

**Q2 2010**  
**Strategic Overview**  
(Check Against Delivery)  
**Ed Clark, President and CEO**

Thank you Rudy, and thanks everyone for joining us this afternoon.

Colleen will be up shortly to discuss our second quarter results in detail. I'll start by sharing my thoughts on our performance this quarter and then give you a sense of where we feel things are headed for the rest of the year.

**Continued momentum in Q2**

We had another very strong quarter. Adjusted earnings were over \$1.2 billion, up 21% compared to last year. EPS growth was 19% and would have been even higher if not for the significant impact of the rising Canadian dollar. All of our businesses performed exceptionally well, with strong double-digit growth delivered by every segment. Our earnings were, however, negatively impacted by our Corporate segment. You'll recall that in Q1, our Corporate Segment results were better than our expectations. For the first half of 2010, our results in this segment are about in line with what we expected. Colleen will provide you with more detail in a few minutes.

Our performance was fueled by record earnings in our Canadian Personal and Commercial bank, where TDCT delivered earnings growth of 29%. The strong housing market in Canada continued to sustain our volumes in real-estate secured lending and the improving economy benefited our growing business bank.

Our Wealth Management business saw earnings rise 42%. The story here is the steady improvement in equity markets, which is also helping our asset-gathering and sales of long term mutual funds. We're also seeing improved net interest margin.

Wholesale earnings are starting to normalize, but still rose 27% from a year ago. All of our Wholesale businesses performed well in a relatively stable market, even though earnings are down quarter over quarter, as we make the predicted return to more normal markets.

Turning to TD Bank, America's Most Convenient Bank, our performance was strong and saw adjusted earnings growth of 45% on a U.S. dollar basis. The major story here is that the credit cycle in the U.S. seems to be improving faster than we expected. PCLs have moved below Q1 levels and impaired loan formations were stable. We remain pleased with the underlying fundamentals of our business. Margins have improved, loan and deposit volumes continue to trend up, and we continue to invest for the future, which included the opening of 11 new stores this quarter.

Our balance sheet remains very strong. The Tier 1 capital ratio hit a high of 12.0% and risk-weighted assets remained stable.

This was also a very active quarter for TD on the M&A front, with two announcements in the last six weeks.

First, we acquired Riverside, First Federal and AmericanFirst in Florida, with the assistance of the Federal Deposit Insurance Corporation. This transaction expanded our existing presence in the rapidly growing and deposit-rich Florida market. Since we announced this transaction, we've had further opportunities to tour the locations and we're feeling even better about what we're seeing. There's lots of potential in these great stores.

We also said we'd look at small unassisted deals where the risks are understandable and manageable. The offer to buy The South Financial Group, Inc., that we announced after the quarter ended, is exactly that kind of transaction. South Financial lets us bolster our presence in the Florida market even more. We also get a strong franchise in the Carolinas. More importantly, we acquire the management talent to drive our growth in the Southern U.S. This deal is subject to approval by regulators and South Financial shareholders and is expected to close in TD's third fiscal quarter of 2010, promptly following receipt of those approvals.

We believe that this will prove to be an excellent deal for us. It has a high IRR and will be accretive to our U.S. strategy. We've got a great opportunity here to introduce our retail and commercial banking model throughout South Financial's footprint. We've also done extensive due diligence with the company's management team and feel very comfortable with how we've marked the book.

So, what will we have after all these deals close?

We'll be a top-10 player in Florida, with \$7.5 billion in deposits and 169 stores. In South Carolina, we'll be a top 5 player with 83 stores and \$5.5 billion in deposits. We'll have added established commercial banking assets, a solid network of stores in attractive and growing markets, and excellent risk managers who will be part of the growth story going forward.

## **Outlook**

In terms of our outlook, it's clear that we've performed extremely well through the recovery in a tough business environment.

On the economic front, everyone is trying to figure out where the world is going. On one hand, the employment picture, GDP growth and the improvement in the credit markets are all encouraging signs on both sides of the border.

