

TORONTO DOMINION BANK

Form F-4/A

August 24, 2010

Table of Contents

As filed with the Securities and Exchange Commission on August 24, 2010

Registration No. 333-167443

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Amendment No. 1
to
Form F-4
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933
The Toronto-Dominion Bank
(Exact name of registrant as specified in its charter)

CANADA (State or other jurisdiction of incorporation or organization)	6029 (Primary Standard Industrial Classification Code Number)	13-5640479 (I.R.S. Employer Identification Number)
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Toronto-Dominion Centre, P.O. Box 1, Toronto, Ontario, M5K 1A2, (416) 982-8222
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

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New York, NY 10019-6101
(212) 827-7000
(Name, address, including zip code, and telephone number, including area code, of agent for service)

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Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to Section 8(a), may determine.

Table of Contents

The information contained in this proxy statement/prospectus is not complete and may be changed. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This proxy statement/prospectus is not an offer to sell these securities, and is not soliciting an offer to buy these securities, nor shall there be any sale of these securities, in any jurisdiction where such offer, solicitation or sale is not permitted or would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

SUBJECT TO COMPLETION, DATED AUGUST 24, 2010

PROPOSED MERGER TRANSACTION YOUR VOTE IS VERY IMPORTANT

The South Financial Group, Inc., or TSFG, entered into a merger agreement with The Toronto-Dominion Bank, or TD, which provides for TD to acquire TSFG. If the merger is completed, you will receive either \$0.28 in cash, if a cash election is made, or 0.004 TD common shares (plus cash in lieu of any fractional share interests) for each share of TSFG common stock you hold immediately prior to the completion of the merger. The exchange ratio of 0.004 TD common shares for the stock consideration option is fixed and will only be adjusted in limited circumstances. The exchange ratio will not be adjusted to reflect changes in the stock price of TSFG or TD. The dollar value of the stock consideration TSFG shareholders may receive will change depending on changes in the market price of TD common shares and will not be known at the time you vote on the merger. Based on the closing price of TD common shares as reported on the New York Stock Exchange on May 14, 2010, the last trading day before public announcement of the merger, the stock consideration represented approximately \$0.28 in value for each share of TSFG common stock, and based on the closing price of TD common shares as reported on the New York Stock Exchange on August 23, 2010, the last practicable date before the date of this document, the stock consideration represented approximately \$0.2682 in value for each share of TSFG common stock. TD's common shares are listed on the New York Stock Exchange and the Toronto Stock Exchange under the symbol TD, and TSFG's common stock is listed on the Nasdaq Capital Market under the symbol TSFG. You should obtain current market quotations for both securities. We believe that the merger will be a taxable transaction for TSFG shareholders for United States federal income tax purposes.

At TSFG's special meeting of its shareholders, you will have the opportunity to vote on the approval of the plan of merger contained in the Agreement and Plan of Merger, or merger agreement, dated as of May 16, 2010, among TSFG, TD and Hunt Merger Sub, Inc., a wholly-owned subsidiary of TD. The special meeting of TSFG shareholders will be held at Poinsett Plaza, 2nd Floor, 104 South Main Street, Greenville, SC 29601, on September 28, 2010, at 10:30 a.m. local time, to vote on the approval of the plan of merger. **The TSFG board of directors unanimously recommends that you vote FOR the approval of the plan of merger.**

In connection with entering into the merger agreement, TSFG and TD also entered into a share purchase agreement, pursuant to which, on August 23, 2010, TD acquired 100 newly issued shares of TSFG's Series M Preferred Stock for consideration of 1,000 TD common shares. The Series M Preferred Stock that was issued to TD will vote together with TSFG common stock as a single class and represent 39.9% of the total voting power of holders of TSFG capital stock entitled to vote at the special meeting (including with respect to approval of the plan of merger contained in the merger agreement).

Your vote is very important. A majority of the votes entitled to be cast on the plan of merger contained in the merger agreement, consisting of all outstanding shares of TSFG common stock and the Series M Preferred Stock, voting together as a single class, constitutes a quorum for transacting business at the special meeting. Approval of the plan of merger contained in the merger agreement requires the affirmative vote of a majority of the votes entitled to be cast at

the special meeting by the holders of TSFG common stock and the Series M Preferred Stock, voting together as a single class. TD will vote its shares of Series M Preferred Stock in favor of approval of the plan of merger contained in the merger agreement at the special meeting. An abstention or failure to vote or to instruct your broker how to vote will have the same effect as voting against the plan of merger contained in the merger agreement. Whether or not you plan to attend the meeting, please promptly return your completed proxy so that your shares are voted at the meeting. If your shares are held in street name, you must instruct your broker in order to vote.

This proxy statement/prospectus contains detailed information about the special meeting, the proposed merger, documents related to the merger and other related matters, and we urge you to read it carefully, including the section entitled Risk Factors beginning on page 23.

We appreciate your continued support.

Sincerely,
H. Lynn Harton
President and Chief Executive Officer

NEITHER THE SECURITIES AND EXCHANGE COMMISSION, OR SEC, NOR ANY U.S. STATE OR CANADIAN PROVINCIAL OR TERRITORIAL SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE SECURITIES TO BE ISSUED IN CONNECTION WITH THE MERGER OR DETERMINED IF THIS PROXY STATEMENT/PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The securities to be issued in the merger are not savings or deposit accounts and are not insured by the Federal Deposit Insurance Corporation, the Canada Deposit Insurance Corporation or any other governmental agency.

The date of this proxy statement/prospectus is August 24, 2010, and it is first being mailed or otherwise delivered to TSFG shareholders on or about August 26, 2010.

Table of Contents

REFERENCES TO ADDITIONAL INFORMATION

This proxy statement/prospectus incorporates important business and financial information about TSFG and TD from documents that are not included in or delivered with this proxy statement/prospectus. This information is available to you without charge upon your written or oral request. You can obtain documents related to TSFG and TD that are incorporated by reference in this proxy statement/prospectus, other than certain exhibits to the documents, without charge, by requesting them in writing or by telephone from the appropriate company.

The South Financial Group, Inc.
Investor Relations
104 South Main Street
Poinsett Plaza, 6th Floor
Greenville, SC 29601
(888) 592-3001
investor@thesouthgroup.com

TD Bank Financial Group
Investor Relations
TD Tower, 15th Floor
66 Wellington Street West
Toronto, Ontario, Canada M5K 1A2
(416) 308-9030
tdir@td.com

In addition, if you have questions about the merger or the special meeting, need additional copies of this document or need to obtain proxy cards or other information related to the proxy solicitation, you may contact the appropriate contact listed below. You will not be charged for any of these documents that you request.

Innisfree M&A Incorporated
501 Madison Avenue
New York, NY 10022
Toll free telephone: (877) 717 3929
Brokers and banks, please call: (212) 750 5833

In order to receive timely delivery of requested documents in advance of the special meeting, you should make your request no later than September 21, 2010.

See Where You Can Find More Information beginning on page 96.

Table of Contents

THE SOUTH FINANCIAL GROUP, INC.

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
To Be Held on September 28, 2010**

To the Shareholders of The South Financial Group, Inc.:

We will hold a special meeting of shareholders at 10:30 a.m. local time, on September 28, 2010 at Poinsett Plaza, 2nd Floor, 104 South Main Street, Greenville, SC 29601 to consider and vote upon the following matters:

a proposal to approve the plan of merger contained in the Agreement and Plan of Merger, dated as of May 16, 2010, among The South Financial Group, Inc., The Toronto-Dominion Bank and Hunt Merger Sub, Inc., pursuant to which Hunt Merger Sub, Inc. will merge with and into The South Financial Group, Inc., whereupon the separate corporate existence of Hunt Merger Sub, Inc. will cease and TSFG will survive as a wholly-owned subsidiary of TD, as more fully described in the attached proxy statement/prospectus. A copy of the Agreement and Plan of Merger is included as Appendix A to the proxy statement/prospectus; and

a proposal to approve the adjournment or postponement of the special meeting, if necessary or appropriate, including to solicit additional proxies.

The close of business on August 23, 2010 has been fixed as the record date for determining those TSFG shareholders entitled to notice of, and to vote at, the special meeting and any adjournments or postponements of the special meeting. Only the holders of record of TSFG common stock and the Series M Preferred Stock at the close of business on that date are entitled to notice of, and to vote at, the special meeting and any adjournments or postponements of the special meeting. Approval of the plan of merger contained in the merger agreement requires the affirmative vote of a majority of the votes entitled to be cast at the special meeting by the holders of TSFG common stock and the Series M Preferred Stock, voting together as a single class. The Series M Preferred Stock was issued to TD prior to the record date for the special meeting of TSFG shareholders and represents 39.9% of the total voting power of holders of TSFG capital stock entitled to vote at the special meeting (including on the approval of the plan of merger contained in the merger agreement). TD is the sole holder of all shares of Series M Preferred Stock and is required to vote these shares in favor of approving the plan of merger contained in the merger agreement. If you wish to attend the special meeting and your shares are held in the name of a broker, trust, bank or other nominee, you must bring with you a proxy or letter from the broker, trustee, bank or other nominee to confirm your beneficial ownership.

By order of the Board of Directors,

William P. Crawford, Jr.

Secretary

August 24, 2010

YOUR VOTE IS IMPORTANT REGARDLESS OF THE NUMBER OF SHARES YOU OWN. WHETHER OR NOT YOU PLAN TO ATTEND THE SPECIAL MEETING IN PERSON, PLEASE VOTE YOUR PROXY BY TELEPHONE OR THROUGH THE INTERNET, AS DESCRIBED ON THE ENCLOSED PROXY CARD, OR COMPLETE, DATE, SIGN AND RETURN THE ENCLOSED PROXY CARD IN THE ENCLOSED ENVELOPE. IF YOU ATTEND THE SPECIAL MEETING, YOU MAY VOTE IN PERSON IF YOU WISH, EVEN IF YOU HAVE PREVIOUSLY RETURNED YOUR PROXY CARD OR VOTED BY TELEPHONE OR THROUGH THE INTERNET. PLEASE VOTE AT YOUR FIRST OPPORTUNITY.

TSFG S BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR APPROVAL OF THE PLAN OF MERGER AND FOR APPROVAL OF ANY ADJOURNMENT OR POSTPONEMENT OF THE SPECIAL MEETING, IF NECESSARY OR APPROPRIATE, INCLUDING TO PERMIT FURTHER SOLICITATION OF PROXIES.

