TD Bank Financial Group (TDBFG)

Supplemental Financial Information:
Q1/2010 Guide to Reader

Page 1 - Highlights

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

Average diluted shares outstanding for Q1'10 were up 30 million or 4% from the same quarter last year. Of this increase, 10 million was due to the share issuance in December 2008 with the balance attributed to 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 20 bps in the Tier 1 Capital Ratio?

The Tier 1 Capital ratio increased from 11.3% at Oct. 31/09 to 11.5% at Jan. 31/10, primarily driven by earnings (net of dividends) and common share increases through the DRIP and stock option activity, partially offset by higher Risk Weighted Assets (RWA) and lower innovative instruments compared to last quarter.

Page 2 – Shareholder Value

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

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

Page 5 - Canadian Personal and Commercial Banking

Page 5 lines 3, 5 - What was the year-over-year operating leverage in Q1/10?

Operating leverage was 10%: revenue increased 11% year-over-year, while expenses increased 1%.

Revenue increase was driven by strong volume growth across most banking products and, to a lesser extent, higher margins, which were partly offset by higher insurance claims. Volume growth was primarily in real estate secured lending, and in personal and business deposits.

Expenses increased primarily due to higher employee compensation, partly offset by lower litigation costs.

Page 5 line 4 – Why did the Provision for credit losses (PCL) in the Canadian P&C segment increase $49 million from the first quarter last year?

PCL for the quarter in the Canadian P&C segment was $315 million, an increase of $49 million, or 18%, compared with the first quarter last year. Personal banking PCL was $277 million, an increase of $32 million, or 13%, compared with the first quarter last year mainly due to volume growth and higher provisions related to indirect auto lending, and credit cards. Business banking PCL was $38 million, an increase of $17 million, or 81%, compared with the first quarter last year.

Page 5 line 24 – Why did the margin on average earning assets increase 5 basis points (bps) from last quarter and 11 bps from last year, to 2.93%?

The reasons for the quarter-over-quarter and year-over-year increase are similar: the positive impact of the HELOC re-pricing initiative was partially offset by deposit margin compression.

Page 5 line 25 – What drove the improvement in the efficiency ratio from 50.4% last quarter to 47.0% this quarter?

The main reason for the improvement in Canadian Personal and Commercial Banking's efficiency ratio is a 4% increase in revenues and 3% decline in non-interest expenses this quarter.

The increase in revenues compared to the prior quarter was due to higher real estate secured lending margins, continued strong volume growth, and lower claims from severe weather related events in insurance. This was partially offset by lower mortgage breakage fee income and margin compression on deposits.

The decrease in expenses this quarter was largely due to lower marketing costs and project related expenditures, partially offset by higher employee compensation expenses.

Page 6 – Wealth Management

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

The contribution from TD Ameritrade was down compared to last quarter because of lower earnings at TD Ameritrade on lower levels of customer activity as well as the translation effect of a stronger Canadian dollar. 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 20 - Why did the U.S. P&C margin drop 5 bps from the previous quarter and 21 bps from last year?

Margin on average earning assets in the U.S. P&C segment decreased by 5 bps to 3.41% compared to the prior quarter, primarily due to higher volume of low spread deposit products.

Margin decreased by 21 bps to 3.41% compared to the first quarter last year primarily due to rate compression arising from the lower overall level of interest rates.

Page 8 line 4 – Why did the U.S. P&C PCL decrease by $10 million over last quarter?

Total PCL for the quarter decreased US$10 million, or 5%. PCL for loans increased US$20 million, or 12%, compared with the prior quarter. PCL for securities classified as loans decreased US$30 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 increase in Net Income – Adjusted - from $265 million in Q1/09 to $372 million this quarter?

The increase in Wholesale earnings compared to Q1/09 was driven by solid performance across all business lines including improved credit trading and lending revenue, and lower credit provisions. The operating environment was less volatile compared to the first quarter last year when results were impacted by net security losses in the equity investment portfolio, unfavourable credit valuation adjustments, and credit trading losses, partially offset by a recovery from the cancellation of a loan commitment.

Page 10 – Corporate Segment

Page 10 line 14 – What are the main reasons for the increase in Net Income – Adjusted - from $(54) million in Q4/09 to $(33) million this quarter?

The lower adjusted net loss this quarter was primarily attributable to favourable securitization valuations and lower net corporate expenses, partially offset by the impact of tax benefits reported in the prior quarter.

Page 10 line 27 – What is included in the line called “Other”?

This line includes items such as unallocated differences between the segments, retail hedging activities, litigation gains, and costs associated with preferred share issuances, among other items.

Page 12 – Non-interest income

Page 12 line 13 – What caused the increase of $62 million in income from Insurance, net of claims this quarter?

The increase of $62 million this quarter included a release of a $25 million reserve identified as an item of note and lower claims experienced this quarter.

Page 14 – Balance Sheet

Page 14 line 5 – Why did Available-For-Sale Securities go up $4.4 billion, from $84.8 billion last quarter to $89.2 billion this quarter?

The available-for-sale securities balance was driven higher quarter-over-quarter primarily due to growth in U.S. Personal and Commercial Banking related to reinvestment of balances previously invested in securities purchased under reverse repurchase agreements.