On the other hand, there are significant concerns about several European governments and their banking systems. We're not worried about sovereign risk per se as we have nominal credit exposure to Greece and Portugal and our exposure to other weaker European countries is manageable. More worrying is the potential domino effect that European problems could have on the United States, which in turn could impact

Canada's economy. This means that economic growth may slow down and interest rates could stay low for a longer period of time. That could hurt volume growth and deposit spreads.

At the moment, I believe that the net balance of more positive U.S. performance and potential negative drag of Europe on Canada and the U.S. is an overall more positive economic outlook than we had last quarter.

The second big unknown in the world is capital reform. I don't think anyone really knows where the rules are going. Central bankers and policy makers are now more focused on sovereign credit and lost economic growth. On the other hand, at least publicly, they want reform to proceed.

Our capital levels remain very strong, leaving us well-positioned to address global capital reforms as they emerge.

With that, let me wrap up.

I think TD has delivered exceptional results in the first half of the year and I'm optimistic about our future. Our Canadian P&C businesses continued their outstanding performance and we continue to expect strong but more moderate growth in the future. Wealth earnings are rebounding in line with the stronger direction of the capital markets, with the big risks being a fall-off in equity prices and continued low interest rates. Our Wholesale business is stronger than ever – with what we believe is the operating model of the future – and on the path to more normalized but sustainable earnings levels. Our U.S. retail bank continues to move forward with strong organic growth and stabilizing PCLs while facing the headwinds of U.S. regulatory changes. Clearly, there are lots of moving pieces in the U.S. and it's too early to conclude how it will all ultimately play out. The only certainty is Reg E, which we are working on carefully.

I'm confident that we will continue to perform well for the balance of this year and into 2011.

Now, let me turn the call over to Colleen.

## **Call Closing**

Let me wrap-up with a few key points.

First, we had another strong quarter. We believe PCLs have peaked and should stabilize in Canada and the credit environment is also showing signs of improvement in the U.S., where economic headwinds still linger.

Second, our results continue to be anchored by our retail businesses in Canada and the U.S. We're using our strength to continue to build out businesses both organically and through acquisitions.

Third, we have started to see our Wholesale business return to more normal levels.

Fourth, we see the balance of the year shaping up relatively well, with a firming economic recovery in Canada, which should help our earnings. At the same time, we also recognize that the world continues to be a fragile place and that may create further uncertainty. However, we remain absolutely confident that our business model will stay strong and intact, positioning us with momentum on our side.

Thank you.

## Caution regarding forward-looking statements

From time to time, the Bank makes written and oral forward-looking statements, including in this presentation, in other filings with Canadian regulators or the U.S. Securities and Exchange Commission (SEC), and in other communications. In addition, representatives of the Bank may make forward-looking statements orally to analysts, investors, the media and others. All such statements are made pursuant to the “safe harbour” provisions of applicable Canadian and U.S. securities legislation, including the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements include, among others, statements regarding the Bank’s objectives and priorities for 2010 and beyond and strategies to achieve them, and the Bank’s anticipated financial performance. 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 the Bank to make assumptions and are subject to inherent risks and uncertainties, general and specific. Especially in light of the uncertainty related to the current financial, economic and regulatory environments, such risks and uncertainties – many of which are beyond the Bank’s control and the effects of which can be difficult to predict – may cause actual results to differ materially from the expectations expressed in the forward-looking statements. Risk factors that could cause such differences include: credit, market (including equity, commodity, foreign exchange and interest rate), liquidity, operational, reputational, insurance, strategic, regulatory, legal and other risks, all of which are discussed in the Management’s Discussion and Analysis (MD&A) in the Bank’s 2009 Annual Report. Additional risk factors include changes to and new interpretations of risk-based capital guidelines and reporting instructions; increased funding costs for credit due to market illiquidity and competition for funding; the failure of third parties to comply with their obligations to the Bank or its affiliates relating to the care and control of information; and 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. We caution that the preceding list is not exhaustive of all possible risk factors and other factors could also adversely affect the Bank’s results. For more detailed information, please see the Risk Factors and Management section of the MD&A, starting on page 65 of the Bank’s 2009 Annual Report. All such factors should be considered carefully, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements, when making decisions with respect to the Bank and undue reliance should not be placed on the Bank’s forward-looking statements.