Table of Contents

TABLE OF CONTENTS

	Page
<u>SUMMARY</u>	1
<u>The Merger</u>	1
<u>TSFG Shareholders Will Have the Right to Elect to Receive Cash or TD Common Shares in the Merger</u>	1
<u>Treatment of TSFG Stock Options and Other Equity Based Awards</u>	1
<u>Comparative Per Share Market Price and Dividend Information</u>	2
<u>Opinion of TSFG's Financial Advisor</u>	2
<u>Material United States Federal Income Tax Consequences to Holders of TSFG Common Stock</u>	2
<u>Holders of TSFG Common Stock Do Not Have Dissenters' Rights of Appraisal</u>	2
<u>TSFG's Board of Directors Unanimously Recommends that You Vote FOR the Approval of the Plan of Merger</u>	2
<u>Your Rights as a Holder of TD Common Shares Will Be Different from Your Rights as a Holder of TSFG Common Stock</u>	3
<u>TSFG Executive Officers and Directors Have Financial and Other Interests in the Merger that are Different from or in Addition to Your Interests</u>	3
<u>The Companies</u>	3
<u>The Special Meeting of TSFG Shareholders</u>	4
<u>TD Shareholder Approval</u>	5
<u>The Merger Agreement</u>	5
<u>Completion of the Merger is Subject to Conditions</u>	5
<u>The Merger Agreement May Be Terminated Under Some Circumstances</u>	6
<u>TSFG May Be Required to Pay a Termination Fee Under Some Circumstances</u>	7
<u>TD and TSFG Entered into a Share Purchase Agreement</u>	7
<u>TD and the United States Department of the Treasury Entered into a Securities Purchase Agreement</u>	7
<u>TD Purchases of TSFG Common Stock</u>	7
<u>Regulatory Approvals Required for the Merger</u>	7
<u>Nasdaq Matters</u>	8
<u>Litigation Relating to the Merger</u>	8
<u>QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETING AND RELATED MATTERS</u>	9
<u>COMPARATIVE PER SHARE DATA</u>	13
<u>COMPARATIVE PER SHARE MARKET PRICE AND DIVIDEND INFORMATION</u>	16
<u>CURRENCY EXCHANGE RATE DATA</u>	18
<u>SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF TD</u>	19
<u>SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF TSFG</u>	21
<u>RISK FACTORS</u>	23
<u>CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS</u>	26
<u>THE SPECIAL MEETING</u>	27
<u>Date, Time and Place</u>	27
<u>Matters to be Considered</u>	27
<u>Proxies</u>	27
<u>Solicitation of Proxies</u>	28
<u>Record Date and Quorum</u>	28
<u>Vote Required</u>	28
<u>Participants in TSFG Employee Plans</u>	29
<u>Voting by Telephone or Through the Internet</u>	29

<u>Delivery of Proxy Materials</u>	30
<u>Recommendations of TSFG's Board of Directors</u>	30
<u>INFORMATION ABOUT THE COMPANIES</u>	30
<u>The Toronto-Dominion Bank</u>	30
<u>Additional Information Relating to Certain Prior Disclosures of TD</u>	31
<u>Hunt Merger Sub, Inc.</u>	31
<u>The South Financial Group, Inc.</u>	31
<u>THE MERGER</u>	32
<u>Background of the Merger</u>	32
<u>TSFG's Reasons for the Merger</u>	35
<u>Opinion of TSFG's Financial Advisor</u>	37
<u>TD's Reasons for the Merger</u>	43
<u>Litigation Relating to the Merger</u>	43
<u>Interests of TSFG's Executive Officers and Directors in the Merger</u>	43
<u>Material United States Federal Income Tax Consequences</u>	46

Table of Contents

	Page
<u>Material Canadian Federal Income Tax Considerations</u>	50
<u>Anticipated Accounting Treatment</u>	52
<u>Regulatory Matters Related to the Merger and Stock Exchange Listings</u>	52
<u>Merger Fees, Costs and Expenses</u>	53
<u>Procedures for Cash Election and Exchange of TSFG Stock Certificates</u>	53
<u>Treatment of TSFG Options and Other Equity Based Awards</u>	55
<u>No Dissenters Rights of Appraisal</u>	56
<u>Resale of TD Common Shares</u>	56
<u>Nasdaq Matters</u>	57
<u>PROPOSAL NO. 1: THE MERGER AGREEMENT</u>	58
<u>Structure of the Merger</u>	58
<u>Merger Consideration</u>	58
<u>Surviving Corporation, Governing Documents and Directors</u>	59
<u>Closing</u>	59
<u>Effective Time of the Merger</u>	60
<u>Representations and Warranties</u>	60
<u>Covenants and Agreements</u>	62
<u>Conditions to the Merger</u>	69
<u>Termination</u>	70
<u>Effect of Termination</u>	71
<u>Termination Fees and Expenses</u>	71
<u>Amendments, Extension and Waivers</u>	72
<u>Share Purchase Agreement</u>	72
<u>TD's Securities Purchase Agreement with the United States Department of the Treasury</u>	72
<u>TD Purchases of TSFG Common Stock</u>	72
<u>DIRECTORS AND MANAGEMENT OF TD</u>	73
<u>TD's Board of Directors and Executive Officers</u>	73
<u>BENEFICIAL OWNERSHIP OF TSFG COMMON STOCK</u>	77
<u>DESCRIPTION OF TD SHARE CAPITAL</u>	79
<u>TD Capital Stock</u>	79
<u>TD Common Shares</u>	79
<u>TD Preferred Shares</u>	79
<u>Limitations Affecting Holders of TD Common Shares</u>	82
<u>Amendments to the Rights, Privileges, Restrictions and Conditions of TD's Share Capital</u>	83
<u>COMPARISON OF SHAREHOLDER RIGHTS</u>	84
<u>Authorized Capital Stock</u>	84
<u>Number, Classification, and Election of Directors</u>	84
<u>Filling Vacancies on the Board of Directors and Removing Directors</u>	85
<u>Voting Rights Generally; Voting on Mergers, Share Exchanges, Conversions, and Sales of Assets</u>	86
<u>Exculpation of Liability</u>	87
<u>Director and Officer Indemnification</u>	87
<u>Special Meetings of Shareholders</u>	88
<u>Quorum Requirements</u>	88
<u>Shareholder Nominations and Proposals</u>	89
<u>Shareholder Action Without a Meeting</u>	89
<u>Amendments of Governing Instruments</u>	90

<u>Anti-Takeover and Ownership Provisions</u>	91
<u>Appraisal and Dissent Rights</u>	92
<u>Dividends and Other Distributions and Liquidation</u>	93
<u>Consideration of Other Constituencies</u>	93
<u>PROPOSAL NO. 2: ADJOURNMENT OF THE SPECIAL MEETING</u>	94
<u>TD MARKET ACTIVITIES INVOLVING TD COMMON SHARES</u>	94
<u>EXPERTS</u>	95
<u>LEGAL MATTERS</u>	95
<u>OTHER MATTERS</u>	95
<u>SHAREHOLDER PROPOSALS FOR NEXT ANNUAL MEETING</u>	95
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	96
<u>Appendix A Agreement and Plan of Merger</u>	A-1
<u>Appendix B Opinion of Morgan Stanley & Co. Incorporated</u>	B-1
<u>EX-5.1</u>	
<u>EX-23.2</u>	
<u>EX-23.3</u>	
<u>Ex-99.2</u>	
<u>EX-99.3</u>	

Table of Contents

SUMMARY

*This summary highlights material information from this proxy statement/prospectus. It may not contain all of the information that may be important to you. You should carefully read this entire document, including the appendices and the other documents to which this document refers you, for a more complete understanding of the matters being considered at the special meeting. In addition, we incorporate by reference into this document important business and financial information about TD and TSFG. You may obtain the information incorporated by reference into this document without charge by following the instructions in the section entitled *Where You Can Find More Information* beginning on page 96. Where applicable, each item in this summary includes a page reference directing you to a more complete description of that item. All references in this proxy statement/prospectus to dollars, \$ or U.S.\$ are to U.S. dollars and all references to C\$ are to Canadian dollars.*

The Merger (Page 32)

The merger agreement provides for TD's direct wholly-owned subsidiary, Hunt Merger Sub, Inc., to merge with and into TSFG, with TSFG surviving the merger as a wholly-owned subsidiary of TD.

TSFG Shareholders Will Have the Right to Elect to Receive Cash or TD Common Shares in the Merger (Page 58)

If the merger is completed, you will be entitled to receive as merger consideration, in exchange for each share of TSFG common stock you own immediately prior to the merger, either:

\$0.28 in cash, which we refer to as the cash consideration, if a cash election is effectively made with respect to such share; or

0.004 TD common shares, plus cash in lieu of any fractional share interests, which we refer to as the stock consideration.

For example, if you own 1,000 shares of TSFG common stock and you do not make a cash election for any of your shares, when the merger has been completed you will receive 4 TD common shares. If after the merger has been completed, you hold fewer than 100 TD common shares, you will have a so-called *odd lot* rather than a *round lot*. Trading in odd lots may be more difficult and/or expensive than trading in round lots. If there were fractional shares, you would receive cash in U.S. dollars in an amount equal to the fractional interest in a TD common share multiplied by the average of the daily volume weighted average price of a TD common share on the Toronto Stock Exchange for the five trading days immediately preceding the date of completion of the merger, as such price is converted from Canadian dollars into U.S. dollars. If you own 1,000 shares of TSFG common stock and you do make a cash election with respect to all of your shares, when the merger has been completed you would receive \$280.00 in cash.

The exchange ratio relating to the TD common shares you will receive is a fixed ratio, which means it will not be adjusted based on any changes in the trading price of TD common shares or TSFG common stock between now and the time the merger is completed. Therefore, the market value of the TD common shares you will receive in the merger in exchange for any shares of TSFG common stock for which you do not make a cash election will depend on the price of the TD common shares at the time the merger is completed and will not be known at the time TSFG shareholders vote on the merger. For information on recent market prices of the TD common shares and TSFG common stock, see *Comparative Per Share Market Price and Dividend Information* beginning on page 16. See also *Risk Factors* beginning on page 23.

In order to make a cash election with respect to any or all of your shares of TSFG common stock, you must submit a properly completed form of cash election, together with the stock certificates representing the shares you wish to exchange for cash consideration, a book-entry delivery of shares or a guarantee of delivery as described in the form of cash election by September 28, 2010, the date of the special meeting of TSFG shareholders, unless completion of the merger will occur more than four business days following the date of the special meeting, in which case the election deadline will be extended until two business days before the completion of the merger. If it is determined that the election deadline will not be the date of the special meeting of TSFG shareholders, TD and TSFG will publicly announce the election deadline at least five business days prior to the anticipated completion date of the merger. If you do not properly make a cash election by the election deadline, your shares of TSFG common stock will be exchanged for stock consideration. If you wish to elect to receive the cash consideration for any or all of your shares of TSFG common stock and your shares are held in street name, you must follow the instructions your broker or bank provides.

Treatment of TSFG Stock Options and Other Equity Based Awards (Page 55)

At the effective time of the merger, all outstanding TSFG equity awards (except for TSFG restricted stock units) will be converted into the right to receive corresponding TD equity awards, adjusted to reflect the exchange

Table of Contents

ratio and outstanding TSFG restricted stock units will be converted into the right to receive \$0.28 per share subject to such restricted stock unit.

Certain TSFG options may be terminated, pursuant to their terms and conditions, upon completion of the merger or shortly thereafter.

Comparative Per Share Market Price and Dividend Information (Page 16)

The table below sets forth closing sale prices of TD common shares as reported on the New York Stock Exchange Composite Tape and shares of TSFG common stock as reported on the Nasdaq Global Select Market and Nasdaq Capital Market, respectively, on May 14, 2010, the last trading day before the public announcement of the merger, and August 23, 2010, the last practicable trading day before the distribution of this proxy statement/prospectus. Also, assuming no cash election is made, the table sets forth the implied value of the stock consideration for each share of TSFG common stock on each of these dates, as determined by multiplying the applicable closing sale price of TD common shares on the New York Stock Exchange by the exchange ratio for the stock consideration of 0.004. We urge you to obtain current market quotations for both TD common shares and TSFG common stock. As previously disclosed, the listing of TSFG's common stock has been transferred from the Nasdaq Global Select Market to the Nasdaq Capital Market as of June 7, 2010.

