

# TD Bank Group (TD)

## IFRS Guide to Reader

### Supplemental Financial Information

#### Page 1 – Highlights

#### How does the calculation of earnings per share (EPS) differ between Canadian GAAP (CGAAP) and International Financial Reporting Standards (IFRS)?

In order to calculate diluted EPS under IFRS, the net income attributable to common shareholders must be adjusted for the dilutive impacts of convertible instruments. This involves calculation differences relative to CGAAP. The example below illustrates the calculation of diluted EPS, adjusted<sup>i</sup> (line 23) under IFRS.

- Payments associated with convertible instruments must be added back to earnings

In Fiscal 2011, the Bank held the following convertible instruments

<i>Fiscal 2011</i>	
Convertible instrument	Payments
Bank's Class A Preferred Shares, Series M	\$ 16MM
Bank's Class A Preferred Shares, Series N	\$ 9MM
TD Capital Trust II Securities	\$ 17MM
Total impact, after tax	\$ 42MM

- The dilutive impact of convertible instruments are included in the average number of common shares outstanding, diluted under IFRS

<i>Fiscal 2011</i>	
Average number of common shares outstanding, diluted	
CGAAP	890.1MM
IFRS	902.9MM

The adjusted diluted EPS calculation under IFRS is calculated as follows:

<i>Fiscal 2011</i>	
Net income attributable to common shareholders – adjusted (line 19)	\$ 6,148MM
Impact from convertible instruments	\$ 42MM
Net income – adjusted, for diluted EPS purposes	\$ 6,190MM
Average number of common shares outstanding, diluted	902.9MM
<b>F2011 Diluted EPS, adjusted</b>	<b>\$ 6.86</b>

### Page 3 – Adjustments for Items of Note, Net of Income Taxes

#### What are the pre-tax impacts of the items of note under IFRS?

The Supplemental Information package presents the items of note on an after tax basis. The items of note presented on a pre-tax are as follows:

Adjustments for Items of Note, Pre-Tax	Q4	Q3	Q2	Q1	2011
Amortization of Intangibles <sup>ii</sup>	144	141	149	155	<b>589</b>
Fair value of derivatives hedging the reclassified available-for-sale securities portfolio	(41)	(13)	(11)	(93)	<b>(158)</b>
Integration, restructuring, and direct transaction costs relating to U.S. Personal and Commercial Banking acquisitions	9	64	31	37	<b>141</b>
Fair value of credit default swaps hedging the corporate loan book, net of provision for credit losses	(15)	(7)	(3)	6	<b>(19)</b>
Integration costs, restructuring costs, direct transaction costs, and changes in fair value of contingent consideration relating to the Chrysler Financial acquisition	31	42	14	-	<b>87</b>

<sup>i</sup> The Bank's financial results/earnings releases prepared in accordance with GAAP are referred to as "reported" results. The Bank also utilizes non-GAAP financial measures referred to as "adjusted" results (i.e. reported results excluding "items of note", net of income taxes) to assess each of its businesses and measure overall Bank performance. Adjusted net income, adjusted earnings per share and related terms used in this presentation are not defined terms under GAAP and may not be comparable to similar terms used by other issuers. See "How the Bank Reports" in the Bank's 4th Quarter 2011 Earnings News Release and 2011 MD&A (td.com/investor) for further explanation, reported basis results, a list of the items of note, and a reconciliation of non-GAAP measures.

<sup>ii</sup> Includes amortization of intangibles expense, net of tax for TD Ameritrade Holding Corporation for the three months ended October 31, July 31, April 30, and January 31, 2011, and year-ended October 31 of \$13 million, \$13 million, \$16 million, \$17 million, and \$59 million, respectively. Amortization of software is recorded in amortization of intangibles; however, amortization of software is not included for purposes of items of note, which only include amortization of intangibles acquired as a result of business combinations.