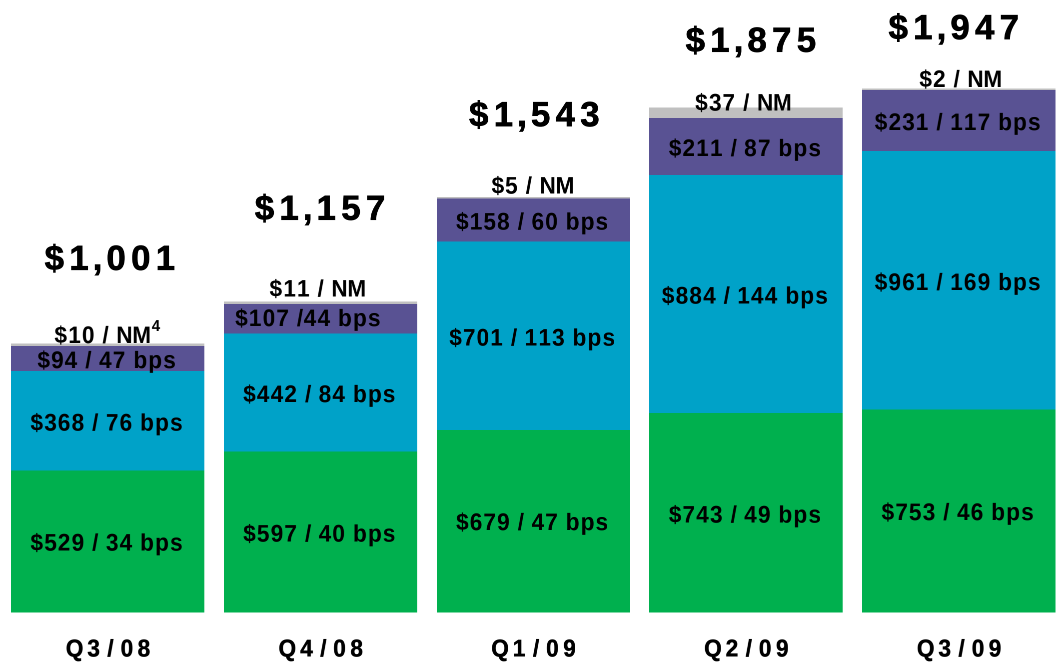
GIL[1]: $MM and Ratios[2]



	Q3/08	Q4/08	Q1/09	Q2/09	Q3/09	
TD	43	50	65	77	79	*bps*
Cdn Peers[5]	77	91	105	126	NA	*bps*
U.S. Peers[6]	119	154	215	271	NA	*bps*

Highlights

- Increase reflects the continuing challenges in the Canadian and U.S. economies
  - However, rate of increase shows signs of moderating in certain portfolios
- Specific Allowance as a % of Gross Impaired Loans was stable at 27.5%
- U.S. P&C continues to trend up
  - Due, in large part, to ongoing challenges in Commercial Real Estate - Residential for Sale
  - Increase partially mitigated by stronger Canadian dollar

1. Gross Impaired Loans (GIL) are presented on a credit portfolio basis
2. GIL Ratio - Gross Impaired Loans/Gross Loans & Acceptances (both are spot) by portfolio
3. Other includes Wealth Management and Corporate Segment
4. NM: not meaningful
5. Average of Canadian Peers – BMO, BNS, CIBC, RBC
6. Average of U.S. Peers – BAC, C, JPM, PNC, USB, WFC (Non-performing loans/Total gross loans)