	TD Common Stock	TSFG Common Stock	Implied Value of Stock Consideration for One Share of TSFG Common Stock
May 14, 2010	U.S.\$ 70.89	U.S.\$ 0.67	U.S.\$ 0.28
August 23, 2010	U.S.\$ 67.05	U.S.\$ 0.2760	U.S.\$ 0.2682

Opinion of TSFG's Financial Advisor (Page 37 and Appendix B)

On May 16, 2010, Morgan Stanley & Co. Incorporated, or Morgan Stanley, TSFG's financial advisor in connection with the merger, rendered its oral opinion, subsequently confirmed in writing, to TSFG's board of directors that, as of such date and based upon and subject to the assumptions, considerations, qualifications and limitations set forth in the written opinion, the consideration to be received by the holders of shares of TSFG's common stock pursuant to the merger agreement was fair, from a financial point of view, to such holders. The full text of Morgan Stanley's written fairness opinion, dated May 17, 2010, is attached as Appendix B to this proxy statement/prospectus. TSFG's shareholders are encouraged to read the Morgan Stanley opinion, as well as the description of the assumptions made, procedures followed, factors considered and limitations on the review undertaken by Morgan Stanley in rendering its opinion set forth in the section of this proxy statement/prospectus entitled "The Merger - Opinion of TSFG's Financial Advisor" beginning on page 37.

Morgan Stanley addressed its opinion to TSFG's board of directors, and the opinion does not constitute a recommendation to any shareholder as to how to vote at the special meeting or as to any other action that a shareholder should take with respect to the merger.

Material United States Federal Income Tax Consequences to Holders of TSFG Common Stock (Page 46)

For a U.S. holder (as defined in "The Merger - Material United States Federal Income Tax Consequences"), we believe that the merger will be a taxable transaction. Accordingly, for United States federal income tax purposes, 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 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. The merger will generally not be a taxable transaction to a non-U.S. holder for United States federal income tax purposes unless such non-U.S. holder has certain connections to the United States.

Holders of TSFG Common Stock Do Not Have Dissenters' Rights of Appraisal (Page 56)

Under applicable South Carolina law, the holders of TSFG common stock are not entitled to any dissenters' rights of appraisal in connection with the merger.

TSFG's Board of Directors Unanimously Recommends that You Vote FOR the Approval of the Plan of Merger (Page 35)

TSFG's board of directors determined that the merger, the merger agreement and the transactions contemplated by the merger agreement are advisable and in the best interests of TSFG and its shareholders and has unanimously approved the plan of merger contained in the merger agreement. For the factors considered by the TSFG board of directors in reaching its decision to approve the plan of merger, see the section entitled "The

Table of Contents

Merger TSFG's Reasons for the Merger beginning on page 35. TSFG's board of directors unanimously recommends that TSFG shareholders vote FOR the approval of the plan of merger.

Your Rights as a Holder of TD Common Shares Will Be Different from Your Rights as a Holder of TSFG Common Stock (Page 84)

The conversion of your shares of TSFG common stock into TD common shares and/or cash in the merger will result in changes from your current rights as a TSFG shareholder, which generally are governed by the South Carolina Business Corporation Act, or the SCBCA, and TSFG's organizational documents, to your rights as a TD shareholder, which generally will be governed by the Bank Act of Canada and TD's organizational documents.

TSFG Executive Officers and Directors Have Financial and Other Interests in the Merger that are Different from or in Addition to Your Interests (Page 43)

Some executive officers and directors of TSFG may have financial interests in the merger that are in addition to, and/or different from, your interests. The independent members of the TSFG board of directors were aware of and considered these interests, among other matters, in evaluating and negotiating the merger and the merger agreement and recommending to the shareholders that the merger agreement be adopted.

Certain of TSFG's executive officers, including each of its named executive officers, are party to employment and supplemental executive retirement agreements with TSFG. These agreements have been amended to eliminate any severance or other benefits that would have otherwise been paid out in the case of qualifying terminations of employment in connection with or following the change in control as a result of the TD merger. TSFG's executive officers have entered into new offer letter agreements with TD that will become effective upon the completion of the merger and provide certain benefits, including a one-time retention bonus payment, subject to the executive officer's continued employment.

These interests are described in more detail in the section entitled The Merger Interests of TSFG's Executive Officers and Directors in the Merger beginning on page 43.

The Companies

The Toronto-Dominion Bank

Toronto-Dominion Centre

P.O. Box 1

Toronto, Ontario, Canada M5K 1A2

(416) 982-8222

TD and its subsidiaries are collectively known as TD Bank Financial Group, or TDBFG. TDBFG is the sixth largest bank in North America by branches and serves more than 18 million customers in four key businesses operating in a number of locations in key financial centres around the globe: Canadian Personal and Commercial Banking, including TD Canada Trust and TD Insurance; Wealth Management, including TD Waterhouse and an investment in TD AMERITRADE Holding Corporation (TD Ameritrade); U.S. Personal and Commercial Banking, including TD Bank, America's Most Convenient Bank; and Wholesale Banking, including TD Securities. TDBFG also ranks among the world's leading online financial services firms, with more than 6 million online customers. TDBFG had C\$574 billion in assets on April 30, 2010. The Toronto-Dominion Bank trades under the symbol TD on the Toronto and New York Stock Exchanges.

Additional information about TD can be found on its website at <http://www.td.com>. The information provided on TD's website is not part of this proxy statement/prospectus and is not incorporated herein by reference.

Additional Information Relating to Certain Prior Disclosures of TD

The discussion set forth under "Capital Structure" "Ratings" in the Annual Information Form filed as Exhibit 99.1 to TD's Annual Report on Form 40-F for the year ended October 31, 2009, "Liquidity Risk" "Funding" in the Management's Discussion and Analysis attached as Exhibit 99.2 to TD's Annual Report on Form 40-F for the year ended October 31, 2009, "Management's Discussion and Analysis" "Liquidity Risk" in the 1st Quarter 2010 Report to Shareholders attached as Exhibit 99.1 to TD's Report of Foreign Issuer on Form 6-K filed with the SEC on March 4, 2010 that attached as an exhibit TD's 1st Quarter 2010 Report to Shareholders, and "Management's Discussion and Analysis" "Liquidity Risk" in the 2nd Quarter 2010 Report to Shareholders attached as Exhibit 99.1 to TD's Report of Foreign Issuer on Form 6-K filed with the SEC on May 27, 2010 that attached as an exhibit TD's

Table of Contents

2nd Quarter 2010 Report to Shareholders, which reports are incorporated by reference into this proxy statement/prospectus, is amended by supplementing such discussion with the following additional information:

Credit ratings are important to TD's borrowing costs and ability to raise funds. A ratings downgrade could potentially result in higher financing costs and reduce access to capital markets. A lowering of credit ratings may also affect TD's ability to enter into normal course derivative or hedging transactions and impact the costs associated with such transactions. TD regularly reviews the level of increased collateral its trading counterparties would require in the event of a downgrade of TD's credit rating. TD believes that the impact of a one notch downgrade would be minimal and could be readily managed in the normal course of business, but more severe downgrades could have a more significant impact by increasing TD's cost of borrowing and/or requiring TD to post additional collateral for the benefit of its trading counterparties. Credit ratings and outlooks provided by the ratings agencies reflect their views and are subject to change from time to time, based on a number of factors, including TD's financial strength, competitive position and liquidity as well as factors not entirely within TD's control, including the methodologies used by the rating agencies and conditions affecting the financial services industry generally.

The information contained under "Capital Structure - Ratings" in the Annual Information Form with respect to the description of ratings categories of various ratings agencies is issuer-related disclosure required by Canadian law and was based solely on public statements by the respective ratings agencies available on their respective public websites.

Hunt Merger Sub, Inc.

c/o The Toronto-Dominion Bank
New York Branch
31 West 52nd Street
New York, NY 10019-6101
(212) 827-7000

Hunt Merger Sub, Inc. is a South Carolina corporation and a wholly-owned subsidiary of TD. Hunt Merger Sub, Inc. was organized solely for the purpose of effecting the merger with TSFG described in this proxy statement/prospectus. It has not carried on any activities other than in connection with the merger agreement.

The South Financial Group, Inc.

104 South Main Street
Poinsett Plaza, 10th Floor
Greenville, South Carolina 29601
(864) 255-7900

TSFG is a bank holding company focused on serving small businesses, middle market companies, and retail customers in the Carolinas and Florida. At June 30, 2010, it had approximately \$11.6 billion in total assets and 176 branch offices. TSFG operates Carolina First Bank, which conducts banking operations in North Carolina and South Carolina (as Carolina First Bank), and in Florida (as Mercantile Bank). At June 30, 2010, approximately 44% of TSFG's total customer deposits were in South Carolina, 45% were in Florida, and 11% were in North Carolina. Additional information about TSFG can be found on its website at <http://www.thesouthgroup.com>. The information provided on TSFG's website is not part of this proxy statement/prospectus and is not incorporated herein by reference.

The Special Meeting of TSFG Shareholders (Page 27)

The TSFG special meeting will be held at 10:30 a.m. local time, on September 28, 2010, at Poinsett Plaza, 2nd Floor, 104 South Main Street, Greenville, SC 29601. At the TSFG special meeting, TSFG shareholders will be asked:

to approve the plan of merger contained in the merger agreement; and

to approve the adjournment or postponement of the special meeting, if necessary or appropriate, including to solicit additional proxies.

Record Date. The close of business on August 23, 2010 has been fixed as the record date for determining those TSFG shareholders entitled to notice of, and to vote at, the special meeting and any adjournments or postponements of the special meeting. Only the holders of record of TSFG common stock and of the Series M Preferred Stock at the close of business on that date are entitled to notice of, and to vote at, the special meeting and

Table of Contents

any adjournments or postponements of the special meeting. TSFG shareholders may cast one vote at the special meeting for each share of TSFG common stock that was owned at the close of business on August 23, 2010.

At the record date, there were 216,401,091 shares of TSFG common stock outstanding and entitled to vote at the special meeting. Directors and executive officers of TSFG and their affiliates had the right to vote 4,018,003 shares of TSFG common stock at the special meeting, or approximately 1.12% of the voting power of the outstanding TSFG capital stock entitled to vote at the special meeting (after giving effect to the issuance of the Series M Preferred Stock). All of the members of the TSFG board of directors have indicated their intention as of August 23, 2010 to vote the shares of TSFG common stock they own (or have the power to vote or direct the vote), if any, as of the record date in favor of the approval of the plan of merger contained in the merger agreement. In addition, as of the record date for the special meeting, TD held 100 shares of Series M Preferred Stock of TSFG that will vote as a single class with TSFG's common stock and have voting power equal to 39.9% of the total voting power of holders of TSFG capital stock entitled to vote. In addition, TD also owns 10,000,000 shares of TSFG common stock, which it acquired in open market purchases, representing (together with the Series M Preferred Stock) 42.7% of the total voting power of holders of TSFG capital stock entitled to vote at the special meeting. TD is required to vote its shares of Series M Preferred Stock, and has informed TSFG that it intends to vote its shares of TSFG common stock, in favor of the proposal to approve the plan of merger contained in the merger agreement.

Required Vote. Approval of the plan of merger contained in the merger agreement requires the affirmative vote of a majority of the votes entitled to be cast at the special meeting by the holders of TSFG common stock and the Series M Preferred Stock, voting together as a single class. Approval of the proposal relating to the adjournment or postponement of the special meeting, if necessary or appropriate, including to solicit additional proxies requires the affirmative vote of a majority of the votes cast on such proposal at the special meeting by the holders of TSFG common stock and the Series M Preferred Stock, voting together as a single class, even if less than a quorum. We urge you to vote.

TD Shareholder Approval

TD shareholders are not required to approve the plan of merger or the issuance of TD common shares as part of the merger consideration.

The Merger Agreement (Page 58)

The merger agreement is described beginning on page 58 and is included as Appendix A to this proxy statement/prospectus. We urge you to read the merger agreement in its entirety because it is the legal document governing the merger. The merger agreement has been included to provide investors and security holders with information regarding its terms. It is not intended to provide any other factual information about TSFG or TD or any of their respective subsidiaries or affiliates. All descriptions in this summary and elsewhere in this document of the terms and conditions of the merger are qualified by reference to the merger agreement.