Material economic assumptions underlying the forward-looking statements contained in this presentation are set out in the Bank’s 2009 Annual Report under the heading “Economic Summary and Outlook”, as updated in the First Quarter 2010 Report to Shareholders; and for each of the business segments, under the headings “Business Outlook and Focus for 2010”, as updated in the First Quarter 2010 Report to Shareholders under the headings “Business Outlook”.

Any forward-looking statements contained in this presentation represent the views of management only as of the date hereof and are presented for the purpose of assisting the Bank’s shareholders and analysts in understanding the Bank’s financial position, objectives and priorities and anticipated financial performance as at and for the periods ended on the dates presented, and may not be appropriate for other purposes. 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.

## Additional Information

The information presented may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and comparable “safe harbour” provisions of applicable Canadian legislation, including, but not limited to, statements relating to anticipated financial and operating results, the companies’ plans, objectives, expectations and intentions, cost savings and other statements, including words such as “anticipate”, “believe”, “plan”, “estimate”, “expect”, “intend”, “will”, “should”, “may”, and other similar expressions. Such statements are based upon the current beliefs and expectations of our management and involve a number of significant risks and uncertainties. Actual results may differ materially from the results anticipated in these forward-looking statements. The following factors, among others, could cause or contribute to such material differences: the ability to obtain the approval of the transaction by The South Financial Group, Inc. shareholders; the ability to realize the expected synergies resulting from the transaction in the amounts or in the timeframe anticipated; the ability to integrate The South Financial Group, Inc.’s businesses into those of The Toronto-Dominion Bank in a timely and cost-efficient manner; and the ability to obtain governmental approvals of the transaction or to satisfy other conditions to the transaction on the proposed terms and timeframe. Additional factors that could cause The Toronto-Dominion Bank’s and The South Financial Group, Inc.’s results to differ materially from those described in the forward-looking statements can be found in the 2009 Annual Report on Form 40-F for The Toronto-Dominion Bank and the 2009 Annual Report on Form 10-K of The South Financial Group, Inc. filed with the Securities and Exchange Commission and available at the Securities and Exchange Commission’s Internet site (<http://www.sec.gov>).

The proposed merger transaction involving The Toronto-Dominion Bank and The South Financial Group, Inc. will be submitted to The South Financial Group, Inc.’s shareholders for their consideration. Shareholders are encouraged to read the proxy statement/prospectus regarding the proposed transaction when it becomes available because it will contain important information. Shareholders will be able to obtain a free copy of the proxy statement/prospectus, as well as other filings containing information about The Toronto-Dominion Bank and The South Financial Group, Inc., without charge, at the SEC’s internet site (<http://www.sec.gov>). Copies of the proxy statement/prospectus and the filings with the SEC that will be incorporated by reference in the proxy statement/prospectus can also be obtained, when available, without charge, by directing a request to The Toronto-Dominion Bank, 15th floor, 66 Wellington Street West, Toronto, ON M5K 1A2, Attention: Investor Relations, 1-866-486-4826, or to

The South Financial Group, Inc., Investor Relations, 104 South Main Street Poinsett Plaza, 6th Floor, Greenville, South Carolina 29601, 1-888-592-3001.

The Toronto-Dominion Bank, The South Financial Group, Inc., their respective directors and executive officers and other persons may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. Information regarding The Toronto-Dominion Bank's directors and executive officers is available in its Annual Report on Form 40-F for the year ended October 31, 2009, which was filed with the Securities and Exchange Commission on December 03, 2009, and in its notice of annual meeting and proxy circular for its most recent annual meeting, which was filed with the Securities and Exchange Commission on February 25, 2010. Information regarding The South Financial Group, Inc.'s directors and executive officers is available in The South Financial Group, Inc.'s proxy statement for its most recent annual meeting, which was filed with the Securities and Exchange Commission on April 07, 2010. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the proxy statement/prospectus and other relevant materials to be filed with the SEC when they become available.