Provision for Credit Losses ("PCL") by Portfolio

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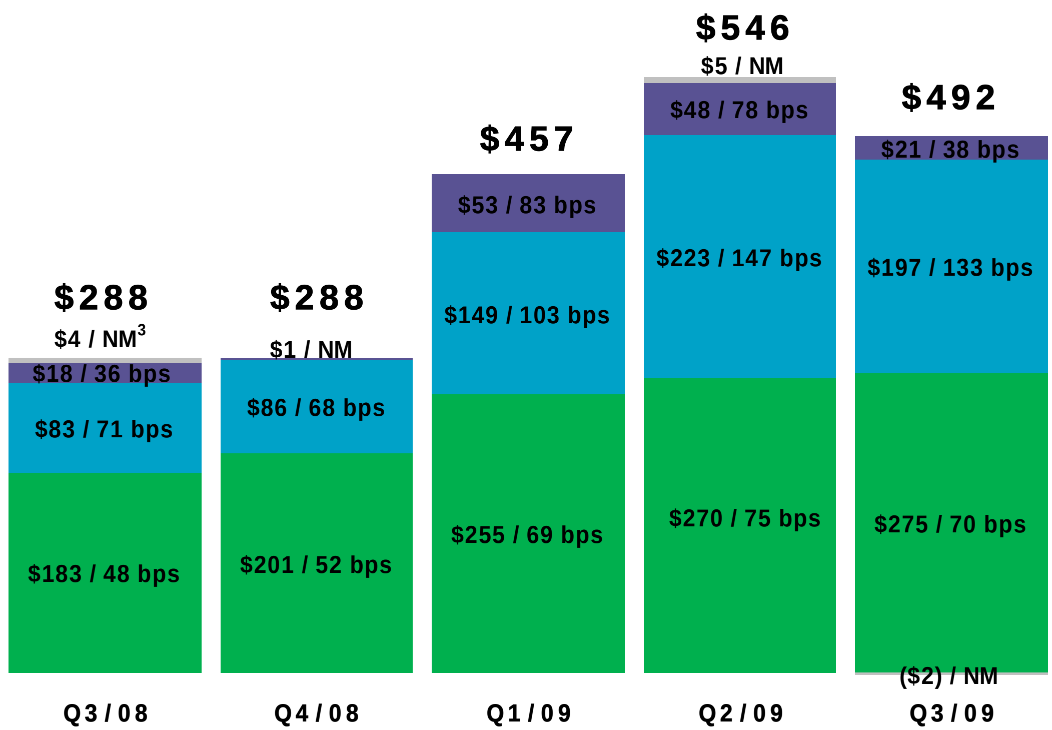
PCL[1]: $MM and Ratios[2]



TD[6]	51	50	77	93	80	*bps*
Cdn Peers[7]	54	53	68	82	NA	*bps*
U.S. Peers[8]	275	430	392	436	NA	*bps*

- Other[4]
- Wholesale Portfolio[5]
- U.S. P&C Portfolio
- Canadian P&C Portfolio

Highlights

- Overall, PCL was down $54MM (13 bps) quarter over quarter
  - Some portfolios showing early signs of moderating
- U.S. P&C PCL was flat on a USD basis
  - Continuing to build reserves in this portfolio
- General Allowance of $1.7B combined with Specific Allowance of $536MM produced stable GIL coverage ratio of 116%
- Increased pressure in Canadian and U.S. Commercial portfolios is expected

1. Provision for Credit Losses (PCL) is presented on a portfolio basis (this differs slightly from presentation of segment-based PCL in other disclosures).
2. PCL Ratio – Provision for Credit Losses on a quarterly annualized basis/Average Net Loans & Acceptances (2 point average).
3. NM: not meaningful.
4. Other includes Wealth Management and Corporate Segment.
5. Wholesale PCL excludes premiums on credit default swaps (CDS): Q3/09 $11MM.
6. Total PCL excludes increase in Canadian P&C general allowance: Q3/09 $65MM. Total PCL includes increase in general allowance for U.S. P&C (Q3/09 $56MM) and VFC (included in Canadian P&C – Q3/09 $22MM).
7. Average of Canadian Peers – BMO, BNS, CIBC, RBC; peer PCLs exclude increases in GAs.
8. Average of U.S. Peers – BAC, C, JPM, PNC, USB, WFC.