Completion of the Merger is Subject to Conditions (Page 69)

The respective obligations of each of TD and TSFG to complete the merger are conditioned upon the satisfaction or waiver of the following conditions:

receipt of the requisite affirmative vote by the TSFG shareholders of the merger agreement;

approval for the listing on the New York Stock Exchange and the Toronto Stock Exchange of the TD common shares to be issued in the merger;

the registration statement on Form F-4, which includes this proxy statement/prospectus, filed by TD with the SEC must have been declared effective by the SEC and no stop order suspending the effectiveness of the Form F-4 shall have been issued and no proceedings for that purpose shall have been initiated by the SEC and not withdrawn; and

receipt of required regulatory approvals and the absence of any injunction or other legal prohibition or restraint against the merger.

TD's obligation to complete the merger is subject to the satisfaction or waiver of a number of conditions, including the following:

the accuracy of the representations and warranties of TSFG as of the closing date of the merger, other than, in most cases, those failures to be true and correct that would not reasonably be expected to result in a material adverse effect on TSFG;

Table of Contents

performance in all material respects by TSFG of the obligations required to be performed by it at or prior to the effective time of the merger;

there being no action taken, or applicable legal or regulatory restriction or condition that would be reasonably likely to have a material adverse effect on TSFG or TD (assuming, for this purpose, that TD is an entity the size of TSFG in terms of financial metrics);

TD's purchase from the United States Department of the Treasury and ownership of all right, title and interest in all of the issued and outstanding shares of TSFG's Series 2008-T Preferred Stock and the associated warrant issued to the United States Department of the Treasury in connection with the issuance of the Series 2008-T Preferred Stock for an aggregate cash purchase price of \$130,579,218.75 and otherwise on terms and conditions reasonably acceptable to TD; and

no occurrence of an exchange event (as defined in the applicable trust declaration) with respect to the Series 2000A Cumulative Fixed Rate Preferred Shares of Carolina First Mortgage Loan Trust or the Series 2002C Cumulative Floating Rate Preferred Shares of Carolina First Mortgage Loan Trust.

TSFG's obligation to complete the merger is subject to the satisfaction or waiver of the following conditions:

the accuracy of the representations and warranties of TD as of the closing date of the merger, other than, in most cases, those failures to be true and correct that would not reasonably be expected to result in a material adverse effect on TD; and

performance in all material respects by TD of the obligations required to be performed by it at or prior to the effective time of the merger.

The Merger Agreement May Be Terminated Under Some Circumstances (Page 70)

The merger agreement may be terminated at any time before the completion of the merger, whether before or after approval of the plan of merger by TSFG shareholders, in any of the following circumstances:

by mutual written consent of TD and TSFG; or

by either TD or TSFG if:

any governmental entity which must grant a required regulatory approval has denied approval of the merger and this denial has become final and nonappealable or a governmental entity has issued a final nonappealable order prohibiting the consummation of the merger;

the merger has not been completed by February 17, 2011, but neither TD nor TSFG may terminate the merger agreement for this reason if its breach of any obligation under the merger agreement has resulted in the failure of the merger to occur by that date;

there is a breach by the other party of the merger agreement which would prevent satisfaction of a closing condition and the breach is not cured prior to 45 days after receipt of written notice of the breach or the breach cannot, by its nature, be cured prior to closing, but neither TD nor TSFG may terminate the merger agreement for this reason if it itself is then in material breach of the merger agreement; or

the shareholders of TSFG fail to approve the plan of merger at the TSFG special meeting; or

by TD if:

the board of directors of TSFG has failed to recommend the merger and the approval of the plan of merger by the shareholders of TSFG or has withdrawn, amended or modified in any manner adverse to TD its recommendation (or has resolved to take any of the foregoing actions), whether or not permitted under the merger agreement, or if TSFG has materially breached its obligations under the no solicitation covenant of the merger agreement, or failed to call, give notice of, convene or hold a special meeting of shareholders to vote on approval of the plan of merger;

a tender offer or exchange offer for 15% or more of the outstanding shares of TSFG common stock has commenced (other than by TD), and the board of directors of TSFG recommends that the shareholders of TSFG tender their shares in such tender offer or exchange offer or otherwise fails to recommend that its shareholders reject such tender offer or exchange offer within ten business days; or

TSFG has not received written approval, within 21 days after the date of the merger agreement, by The NASDAQ Stock Market LLC of TSFG's use of the exception provided in Listing Rule 5635(f) (Financial

Table of Contents

Viability Exception) to permit the issuance of the Series M Preferred Stock by TSFG to TD as contemplated by the share purchase agreement without a vote of TSFG's shareholders. As described in *Nasdaq Matters*, TSFG issued the Series M Preferred Stock to TD on August 23, 2010 and TD has determined to proceed with the merger, notwithstanding Nasdaq's interpretation that the exception provided by Listing Rule 5635(f) is not available for the issuance of the Series M Preferred Stock. On August 23, 2010, TSFG received notice from Nasdaq of the commencement of delisting proceedings, as discussed under *The Merger* *Nasdaq Matters* on page 57.

TSFG May Be Required to Pay a Termination Fee Under Some Circumstances (Page 71)

If the merger agreement is terminated under certain circumstances, including circumstances involving a change in recommendation by TSFG's board of directors, TSFG will be required to pay TD a termination fee of \$7.62 million. The termination fee could discourage other companies from seeking to acquire or merge with TSFG.

TD and TSFG Entered into a Share Purchase Agreement (Page 72)

On May 16, 2010, TSFG and TD, in connection with entering into the merger agreement, entered into a share purchase agreement, pursuant to which TD agreed to purchase 100 newly issued shares of TSFG's Series M Preferred Stock, which will vote together with TSFG common stock as a single class and represent 39.9% of the total voting power of holders of TSFG capital stock entitled to vote, for consideration of 1,000 TD common shares. TD and TSFG completed the transactions contemplated by the share purchase agreement on August 23, 2010.

As of August 23, 2010, the record date for the special meeting, taking into account the Series M Preferred Stock and the 10,000,000 shares of TSFG common stock held by TD, TD had the power to vote approximately 42.7% of the total voting power of shares entitled to vote on the approval of the plan of merger contained in the merger agreement.

TD and the United States Department of the Treasury Entered into a Securities Purchase Agreement (Page 72)

On May 18, 2010, the Treasury Department and TD, in connection with TD entering into the merger agreement, entered into a securities purchase agreement, pursuant to which, immediately prior to completion of the merger, the Treasury Department will sell to TD its \$347 million of TSFG Series 2008-T Preferred Stock and the associated warrant acquired under the Treasury's Capital Purchase Program and discharge all accrued but unpaid dividends on that stock for total cash consideration of approximately \$130.6 million.

TD Purchases of TSFG Common Stock (Page 72)

Following the announcement of the execution of the merger agreement and as contemplated by the press release announcing the transaction, TD has purchased shares of TSFG common stock on the open market. As of the record date, TD has acquired 10,000,000 shares of TSFG common stock, representing approximately 4.6% of the total outstanding shares of TSFG common stock, at an average price of \$0.2760. TD may make additional purchases of shares of TSFG common stock prior to the special meeting of TSFG shareholders, subject to the restrictions contained in the stipulation of settlement described under *The Merger* *Litigation Relating to the Merger*, market conditions, applicable securities laws and receipt of any necessary regulatory approvals. TD has informed TSFG that it intends to vote its shares of TSFG common stock in favor of the proposal to approve the plan of merger contained in the merger agreement at the special meeting of TSFG shareholders.

Regulatory Approvals Required for the Merger (Page 52)

BHC Act. TD is required to obtain the approval of the Board of Governors of the U.S. Federal Reserve System, which we refer to as the Federal Reserve Board, under the BHC Act for the acquisition of control of TSFG. TD received

such approval from the Federal Reserve Board on July 22, 2010. Such approval required TSFG to enter into an agreement to divest certain branches in the Palatka banking market prior to consummation of the merger and TSFG did so on August 8, 2010.

Bank Act of Canada. Under the Bank Act of Canada, the consent of the Superintendent of Financial Institutions of Canada is required in order for TD to hold a substantial investment in TSFG as a result of the purchase of the Series M Preferred Stock and to acquire control of TSFG, as a result of the merger. Approval is also required

Table of Contents

for TD to issue its common shares for non-cash consideration as part of the consideration to be distributed to TSFG shareholders in connection with the merger. TD has filed the necessary applications with the Superintendent of Financial Institutions of Canada for the aforementioned approvals. Approval was also required for TD to issue its common shares for non-cash consideration in order to purchase the TSFG shares of Series M Preferred Stock, which approval was received on July 7, 2010.

Other Regulatory Approvals. TD has filed an application with, and has obtained the conditional approval of, the State Board of Financial Institutions of the State of South Carolina. Applications and notifications may be filed with various other state regulatory authorities.

While we believe that the requisite regulatory approvals for the merger will be received, there can be no assurances that such approvals will be received on a timely basis, or as to our ability to obtain the approvals on satisfactory terms or the absence of litigation challenging such approvals. There can likewise be no assurances that U.S., Canadian or state regulatory authorities will not attempt to challenge the merger on antitrust grounds or for other reasons, or, if such a challenge is made, as to the result of such challenge. The obligations of TD and TSFG to complete the merger are conditioned upon the receipt of all required regulatory approvals (and, in the case of TD's obligation to complete the merger, the receipt of these approvals without the imposition of any condition or restriction that would reasonably be expected to have a material adverse effect on TSFG or TD (assuming, for this purpose, that TD is an entity the size of TSFG in terms of financial metrics)).

Nasdaq Matters (Page 57)

As discussed under *The Merger – Background of the Merger*, TSFG's audit committee determined that the issuance of the Series M Preferred Stock to TD without a shareholder vote was necessary to avoid seriously jeopardizing the financial viability of TSFG, as contemplated by Nasdaq Rule 5635(f). Following announcement of the merger, however, the staff of Nasdaq informed TSFG that it has interpreted Rule 5635(f) to not apply in the specific context of the merger. This interpretation, which TSFG understands was an issue of first impression for Nasdaq, is contrary to determinations by the New York Stock Exchange in similar circumstances with respect to its comparable shareholder approval rules.

Because there is no process for appealing this conclusion other than as part of the delisting appeal process, because the TD preferred share issuance remains an important requirement under the terms of the proposed transaction, and because the TSFG board determined that the issuance is in the best interests of TSFG, its shareholders and other constituents, TSFG completed the issuance of the Series M Preferred Stock to TD on August 23, 2010. On August 23, 2010, TSFG received a letter from Nasdaq stating that TSFG had failed to comply with Nasdaq Listing Rules 5635(b), 5635(d) and 5640 and had taken action that raises public interest concerns under Listing Rule 5100. The letter stated that TSFG's common stock would be delisted from Nasdaq on September 1, 2010 unless TSFG requested a hearing before the Nasdaq Listing Qualifications Hearing Panel prior to August 30, 2010. In response to the letter, TSFG intends to request an oral hearing before the Nasdaq Listing Qualifications Hearing Panel to appeal the Nasdaq staff's delisting determination. Meanwhile, TSFG's common stock will continue to trade on the NASDAQ Capital Market until a written decision is rendered by the Nasdaq Listing Qualifications Hearing Panel. TSFG cannot predict the timing or outcome of this process, but if shares of TSFG common stock were to be delisted prior to completion of the merger, the trading price and liquidity levels would likely be negatively impacted.

Litigation Relating to the Merger (Page 43)

The parties to certain litigation in connection with the merger have entered into a stipulation of settlement, as discussed under *The Merger – Litigation Relating to the Merger* on page 43.

Table of Contents

QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETING AND RELATED MATTERS

Q: What am I being asked to vote on?

