

**Information on Tax Matters for Shareholders of The South Financial Group, Inc.
("TSFG")
Pursuant to the Acquisition of TSFG by
The Toronto-Dominion Bank ("TD")**

PLEASE READ THE DISCLAIMER BELOW.

Material United States Federal Income Tax Consequences

For general information on the tax implications of the transaction, please see the discussion starting on page 46 of the definitive proxy statement/prospectus. A copy of the definitive proxy statement/prospectus is available at the following link:

<http://www.sec.gov/Archives/edgar/data/947263/000095012310080974/0000950123-10-080974-index.htm>

Summary of Calculation of Gain or Loss on the Merger for U.S. holders of TSFG Common Stock

We believe that the merger will be treated for United States federal income tax purposes as a taxable sale by a U.S. holder of TSFG common stock of the shares of TSFG common stock that such holder surrenders in the merger.

Accordingly, the material United States federal income tax consequences of the merger are as follows:

- A U.S. holder will generally recognize gain or loss equal to the difference between:
 - (1) the sum of any cash consideration (including any cash received in lieu of fractional TD common shares) and the fair market value of any TD common shares received in the merger*, and
 - (2) such holder's adjusted tax basis in the shares of TSFG common stock surrendered in the merger for TD common shares and/or cash**;
- A U.S. holder's aggregate tax basis in the TD common shares, if any, that such holder receives in the merger will equal the fair market value of such common shares at the time of the merger*; and
- A U.S. holder's holding period for the TD common shares, if any, that such holder receives in the merger should generally begin on the day after the completion of the merger. The merger was completed on September 30, 2010.

* See "TD Common Shares Fair Market Value and TD Common Shares Aggregate Tax Basis" below for additional information.

** Upon completion of the merger on September 30, 2010, each holder of TSFG common stock became entitled to receive, at their option, in exchange for each share of TSFG common stock such holder owned immediately prior to the merger, either (i) 28 cents in cash (if a cash election was made with respect to such share), or (ii) 0.004 TD common shares, plus cash in lieu of any fractional share interests, which we refer to as the stock consideration.

A U.S. holder that receives stock consideration may need to sell TD common shares received in the merger, or raise cash from other sources, to pay any tax obligations resulting from the merger.

If a U.S. holder acquired different blocks of TSFG common stock at different times and at different prices, any gain or loss will be determined separately with respect to each such block of TSFG common stock surrendered.

Any gain or loss that a U.S. holder recognizes in connection with the merger will generally be capital gain or loss and will be long-term capital gain or loss if, as of the date of the merger, such holder's holding period in its TSFG common stock is greater than one year. For non-corporate shareholders, long-term capital gain generally is subject to tax at preferential rates. There are limitations on the deductibility of capital losses.

TD Common Shares Fair Market Value and TD Common Shares Aggregate Tax Basis

U.S. federal tax law does not specifically identify how you should determine the fair market value of a share of stock received pursuant to a merger. There are several potential methods of measuring the fair market value.

On or before January 31, 2011, the election and exchange agent BNY Mellon Shareowner Services will prepare and mail to each former TSFG stockholder who received the merger consideration, other than certain exempt recipients, a Form 1099-B reporting the cash consideration, the amount of cash in lieu of fractional TD common shares, and the value of the TD common shares received in the merger.

For such purposes, the election and exchange agent will value each TD common share received at approximately US\$72.02 (exactly: US\$72.0177), determined based on the average of the daily volume weighted average prices of TD common shares based on information reported by the Toronto Stock Exchange in The Toronto Stock Exchange Daily Record (with each such trading day's applicable price converted into United States dollars using the spot exchange rate reported by the Bank of Canada at 12:00 p.m. on such day, for the five trading days immediately preceding the effective time of the merger on September 30, 2010).

Please be advised that the common shares of The Toronto-Dominion Bank are listed on the Toronto Stock Exchange and the New York Stock Exchange under symbol "TD".

For Additional Information

TD Shareholder Relations – 1-866-756-8936 or tdshinfo@td.com

BNY Mellon Shareowner Services – From within the U.S., Canada or Puerto Rico: 1-866-332-9069 (Toll Free) and from outside the U.S.: 1-201-680-6579 (Collect)

Disclaimer: We cannot give tax advice. Everyone's tax situation is different. You should consult your own independent tax advisor for specific tax advice based on your particular circumstances. These materials were not intended or written to be used, and cannot be used, for the purposes of avoiding tax-related penalties under federal, state or local tax law.