Gross Impaired Loan Formations by Portfolio

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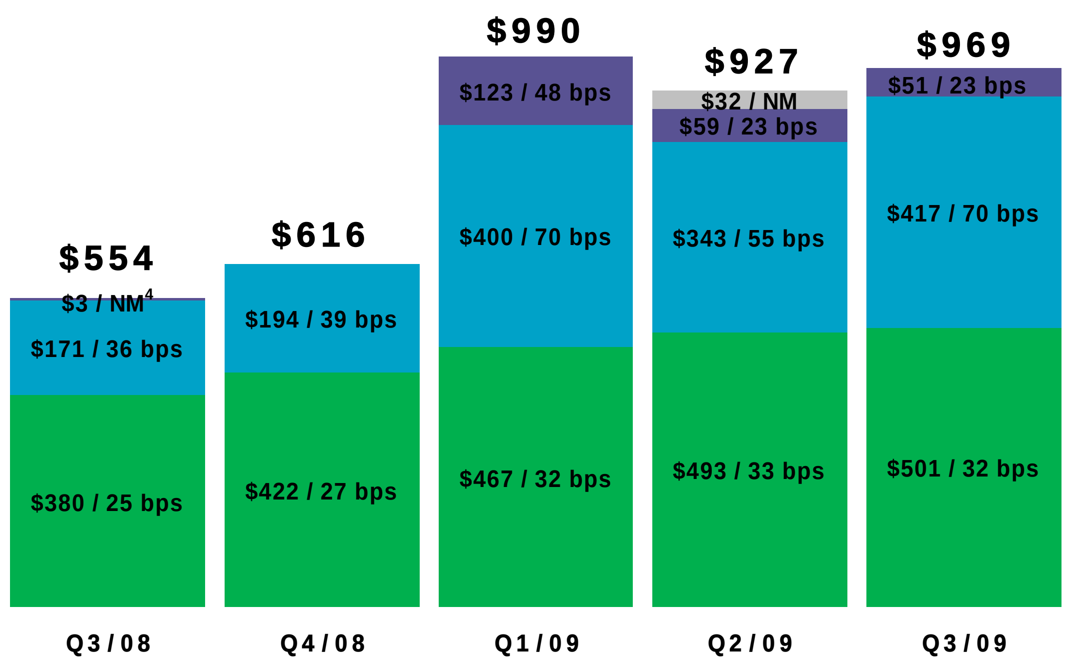
GIL Formations[1]: $MM and Ratios



TD	24	27	42	38	40	*bps*
Cdn Peers[5]	23	31	45	43	NA	*bps*
U.S. Peers[6]	59	118	100	127	NA	*bps*

Other[3]
Wholesale Portfolio
U.S. P&C Portfolio
Canadian P&C Portfolio

Highlights

- Moderate increase in Gross Impaired Loan formations over Q2
  - GIL formations in Canadian Personal and Wholesale portfolios holding steady
- U.S. P&C portfolio up 15 bps as delinquency rates remain elevated
  - Q3 formations mitigated in part by stronger Canadian dollar
- Ongoing pressure is expected on both Canadian and U.S. Commercial portfolios

1. Gross Impaired Loan formations represent additions to Impaired Loans & Acceptances during the quarter and are presented on a credit portfolio basis.
2. GIL Formations Ratio - Gross Impaired Loan Formations/Average Gross Loans & Acceptances.
3. Other includes Wealth Management and Corporate Segment.
4. NM: not meaningful.
5. Average of Canadian Peers – BMO, BNS, CIBC, RBC.
6. Average of US Peers – BAC, C, JPM, PNC, USB, WFC (Non-Accrual Asset addition/Average Gross Loans).