A: TD and TSFG have entered into a merger agreement pursuant to which TD has agreed to acquire TSFG. You are being asked to vote to approve the plan of merger contained in the merger agreement. Under the terms of the merger agreement, Hunt Merger Sub, Inc. will merge with and into TSFG, with TSFG continuing as the surviving corporation and a wholly-owned subsidiary of TD. In addition, you are also being asked to vote to approve a proposal to adjourn the special meeting if necessary or appropriate, including to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to approve the plan of merger.

Q: What will I receive if the merger is completed?

A: Each TSFG shareholder of record will receive, in exchange for each share of TSFG common stock owned by such shareholder immediately prior to the merger, either:

\$0.28 in cash, if a cash election is effectively made with respect to such share; or

0.004 TD common shares, plus cash in lieu of any fractional share interests.

Q: How do I make a cash election?

A: A form of cash election is included with this proxy statement/prospectus. TSFG shareholders should carefully review and follow the instructions in the form of cash election. To make a cash election, TSFG shareholders must properly complete, sign and send the form of cash election and the stock certificates representing the shares of TSFG common stock you wish to exchange for the cash consideration, a book-entry delivery of shares or a guarantee of delivery as described on the form of cash election to BNY Mellon Shareowner Services, the exchange agent, at the following address:

BNY Mellon Shareowner Services
480 Washington Boulevard
Jersey City, NJ 07310-1900

The exchange agent must receive the form of cash election and the stock certificates representing the shares of TSFG common stock for which a cash election is made, a book-entry delivery of shares or a guarantee of delivery as described in the form of cash election by the election deadline. **The election deadline will be 5:00 p.m., New York City time, on September 28, 2010, the date of the special meeting of TSFG shareholders, unless the completion of the merger will occur more than four business days following the date of the special meeting, in which case the election deadline will be extended until two business days before the completion of the merger.** If it is determined that the election deadline will not be the date of the special meeting of TSFG shareholders, TD and TSFG will publicly announce the election deadline at least five business days prior to the anticipated completion date of the merger.

If you own shares of TSFG common stock in street name through a bank, broker or other financial institution and you wish to make a cash election, you should seek instructions from the financial institution holding your shares concerning how to make your cash election.

Q: Can TSFG shareholders make a cash election for a portion of their shares of TSFG common stock and receive stock consideration for the rest?

A: Yes. The form of cash election provides for a cash election to be made for all or any portion of a shareholder's shares of TSFG common stock.

Q: Can TSFG shareholders change their cash election after the form of cash election has been submitted?

A: Any form of cash election may be revoked by the TSFG shareholder submitting it only by written notice received by the exchange agent prior to 5:00 p.m., New York City time, on the election deadline. If a form of cash election is revoked, any certificate for shares of TSFG common stock to which the form of cash election relates will be promptly returned by the exchange agent to the TSFG shareholder.

Table of Contents

Q: What if a TSFG shareholder does not submit a form of cash election or it is not received?

A: If the exchange agent does not receive a properly completed form of cash election from you before the election deadline, together with the stock certificates representing the shares you wish to exchange for cash, properly endorsed for transfer, a book-entry delivery of shares or a guarantee of delivery as described in the form of cash election, then your shares of TSFG common stock will be exchanged for stock consideration. **You bear the risk of delivery and should send any form of cash election by courier or by hand to the appropriate addresses shown in the form of cash election.**

Q: If I will be receiving stock consideration, can the number of TD common shares to be issued in the merger for each share of TSFG common stock change between now and the time the merger is completed based on changes in the trading price of TD common shares?

A: No. The exchange ratio is a fixed ratio, which means that it will not be adjusted if the trading price of TD common shares or TSFG common stock changes between now and the time the merger is completed. Therefore, the market value of TD common shares you will receive in the merger will depend on the price of TD common shares at the time the shares are issued. See Risk Factors beginning on page 23.

Q: When and where is the TSFG special meeting?

A: The TSFG special meeting will be held at Poinsett Plaza, 2nd Floor, 104 South Main Street, Greenville, SC 29601 on September 28, 2010 at 10:30 a.m. local time.

Q: Who can vote at the special meeting?

A: Holders of TSFG common stock and Series M Preferred Stock as of the close of business on the record date of August 23, 2010 are entitled to vote at the special meeting. Beneficial owners as of the record date should receive instructions from their bank, broker or other nominee describing how to vote their shares.

Q: What is the quorum requirement for the TSFG special meeting?

A: A majority of the votes entitled to be cast on the plan of merger, consisting of all outstanding shares of TSFG common stock and the Series M Preferred Stock, voting together as a single class, constitutes a quorum for transacting business at the special meeting.

Q: What vote of TSFG shareholders is required in connection with the merger?

A: The affirmative vote of a majority of the votes entitled to be cast by the holders of TSFG common stock and Series M Preferred Stock, voting together as a single class, at the special meeting is required to approve the plan of merger contained in the merger agreement.

Q: What happens if I do not indicate my preference for or against approval of the merger agreement?

A: If you submit a proxy without specifying the manner in which you would like your shares to be voted, your shares will be voted FOR approval of the plan of merger contained in the merger agreement and FOR the proposal to adjourn or postpone the special meeting, if necessary or appropriate, including to solicit additional proxies.

Q: What happens if I abstain from voting or do not vote at all?

A: The affirmative vote of a majority of the votes entitled to be cast by the holders of TSFG common stock and Series M Preferred Stock, voting together as a single class, at the special meeting is required to approve the plan of merger contained in the merger agreement. If you do not vote, or you abstain from voting, your shares with respect to the proposal to approve the plan of merger, it will have the same effect as a vote against the approval of the plan of merger contained in the merger agreement. If the proposal to approve the plan of merger contained in the merger agreement receives the required approval of TSFG's shareholders and the merger is completed, your shares of TSFG common stock will be converted into the right to receive the merger consideration even though you did not vote.

The affirmative vote of a majority of the votes cast by the holders of the TSFG common stock and Series M Preferred Stock, voting together as a single class, at the special meeting is required to approve the proposal to adjourn or postpone the special meeting, if necessary or appropriate, including to solicit additional proxies. If

Table of Contents

you do not vote, or you abstain from voting, your shares with respect to the proposal to approve such adjournment or postponement, it will have no effect on such proposal.

Additionally, if you do not vote your shares with respect to the proposal to approve the plan of merger contained in the merger agreement or the proposal to adjourn or postpone the special meeting, if necessary or appropriate, including to solicit additional proxies, then your vote will not be counted toward the quorum requirement at the TSFG special meeting called for such purpose.

Q: What do I need to do now?

A: After carefully reading and considering the information contained in this document, please submit your proxy by telephone or via the Internet in accordance with the instructions set forth in the enclosed proxy card, or fill out, sign and date the proxy card and then mail your signed proxy card in the enclosed prepaid envelope, as soon as possible so that your shares may be voted at the special meeting. See *The Special Meeting* beginning on page 27.

Q: If my shares are held in street name by my bank, broker or other nominee, will my bank, broker or other nominee vote my shares for me?

A: You should instruct your bank, broker or other nominee to vote your shares. If you do not instruct your bank, broker or other nominee, your bank, broker or other nominee will not be able to vote your shares. Please check with your bank, broker or other nominee and follow the voting procedures your bank, broker or other nominee provides. Your bank, broker or other nominee will advise you whether you may submit voting instructions by telephone or via the Internet. See *The Special Meeting Proxies* beginning on page 27.

Q: If my shares are held in the TSFG 401(k) Plan, what should I do?

A: If you are a participant in The South Financial Group, Inc. 401(k) Plan, you may give voting instructions for any shares of TSFG common stock held in your account to Ellen Philip Associates, Inc., TSFG's 401(k) Plan Tabulator, by completing and returning a voting instruction ballot distributed to plan participants along with this proxy statement/prospectus, or by telephone or via the Internet as described on your ballot. TSFG's 401(k) Plan Tabulator will certify the total votes cast by plan participants for and against approval of the plan of merger to the trustee for the plan, for the purpose of having those shares voted in accordance with your instructions.

Q: If my shares are held in the TSFG Deferred Compensation Plan, will I be allowed to vote these shares in the merger?

A: If you participate in the 2005 Executive and Director Deferred Compensation Plan (the *Deferred Compensation Plan*), you will not be entitled to vote any shares of TSFG common stock held for your benefit under such plan. The trustee of the *Deferred Compensation Plan* may, in its discretion, vote any shares of TSFG common stock held under the plan.

Q: When do you expect the merger to be completed?

A: We currently expect to complete the merger shortly after the special meeting, assuming all regulatory approvals have been received. However, we cannot assure you when or if the merger will be completed. Among other things, we must first obtain the approval of the plan of merger by TSFG shareholders at the special meeting and the necessary regulatory approvals. See *The Merger Regulatory Matters Related to the Merger and Stock Exchange Listings* beginning on page 52.

Q: What are the material United States federal and Canadian income tax consequences of the merger to TSFG shareholders?

A: For a U.S. holder (as defined in The Merger Material United States Federal Income Tax Consequences beginning on page 46), we believe that the merger will be treated for United States federal income tax purposes as a taxable sale by such holder of the shares of TSFG common stock that such holder surrenders in

Table of Contents

the merger. Accordingly, the expected material United States federal income tax consequences of the merger to U.S. holders 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 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 the merger is completed; 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 will generally not be a taxable transaction to a non-U.S. holder for United States federal income tax purposes unless such non-U.S. holder has certain connections to the United States.

See "The Merger - Material United States Federal Income Tax Consequences" beginning on page 46.

The merger should not give rise to Canadian income tax liability for TSFG shareholders who are not residents of Canada for Canadian income tax purposes. See "The Merger - Material Canadian Federal Income Tax Considerations" beginning on page 50.

Q: May I change my vote after I have submitted a proxy?

A: Yes. If you have not voted through your bank, broker or other nominee, there are three ways you can change your vote after you have submitted your proxy (whether by mail, telephone or the Internet):

First, you may send a written notice to the corporate secretary of TSFG at the address below, stating that you would like to revoke your proxy.

The South Financial Group, Inc.
104 South Main Street
Poinsett Plaza, 10th Floor
Greenville, SC 29601
Attn: William P. Crawford, Jr.

Second, you may complete and submit a new proxy card or vote again by telephone or the Internet. Your latest vote actually received by TSFG before the special meeting will be counted, and any earlier votes will be revoked.

Third, you may attend the special meeting and vote in person. Any earlier proxy will thereby be revoked. However, simply attending the meeting without voting will not revoke an earlier proxy you may have given.

If you have instructed a bank, broker or other nominee to vote your shares, you must follow the directions you receive from your bank, broker or other nominee in order to change or revoke your vote.

Q: If I want to attend the special meeting, what do I do?

A:

You should come to Poinsett Plaza, 2nd Floor, 104 South Main Street, Greenville, SC 29601, at 10:30 a.m., local time, on September 28, 2010. If you hold your shares in street name, you will need to bring proof of ownership (by means of a recent brokerage statement, letter from your bank or broker or similar means) to be admitted to the meeting. Shareholders of record as of the record date for the special meeting can vote in person at the special meeting. If your shares are held in street name, then you are not the shareholder of record and you must ask your bank, broker or other nominee how you can vote at the special meeting.

Q: Should I send in my stock certificates now?

A: If you are making a cash election, you should send in your TSFG stock certificates to the exchange agent with your form of cash election. If you are NOT making a cash election with respect to your shares of TSFG common stock, after the completion of the merger, you will receive a letter of transmittal for you to use in

Table of Contents

surrendering any TSFG stock certificates you have at the time of the completion of the merger. Please DO NOT send your TSFG stock certificates with your proxy card.