Canadian Personal Banking

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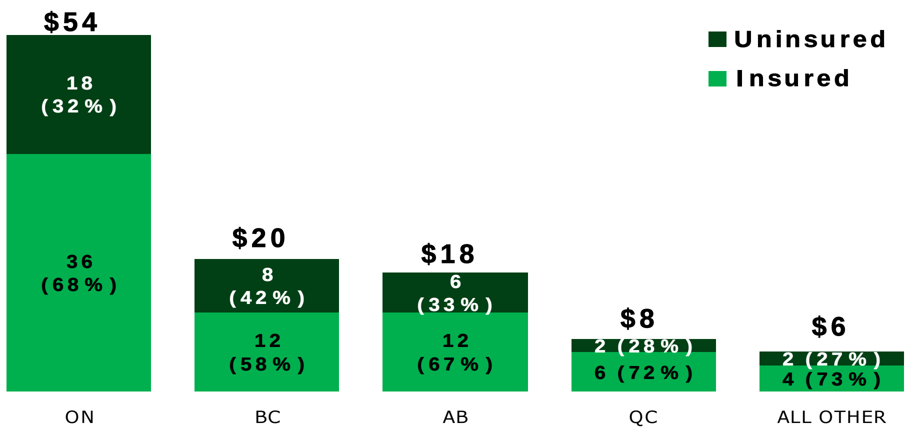
Canadian Personal Banking	Q3/09 Gross Loans ($B)	GIL/Loans	GIL ($MM)	Specific PCL[1] ($MM)
Residential Mortgages	52	0.50%	262	1
Home Equity Lines of Credit (HELOC)	54	0.14%	75	2
Unsecured Lines of Credit	9	0.58%	54	69
Credit Cards	7	1.02%	73	97
Other Personal	11	0.57%	64	56
Total Canadian Personal Banking	**$133**	**0.40%**	**$528**	**$225**
Change vs. Q2/09[2]	**$12**	**(0.05%)**	**($18)**	**$5**

Real Estate Secured Lending Portfolio[3] ($B)
Geographic and Insured/Uninsured Distribution



	ON	BC	AB	QC	ALL OTHER
LTV[3] Q2/09	55	55	56	56	53
LTV[3] Q3/09	52	52	55	55	52

Highlights

- Delinquencies continue to rise on the Real Estate Secured Lending (RESL) portfolio
  - However, pace of escalation is slowing, supported by rebound in housing market
  - Nominal risk of loss as 2/3 of the RESL book is insured
  - Average Loan to Value (LTV) of on-balance sheet assets (both insured and uninsured) < 53%
  - 75% of HELOCs are in first lien position
- Visa Cards and Unsecured Lines of Credit remain most vulnerable
  - Early signs of moderating delinquencies
  - But, sensitive to increases in the unemployment rate

1. Specific PCL excludes General Allowance increase for VFC ($22MM).
2. Change vs. Q2/09 captures the retroactive reclassification of Multiple Unit Residential (MUR) mortgages and related credit losses from Personal to Commercial Banking.
3. Loan To Value based on Seasonally Adjusted Average Price by Major City (Canadian Real Estate Association): Q2/09 – March 2009 Index; Q3/09 – June 2009 Index.

Canadian Commercial and Wholesale Banking

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Canadian Commercial and Wholesale Banking	Q3/09 Gross Loans/BAs ($B)	GIL ($MM)	Specific PCL ($MM)
Commercial Banking[1,2]	30	225	28
Wholesale	21	231	20
Total Canadian Commercial and Wholesale	**$51**	**$456**	**$48**
Change vs. Q2/09[3]	**($3)**	**$48**	**($28)**

Industry Breakdown	Q3/09 Gross Loans/BAs ($B)	Gross Impaired Loans ($MM)	Specific Allowance ($MM)
Real Estate – Residential[2]	9.0	44	9
Real Estate – Non-residential	4.0	5	1
Financial	8.0	56	45
Consumer	6.1	91	25
Resources	5.6	116	55
Govt-PSE-Health & Social Svcs	4.2	9	4
Industrial/Manufacturing	2.9	56	17
Agriculture	2.4	9	3
Automotive	1.3	26	5
Other	7.0	44	21
Total	**$51**	**$456**	**$185**

Highlights

- Canadian Commercial and Wholesale portfolios continue to perform well
- Loan commitments remain well diversified across industries
- Over 70% of Wholesale portfolio commitments are to Investment Grade counterparties
- Sound monitoring and control processes are in place
- Performance remains within expectation for current environment
- However, early signs of deterioration in Commercial credit quality – performance is closely monitored

1. Includes Small Business Banking.
2. Includes Multiple Unit Residential (MUR) mortgages and related credit losses previously classified as Personal.
3. Change vs. Q2/09 captures the retroactive reclassification of Multiple Unit Residential (MUR) mortgages and related credit losses from Personal to Commercial Banking.

U.S. Personal Banking

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U.S. Personal Banking	Q3/09 Gross Loans ($B)	GIL/Loans	GIL ($MM)	Specific PCL[1] ($MM)
Residential Mortgages	7	1.51%	103	(2)
Home Equity Lines of Credit (HELOC)[2]	9	0.67%	59	23
Indirect Auto	3	0.28%	9	8
Credit Cards	0.7	2.84%	20	24
Other Personal	0.8	0.65%	5	8
Total U.S. Personal Banking	**$20**	**0.96%**	**$196**	**$61**
Change vs. Q2/09	**($1)**	**0.05%**	**($0.4)**	**($5)**

U.S. Real Estate Secured Lending Portfolio
Loan to Value (LTV) Distribution and FICO Scores[3]

Current Estimated LTV	Residential Mortgages	1st Lien HELOC	2nd Lien HELOC	Total
>80%	15%	17%	40%	25%
61-80%	42%	24%	32%	34%
<=60%	43%	59%	28%	41%
Current FICO Score >700	79%	83%	80%	80%

Highlights

- Mixed performance
- Real Estate Secured Lending is performing as expected
  - 80% of RESL borrowers have FICO above 700, 94% above 620
  - 36% of HELOCs are in first lien position
  - No exposure to subprime, Alt-A, Low Doc and Option ARM lending
  - In footprint lending strategy - no exposure to hardest hit markets (California, Arizona, Nevada)
- Solid underwriting in Indirect Auto is producing acceptable results
- Credit card portfolio, while relatively small, remains a challenge
- Potential for further weakening

1. Specific PCL excludes General Allowance increase for U.S. P&C ($56MM).
2. HELOC includes Home Equity Lines of Credit and Home Equity Loans.
3. Loan To Value as of June 30 2009, based on Loan Performance Home Price Index. FICO Scores updated April 2009.

U.S. Commercial Banking

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U.S. Commercial Banking	Q3/09 Gross Loans/BAs ($B)	GIL ($MM)	Specific PCL[1] ($MM)
Commercial Real Estate (CRE)	**13**	**451**	**52**
Non-residential Real Estate	9	123	16
Residential Real Estate	4	328	36
Commercial and Industrial (C&I)	**23**	**314**	**28**
Total U.S. Commercial Banking	**$36**	**$765**	**$80**
Change vs. Q2/09	**($5)**	**$77**	**$26**

Commercial Real Estate	Q3/09 Gross Loans/BAs ($B)	Gross Impaired Loans ($MM)
Non-residential Real Estate	**9.2**	**123**
Office	3.1	10
Retail	2.8	41
Industrial	1.7	16
Hotel	0.8	17
Commercial Land	0.4	37
REITs	0.4	2
Residential Real Estate	**4.0**	**328**
Residential for Sale	1.9	295
Apartments	1.8	21
Other	0.3	12
Total Commercial Real Estate	**$13.2**	**$451**

Highlights

- Commercial Real Estate, and specifically Residential for Sale, remains area of greatest concern
- Construction and Land Development loans represent less than 7% of our total Commercial lending portfolio
- Non-residential real estate is performing better than expected, but further softening is anticipated
- Commercial and Industrial credit quality holding steady
- Pro-active approach to risk mitigation across all portfolios

1. Specific PCL excludes General Allowance increase for U.S. P&C ($56MM).

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