Q: What if I cannot find my stock certificates?

A: There will be a procedure for you to receive the merger consideration in the merger, even if you have lost one or more of your TSFG stock certificates. This procedure, however, may take time to complete. In order to ensure that you will be able to receive the merger consideration promptly after the merger is completed, if you cannot locate your TSFG stock certificates after looking for them carefully, we urge you to contact TSFG's transfer agent, Registrar and Transfer Company, as soon as possible and follow the procedure they explain to you for replacing your TSFG stock certificates. Registrar and Transfer Company can be reached at (800) 368-5948 or on their website at <http://www.rtc.com>, or you can write to them at the following address:

Registrar and Transfer Company
10 Commerce Drive
Cranford, NJ 07016-3572

Q: Are there risks I should consider in deciding whether to vote for the plan of merger?

A: Yes. We have set forth a non-exhaustive list of risk factors that you should consider carefully in connection with the merger in the section entitled "Risk Factors" beginning on page 23.

Q: Can I dissent and require appraisal of my shares?

A: No. Under South Carolina law, TSFG's shareholders are not entitled to appraisal rights in connection with the merger. See "The Merger - No Dissenters' Rights of Appraisal" beginning on page 56.

Q: Who can help answer my additional questions about the merger or voting procedures?

A: If you have questions about the merger, you should contact:

Innisfree M&A Incorporated
501 Madison Avenue
New York, NY 10022
Toll free telephone: (877) 717 3929
Brokers and banks, please call: (212) 750 5833

COMPARATIVE PER SHARE DATA

The following tables present, as at the dates and for the periods indicated, selected historical and pro forma consolidated per share financial information of TD and TSFG.

You should read this information in conjunction with, and the information is qualified in its entirety by, the consolidated financial statements and accompanying notes of TD and TSFG incorporated into this proxy statement/prospectus by reference. See "Where You Can Find More Information" beginning on page 96.

The pro forma amounts in the tables below are presented for informational purposes only. You should not rely on the pro forma combined or pro forma equivalent amounts as being necessarily indicative of the financial position or results of operations of TD or TSFG that would have actually occurred had the transaction been effective during the

periods presented or of the future financial position or results of operations of TD or TSFG. The combined financial information as at or for the periods presented may have been different had the transaction actually been effective as at or during those periods. The pro forma information, although helpful in illustrating the financial characteristics of the combined company under one set of assumptions, does not reflect the benefits of expected cost savings, opportunities to earn additional revenue, the impact of restructuring and merger-related costs, or other factors that may result as a consequence of the merger and, accordingly, does not attempt to predict or suggest future results.

Table of Contents**TD Historical and Pro Forma Common Share Data**

The following table presents, in Canadian dollars and in U.S. dollars, the earnings per share, dividends per share and book value per share with respect to TD on a historical basis and pro forma combined basis giving effect to the transaction and assuming that no TSFG shareholder makes a cash election. The TD pro forma combined amounts are presented as if the transaction had been effective for the period presented based on the purchase method of accounting. The TD pro forma combined amounts do not include any cost savings or revenue enhancements which may arise from the transaction, and do not include restructuring or integration costs.

	As at and for the		As at and for the Year	
	Six Months Ended		Ended	
	April 30, 2010		October 31, 2009	
	(C\$)(2)	(U.S.\$)(1)	(C\$)	(U.S.\$)(1)
Basic Earnings Per Share:				
TD historical (Canadian GAAP)	C\$ 2.76	US\$ 2.65	C\$ 3.49	US\$ 2.98
TD historical (U.S. GAAP)	2.33	2.24	4.25	3.63
TD pro forma combined (Canadian GAAP)(3)	2.29	2.20	2.53	2.15
TD pro forma combined (U.S. GAAP)(3)	1.86	1.79	3.29	2.80
Diluted Earnings Per Share:				
TD historical (Canadian GAAP)	2.74	2.63	3.47	2.97
TD historical (U.S. GAAP)	2.31	2.22	4.23	3.62
TD pro forma combined (Canadian GAAP)(3)	2.28	2.19	2.52	2.14
TD pro forma combined (U.S. GAAP)(3)	1.85	1.78	3.28	2.79
Dividends Per Share:				
TD historical and pro forma(4)	1.22	1.17	2.44	2.09
Book Value Per Share at Period End:				
TD historical (Canadian GAAP)	40.35	39.89	41.13	38.18
TD historical (U.S. GAAP)	39.54	39.08	39.89	37.02
TD pro forma combined (Canadian GAAP)(3)	39.92	39.47	40.23	37.39
TD pro forma combined (U.S. GAAP)(3)	39.11	38.67	38.98	36.24

- (1) TD historical and pro forma combined amounts (except with respect to book value per share at period end) have been converted into U.S. dollars based on the average U.S. dollar/Canadian dollar exchange rate during the six months ended April 30, 2010 of 1.040 and the year ended October 31, 2009 of 1.170. The average exchange rate is calculated as the average of the noon rate on each day during the period as reported by the Bank of Canada. The TD historical and pro forma combined book value per share at period end has been converted into U.S. dollars using the U.S. dollar/Canadian dollar exchange rate as at April 30, 2010 of 1.012 at October 31, 2009 of 1.077. TD historical and pro forma dividend amounts have been converted into U.S. dollars based on the exchange rate used on each dividend payment date as reported by the Bank of Canada.
- (2) TSFG balances included in the pro forma combined amounts (except with respect to book value per share at period end) have been converted into Canadian dollars based on the average U.S. dollar/Canadian dollar exchange rate during the six months ended June 30, 2010 of 1.034 and the year ended December 31, 2009 of 1.142. The average exchange rate is calculated as the average of the noon rate of each day during the period as reported by the Bank of Canada.

- (3) Pro forma combined amounts are calculated by adding together the historical amounts reported by TD and TSFG based on each entity's most recent financial information as filed with the SEC, as adjusted for (i) estimated purchase accounting adjustments to be recorded in connection with the merger (consisting of fair value adjustments for assets acquired and liabilities assumed and adjustments for intangible assets established, and the resulting amortization/accretion of these adjustments over appropriate future periods) and (ii) the estimated number of TD common shares to be issued upon close of the transaction based on the terms of the merger agreement. The pro forma adjustments assume completion of the transaction as at the beginning of the period indicated.

TD pro forma combined results for the six months ended April 30, 2010 and year ended October 31, 2009 were calculated using the latest annual financial information filed with the SEC. TSFG's results for the six months

Table of Contents

ended June 30, 2010 and the twelve months ended December 31, 2009 have been used to calculate the TD pro forma combined results for the six months ended April 30, 2010 and the year ended October 31, 2009.

- (4) It is anticipated that the initial dividend rate will be equal to the current dividend rate of TD. Accordingly, pro forma combined dividends per TD common share represent the historical dividends per common share paid by TD.

TSFG Historical Share Data and Unaudited Pro Forma Equivalent Share Data

The following table presents, in U.S. dollars, the earnings per share, dividends per share and book value per share with respect to TSFG on a historical basis and pro forma equivalent basis. The pro forma equivalent amounts with respect to the TSFG common stock are calculated by multiplying the corresponding TD pro forma combined amount (which is described and presented under TD Historical and Pro Forma Common Share Data beginning on page 14) by the exchange ratio of 0.004 TD common shares constituting the stock consideration, and assume no TSFG shareholder makes a cash election. Since TSFG and TD have different fiscal years, the pro forma equivalent for the six months ended June 30, 2010 has been compared with TD's six months ended April 30, 2010 and the pro forma equivalent for fiscal year ended December 31, 2009 has been compared with TD's fiscal year ended October 31, 2009.

	As at and for the Six Months Ended June 30, 2010 (U.S.\$)	As at and for the Year Ended December 31, 2009 (U.S.\$)
Basic Earnings Per Share:		
TSFG historical	\$ (1.86)	\$ (5.22)
TSFG pro forma equivalent (Canadian GAAP)	0.01	0.01
TSFG pro forma equivalent (U.S. GAAP)	0.01	0.01
Diluted Earnings Per Share:		
TSFG historical	(1.86)	(5.22)
TSFG pro forma equivalent (Canadian GAAP)	0.01	0.01
TSFG pro forma equivalent (U.S. GAAP)	0.01	0.01
Dividends Per Share:		
TSFG historical		0.02
TSFG pro forma equivalent	0.00	0.01
Book Value Per Share at Period End:		
TSFG historical(1)	1.31	3.06
TSFG pro forma equivalent (Canadian GAAP)	0.16	0.15
TSFG pro forma equivalent (U.S. GAAP)	0.15	0.14

- (1) The TSFG historical book value per share for December 31, 2009 has been adjusted for the mandatorily convertible preferred shares totaling \$4.65 million which were converted into 715,383 shares of TSFG common stock in May 2010. Also excludes outstanding balances for the \$347 million of Series 2008-T Preferred Stock issued to the U.S. Treasury.

Table of Contents**COMPARATIVE PER SHARE MARKET PRICE AND DIVIDEND INFORMATION**

TD's common shares are listed on the Toronto Stock Exchange and the New York Stock Exchange under the trading symbol TD. Effective June 7, 2010, the listing of TSFG's common stock has been transferred from the Nasdaq Global Select Market to the Nasdaq Capital Market. TSFG's common stock continues to trade under the trading symbol TSFG. The following table sets forth, for the respective calendar years and quarters indicated, the high and low closing prices per share of TSFG common stock as reported on the Nasdaq Global Select Market (prior to June 7, 2010) or the Nasdaq Capital Market (from and after June 7, 2010, as applicable), and the high and low closing prices per TD common share as reported on the New York Stock Exchange Composite Tape and the Toronto Stock Exchange. The Toronto Stock Exchange closing prices of TD common shares are presented in Canadian dollars, and the New York Stock Exchange closing prices of TSFG common stock and TD common shares are presented in U.S. dollars. For comparison purposes, the following table uses calendar quarters, but it should be noted that TD's fiscal year end is October 31 and TSFG's fiscal year end is December 31.

	The Nasdaq Global Select Market (U.S.\$)		The New York Stock Exchange (U.S.\$)		The Toronto Stock Exchange (C\$)	
	TSFG Common Stock High	Low	TD Common Shares High	Low	TD Common Shares High	Low
2005						
Annual	U.S.\$ 32.20	U.S.\$ 25.86	U.S.\$ 52.85	U.S.\$ 38.92	C\$ 61.60	C\$ 48.15
2006						
Annual	28.33	25.14	60.57	49.85	70.04	56.00
2007						
Annual	27.38	15.57	76.94	57.55	76.33	64.48
2008						
Annual	17.93	2.85	72.24	32.51	71.89	40.00
First Quarter	17.93	12.61	69.95	59.29	69.50	60.27
Second Quarter	14.62	3.89	72.24	61.31	71.89	62.40
Third Quarter	10.44	3.02	63.02	53.24	64.94	53.51
Fourth Quarter	9.11	2.85	60.99	32.51	64.08	40.00
2009						
Annual	4.47	0.54	64.74	26.20	69.49	32.80
First Quarter	4.47	0.69	39.45	26.20	46.56	32.80
Second Quarter	2.89	1.10	53.40	34.58	61.31	43.46
Third Quarter	2.05	1.05	64.45	48.30	69.49	56.31
Fourth Quarter	1.56	0.54	64.74	57.24	69.25	61.68
2010						
First Quarter	0.89	0.35	74.92	58.38	76.50	61.75
Second Quarter(1)	0.93	0.26	76.84	64.91	76.97	68.59
Third Quarter (through August 23, 2010)	0.28	0.27	72.85	64.10	74.46	68.25

(1) Effective June 7, 2010, TSFG's common stock is listed on the Nasdaq Capital Market.

Table of Contents

The table below sets forth the high and low closing prices for each of the six most recent full calendar months for TSFG common stock as reported on the applicable Nasdaq market and TD common shares as reported on the New York Stock Exchange Composite Tape and the Toronto Stock Exchange. The New York Stock Exchange and Nasdaq closing prices of TSFG common stock and TD common shares are presented in U.S. dollars and the Toronto Stock Exchange closing prices of TD common shares are presented in Canadian dollars.

	The Nasdaq Global Select Market (U.S.\$) TSFG Common Stock		The New York Stock Exchange (U.S.\$) TD Common Shares		The Toronto Stock Exchange (C\$) TD Common Shares	
	High	Low	High	Low	High	Low
	February 2010	0.57	0.35	63.89	58.45	67.24
March 2010	0.89	0.56	74.92	64.76	76.50	67.55
April 2010	0.93	0.66	76.84	73.01	76.97	73.41
May 2010	0.77	0.27	74.91	65.81	75.70	70.32
June 2010	0.29	0.26	71.98	64.91	73.63	68.59
July 2010	0.28	0.27	71.61	64.10	74.46	68.25

The table below sets forth the closing sale prices of TD common shares as reported on the New York Stock Exchange Composite Tape and TSFG common stock as reported on the Nasdaq Global Select Market and Nasdaq Capital Market, respectively, on May 14, 2010, the last trading day before the public announcement of the merger, and August 23, 2010, the last practicable trading day before the distribution of this proxy statement/prospectus. The table also sets forth the equivalent pro forma sale price of TSFG common stock on each of these dates, as determined by multiplying the applicable closing sale price of TD common shares on the New York Stock Exchange by the exchange ratio of 0.004 and assuming no cash election is made. We urge you to obtain current market quotations for both TD common shares and TSFG common stock.

	TD Common Shares (U.S.\$)	TSFG Common Stock (U.S.\$)	TSFG Common Stock Pro Forma Equivalent (Assuming No Cash Election) (U.S.\$)
May 14, 2010	\$ 70.89	\$ 0.67	\$ 0.28
August 23, 2010	\$ 67.05	\$ 0.2760	\$ 0.2682

The table below sets forth the dividends declared per TD common share and per share of TSFG common stock for the fiscal years ended 2005, 2006, 2007, 2008 and 2009. TD's fiscal year end is October 31 and TSFG's fiscal year end is December 31.

	Declared Dividends		
	TD	TD	TSFG

	(C\$)(1)	(U.S.\$)(1)(2)	(U.S.\$)
Fiscal Year Ended			
2005	C\$ 1.58	U.S.\$ 1.17	U.S.\$ 0.65
2006	1.78	1.46	0.69
2007	2.11	1.98	0.73
2008	2.36	2.23	0.22
2009	2.44	2.09	0.02

(1) Dividends declared during fiscal quarters ended January 31, April 30, July 31 and October 31.

(2) TD dividends have been converted into U.S. dollars based on the exchange rate as reported by the Bank of Canada on each dividend payment date.

Table of Contents**CURRENCY EXCHANGE RATE DATA**

The following tables show, for the date or periods indicated, certain information regarding the U.S. dollar/Canadian dollar exchange rate and the Canadian dollar/U.S. dollar exchange rate. The information is based on the noon buying rate as reported by the Bank of Canada.

	C\$ per U.S.\$1.00	U.S.\$ per C\$1.00
May 14, 2010 (the last trading day before public announcement of the merger)	C\$ 1.0344	U.S.\$ 0.9667
August 23, 2010	C\$ 1.0523	U.S.\$ 0.9503
	Average Rate(1)	
	C\$ per U.S.\$1.00	U.S.\$ per C\$1.00
Year Ended October 31,		
2005	C\$ 1.2175	U.S.\$ 0.8213
2006	1.1386	0.8783
2007	1.1003	0.9089
2008	1.0275	0.9732
2009	1.1693	0.8552
Six Months Ended April 30,		
2009	1.2359	0.8091
2010	1.0397	0.9618

(1) The average rate is calculated as the average of the noon buying rate as reported by the Bank of Canada on the last day of each month during the period.

The following table shows the high and low U.S. dollar/Canadian dollar exchange rates for each of the months indicated. The information is based on the noon buying rate as reported by the Bank of Canada.

	High (C\$ per U.S.\$1.00)	Low
February 2010	C\$ 1.0734	C\$ 1.0420
March 2010	1.0421	1.0113
April 2010	1.0201	0.9961
May 2010	1.0778	1.0116
June 2010	1.0648	1.0138
July 2010	1.0678	1.0256

Table of Contents**SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF TD**

The following table sets forth certain selected consolidated financial information of TD prepared in accordance with generally accepted accounting principles in Canada (which we refer to in this document as Canadian GAAP), except as otherwise indicated. The information as at and for each of the years in the five-year period ended October 31, 2009 has been derived from the consolidated financial statements of TD as filed with the SEC. The information as at and for the six-month periods ended April 30, 2010 and April 30, 2009 has been derived from the unaudited interim consolidated financial statements of TD and the notes thereto filed by TD with the SEC, which reflect, in the opinion of TD's management, all adjustments (consisting only of normal recurring adjustments) necessary for a fair presentation of such information. Results for interim periods are not necessarily indicative of results which may be expected for any other interim period or for the fiscal year as a whole. The information presented below is only a summary and should be read in conjunction with the respective audited financial statements of TD, including the notes thereto, incorporated by reference in this proxy statement/prospectus. See [Where You Can Find More Information](#) beginning on page 96.

Amounts determined under generally accepted accounting principles in the U.S. (which we refer to in this document as U.S. GAAP) are different from those determined under Canadian GAAP. For a reconciliation to U.S. GAAP of TD's consolidated financial statements for the six months ended April 30, 2010, see TD's Form 6-K for the six months ended April 30, 2010, filed with the SEC on May 27, 2010, and for a discussion of the principal differences between Canadian GAAP and U.S. GAAP and a reconciliation to U.S. GAAP of TD's consolidated financial statements for the year ended October 31, 2009, see Exhibit 99.4 to TD's Form 40-F for the year ended October 31, 2009, filed with the SEC on December 3, 2009, which Exhibit 99.4 is incorporated by reference in this proxy statement/prospectus. A reconciliation to U.S. GAAP for other periods presented is included in the notes to the applicable historical consolidated financial statements of TD filed by TD with the SEC. See [Where You Can Find More Information](#) beginning on page 96.

	At and for the Six Months Ended		Fiscal Year Ended October 31,				2005
	2010	2009	2009	2008	2007	2006	
	(C\$ in millions, except per share data and ratios)						
Operations Data:							
Interest income	8,518	10,103	18,887	19,584	17,852	15,569	12,776
Interest expense	2,879	4,435	7,561	11,052	10,928	9,198	6,768
Net interest income	5,639	5,668	11,326	8,532	6,924	6,371	6,008
Provision for (recovery of) credit losses	882	1,402	2,480	1,063	645	409	55
Net interest income after credit loss provision	4,757	4,266	8,846	7,469	6,279	5,962	5,953
Other income	4,165	2,807	6,534	6,137	7,357	6,821	5,951
Non-interest expenses	5,934	6,071	12,211	9,502	8,975	8,815	8,844
Dilution gain (net)	0	0	0	0	0	1,559	0
Net income (loss)	2,473	1,198	3,120	3,833	3,997	4,603	2,229
Net income (loss) (U.S. GAAP basis)	2,115	2,297	3,792	3,922	4,108	4,618	2,144

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Preferred dividends	97	70	167	59	20	22	0
Net income (loss) applicable to common shares	2,376	1,128	2,953	3,774	3,977	4,581	2,229
Net income (loss) applicable to common shares (U.S. GAAP basis)	2,005	2,214	3,599	3,828	4,053	4,559	2,089
Per Common Share:							
Net income (basic)	2.76	1.34	3.49	4.90	5.53	6.39	3.22
Net income (basic) (U.S. GAAP basis)	2.33	2.63	4.25	4.97	5.64	6.36	3.02
Net income (fully diluted)	2.74	1.34	3.47	4.87	5.48	6.34	3.20
Net income (fully diluted) (U.S. GAAP basis)	2.31	2.63	4.23	4.93	5.59	6.31	3.00
Cash dividends declared	1.22	1.22	2.44	2.36	2.11	1.78	1.58
Book value (period end)	40.35	43.47	41.13	36.78	29.23	26.77	22.29
Consolidated Balance Sheet (period end):							
Total assets	573,905	575,628	557,219	563,214	422,124	392,914	365,210
Total assets (U.S. GAAP basis)	542,157	515,389	518,176	497,612	428,602	400,616	371,746
Loans (net)	254,001	242,813	253,128	219,624	175,915	160,608	152,243
Deposits	404,492	401,955	391,034	375,694	276,393	260,907	246,981
Subordinated notes	12,328	12,469	12,383	12,436	9,449	6,900	5,138
Total shareholders equity	38,424	40,372	38,720	31,674	21,404	19,632	15,866
Common shares outstanding (in millions)	868.2	850.6	858.8	810.1	717.8	717.4	711.8
Selected Ratios:							
Return on total common equity	13.5	6.4	8.4	14.4	19.3	25.5	15.3
Net impaired loans net of specific allowance as a % of net loans	0.2	0.5	0.7	0.4	0.2	0.2	0.1
Efficiency ratio(1)	60.5	71.6	68.4	64.8	62.8	59.8	74.0

Table of Contents

	At and for the Six Months Ended		Fiscal Year Ended October 31,				
	April 30, 2010	2009	2009	2008	2007	2006	2005
	(C\$ in millions, except per share data and ratios)						
Provision for credit losses as a % of net average loans	0.68	1.12	0.97	0.50	0.37	0.25	0.04
Tier 1 capital to risk weighted assets(2)	12.0	10.8	11.3	9.8	10.3	12.0	10.1
Total capital to risk-weighted assets(2)	15.5	14.2	14.9	12.0	13.0	13.1	13.2
Common dividend payout ratio	44.3	91.7	70.3	49.0	38.1	27.9	49.3

* In accordance with Canadian GAAP, TD adopted amendments to the accounting standard on financial instruments disclosure and presentation on a retroactive basis with restatement of prior period comparatives. The amounts disclosed above reflect these amendments.

These comparative amounts/ratios have been reclassified/recalculated to conform to the current period's presentation.

(1) Non-interest expenses, as a percentage of total revenue.

(2) Risk-weighted assets are determined in accordance with applicable Canadian bank regulations.

Table of Contents**SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF TSFG**

The following table sets forth certain selected consolidated financial information of TSFG prepared in accordance with U.S. GAAP. This information as at and for each of the years in the five year period ended December 31, 2009 has been derived from the consolidated financial statements of TSFG and notes to the consolidated financial statements as filed with the SEC. The information as at and for the six-month periods ended June 30, 2010 and June 30, 2009 has been derived from the unaudited consolidated financial statements of TSFG and the notes thereto filed by TSFG with the SEC, which reflect, in the opinion of TSFG's management, all adjustments (consisting only of normal recurring adjustments) necessary for a fair presentation of such information. Results for interim periods are not necessarily indicative of results which may be expected for any other interim period or for the fiscal year as a whole. The information presented below is only a summary and should be read in conjunction with the respective audited and unaudited financial statements of TSFG, including the notes thereto, incorporated by reference in this proxy statement/prospectus. See "Where You Can Find More Information" beginning on page 96.

	At or for the Six Months Ended June 30		Years Ended December 31,				
	2010	2009	2009	2008	2007	2006	2005
(US\$ and shares in thousands, except per share data, ratios, branch offices and employees)							
Earnings Summary							
Interest income	\$ 142,993	\$ 170,948	\$ 331,532	\$ 380,163	\$ 382,781	\$ 401,371	\$ 409,000
Interest expense	58,097	56,013	118,033	121,967	113,712	118,210	43,800
Net revenue	201,090	226,961	449,565	502,130	496,493	519,581	452,900
Provision for loan losses	209,007	273,964	668,904	344,589	68,568	32,789	40,500
Interest expenses	389,106	226,429	419,121	792,233	321,249	326,244	316,700
(Loss) income from continuing ops	(390,139)	(164,079)	(676,254)	(547,118)	73,276	112,866	70,200
(Loss) income attributable to common shareholders	(400,732)	(202,296)	(736,943)	(568,776)	72,611	112,348	69,600
Common Share Data:							
(Loss) income from continuing ops	\$ (1.86)	\$ (2.34)	\$ (5.22)	\$ (7.78)	\$ 0.99	\$ 1.50	\$ 0.00
(Loss) income attributable to common shareholders	(1.86)	(2.34)	(5.22)	(7.78)	0.99	1.50	0.00
(Loss) income from continuing ops	(1.86)	(2.34)	(5.22)	(7.78)	0.98	1.49	0.00
(Loss) income attributable to common shareholders	(1.86)	(2.34)	(5.22)	(7.78)	0.98	1.49	0.00
Shares outstanding:							
End of period	215,756	86,629	141,208	73,137	73,618	74,940	73,300
Beginning of period	215,756	86,629	141,208	73,137	74,085	75,543	74,500
Per share	\$	\$	\$	\$	\$	\$	\$
		0.02	0.02	0.22	0.73	0.69	0.00

h dividends								
ared								
mon book value								
iod end)	1.31	6.18	3.05	14.12	21.40	20.73	19.	
ket price (period								
)	0.27	1.19	0.64	4.32	15.63	26.59	27.	
Balance Sheet Data								
iod end)								
ns held for								
stment	\$ 7,658,395	\$ 9,306,009	\$ 8,386,127	\$ 10,192,072	\$ 10,213,420	\$ 9,701,867	\$ 9,439,3	
owance for credit								
es	400,678	289,680	373,126	249,874	128,695	112,688	109,3	
urities	2,145,352	1,891,102	2,222,917	2,094,367	1,990,570	2,743,518	3,092,0	
ngible assets	13,690	240,932	229,825	246,020	678,182	685,568	691,7	
al assets	11,595,369	12,588,231	11,894,982	13,602,326	13,877,584	14,210,516	14,319,2	
otomer funding(1)	7,936,832	7,663,645	7,666,801	7,989,962	8,178,471	8,392,597	8,201,5	
osits	9,429,153	9,388,652	9,296,212	9,405,717	9,788,568	9,516,740	9,234,4	
g-term debt	1,116,206	1,126,435	1,116,869	707,769	698,340	1,130,475	1,922,1	
reholders equity	616,821	1,509,253	993,174	1,620,531	1,550,308	1,562,032	1,486,9	

Table of Contents

	At or for the Six Months Ended June 30		Years Ended December 31,				2005
	2010	2009	2009	2008	2007	2006	
(US\$ and shares in thousands, except per share data, ratios, branch offices and employees)							
Sheet Data							
(excludes gains, available for (ties)	\$ 8,064,542	\$ 10,030,953	\$ 9,478,536	\$ 10,374,423	\$ 10,013,387	\$ 9,621,846	\$ 8,064,542
ng assets(2)	2,206,168	2,023,286	2,018,845	2,087,745	2,525,317	3,043,385	4,064,542
s	11,962,444	13,319,542	12,819,697	13,833,355	14,044,565	14,202,649	14,202,649
funding(1)	7,869,569	7,795,697	7,723,889	8,065,982	8,216,762	8,077,605	7,869,569
ers equity	936,412	1,570,266	1,450,273	1,558,081	1,543,552	1,506,195	1,570,266
Ratio Ratios							
verage	(6.58)%	(2.48)%	(5.28)%	(3.96)%	0.52%	0.79%	
verage	(84.02)	(21.07)	(46.63)	(35.11)	4.75	7.49	
t margin (valent)(2)	2.65	2.87	2.88	3.09	3.10	3.22	
quity to assets	5.21	10.27	6.54	10.29	6.61	6.48	
ayout ratio	n/m	n/m	n/m	n/m	73.74	46.31	
Quality							
ming loans	\$ 460,617	\$ 464,941	\$ 399,046	\$ 365,664	\$ 80,191	\$ 37,168	\$ 460,617
ming assets	608,451	560,693	522,360	414,657	88,467	41,509	608,451
ming assets							
oans and property	7.76%	5.94%	6.13%	4.04%	0.86%	0.43%	
ming assets							
total assets	5.25	4.45	4.39	3.05	0.64	0.29	
-offs to							
ans HFI							
d)	4.55	4.63	5.72	2.16	0.53	0.28	
for credit							
% of loans	5.23	3.11	4.45	2.45	1.26	1.16	
Personnel Data							
ices	176	177	177	180	172	167	
s (full-time							
)	2,066	2,345	2,214	2,505	2,474	2,618	

(1) Customer funding is total deposits less brokered deposits plus customer sweeps.

- (2) Prior to first quarter 2010, interest-bearing balances held at the Federal Reserve were included in non-earning assets, and the related interest income was utilized to offset certain Federal Reserve account charges. Beginning first quarter 2010, these cash balances were included in interest-bearing bank balances, with amounts from prior periods reclassified to conform to the current presentation. The related amounts of interest income are prospectively included in net interest income beginning in first quarter 2010.

Table of Contents

RISK FACTORS

*In addition to the other information included or incorporated by reference in this proxy statement/prospectus, you should carefully consider the matters described below relating to the proposed merger in deciding whether to vote for approval of the plan of merger. Although TD and TSFG believe that the matters described below cover the material risks related to the merger, they may not contain all of the information that is important to you in evaluating the merger. Accordingly, we urge you to read this entire proxy statement/prospectus, including the appendices and the information included or incorporated by reference in this document. Please also refer to the additional risk factors identified in the periodic reports and other documents of TD and TSFG incorporated by reference into this proxy statement/prospectus and listed in the section entitled *Where You Can Find More Information* beginning on page 96.*

Because the exchange ratio for the stock consideration is fixed and the market price of TD common shares may fluctuate, if you do not make a cash election, you cannot be certain of the dollar value of the stock consideration that you will receive upon completion of the merger.

Upon completion of the merger, each TSFG shareholder of record will be entitled to receive, in exchange for each share of TSFG common stock owned by such shareholder either (1) \$0.28 in cash, if a cash election is effectively made with respect to such share or (2) 0.004 TD common shares, plus cash in lieu of any fractional share interests. Because the exchange ratio for the stock consideration of 0.004 TD common shares is fixed, the value of the TD common shares that may be issued to you as stock consideration in the merger will depend on the market price of TD common shares at the time they are issued. There will be no adjustment to the fixed number of TD common shares that may be issued to you as stock consideration based upon changes in the market price of TD common shares or TSFG common stock prior to the closing.

The market price of TD common shares at the time the merger is completed may vary from the price of TD common shares on the date the merger agreement was executed, on the date of this proxy statement/prospectus and on the date of the special meeting as a result of various factors that are beyond the control of TD and TSFG, including the following:

- changes in the business, operations or prospects of TD or TSFG;
- governmental or regulatory developments, including any limitations on or conditions to consummation of the merger;
- changes in the interest rate environment;
- changes in general economic conditions and the outlook for economic conditions;
- changes in securities markets, including changes due to terrorist activities, other world events or other factors;
- changes in currency exchange rates including changes in U.S. dollar/Canadian dollar exchange rates which may affect the trading prices of TD's common shares as reported in U.S. dollars; and
- the timing of the completion of the merger.

In addition to the approval of TSFG's shareholders, completion of the merger is subject to receipt of regulatory approvals and satisfaction of other conditions that may not occur until some time after the special meeting. Therefore,

at the time of the special meeting you will not know the precise U.S. dollar value of the stock consideration you may become entitled to receive at the effective time of the merger. You are urged to obtain a current market quotation for TD common shares.

Upon completion of the merger, holders of TSFG common stock not making a cash election will become holders of TD common shares, and the market price for TD common shares may be affected by factors different from those that historically have affected TSFG.

Upon completion of the merger, holders of TSFG common stock not making a cash election will become holders of TD common shares. TD's businesses differ from those of TSFG, and accordingly the results of operations

Table of Contents

of TD will be affected by some factors different from those currently affecting the results of operations of TSFG. For a discussion of the businesses of TSFG and TD and of some important factors to consider in connection with those businesses, see the documents incorporated by reference in this proxy statement/prospectus and referred to under *Where You Can Find More Information* beginning on page 96.

If you deliver your shares of TSFG common stock to the exchange agent to make a cash election, you will not be able to sell those shares, unless you revoke your cash election prior to the election deadline or unless the merger agreement is terminated.

If you want to make a cash election, you must deliver a properly completed and signed form of cash election covering the shares of TSFG common stock for which you wish to make a cash election to the exchange agent together with stock certificates representing those shares of TSFG common stock, a book-entry delivery of shares or a guarantee of delivery as described in the form of cash election. The deadline for doing this is 5:00 p.m., New York City time, on September 28, 2010, the day of the special meeting of TSFG shareholders, unless the completion of the merger will occur more than four business days following the date of this special meeting, in which case the election deadline will be extended until two business days before the completion of the merger. After you submit a form of cash election, under the terms of the cash election, you will not be able to sell any shares of TSFG common stock covered by your form of cash election, regardless of whether those shares are held in certificated or book entry form, unless you revoke your cash election before the deadline by providing written notice to the exchange agent. If you do not revoke your election, you will not be able to sell your shares of TSFG common stock covered by a form of cash election prior to completion of the merger. In the time between your submission of a form of cash election and the completion of the merger, the trading price of TSFG common stock may change, and you might otherwise want to sell your shares of TSFG common stock covered by a form of cash election to gain access to cash, make other investments, or reduce the potential for an adverse change in the value of your investment.

Some directors and executive officers of TSFG have interests in the merger that may differ from the interests of shareholders including, if the merger is completed, the receipt of financial and other benefits.

In considering the recommendation of TSFG's board of directors, you should be aware that some executive officers and directors of TSFG may have interests in the merger that are different from, or in addition to, your interests.

These interests are described in more detail in the section entitled *The Merger - Interests of TSFG's Executive Officers and Directors in the Merger* beginning on page 43.

The merger agreement contains provisions that may discourage other companies from trying to acquire TSFG for greater merger consideration.

The merger agreement contains provisions that may discourage a third party from submitting a business combination proposal to TSFG that might result in greater value to TSFG's shareholders than the proposed merger. These provisions include a general prohibition on TSFG from soliciting, or, subject to certain exceptions, entering into discussions with any third party regarding any acquisition proposal or offers for competing transactions and the requirement that TSFG pay a termination fee of up to \$7.62 million if the merger agreement is terminated in specified circumstances. The termination fee may result in a potential competing acquiror proposing to pay a lower per share price to acquire TSFG than it might otherwise have proposed to pay. For further information, please see the section entitled *Proposal No. 1: The Merger Agreement - Termination Fees and Expenses* beginning on page 71.

In addition, pursuant to the share purchase agreement, as of the record date for the special meeting, TD held 100 shares of Series M Preferred Stock that vote as a single class with TSFG's common stock and have voting power equal to 39.9% of the total voting power of holders of TSFG capital stock entitled to vote. In addition, TD also owns

10,000,000 shares of TSFG's common stock, which it purchased in the open market, representing (together with the Series M Preferred Stock) 42.7% of the total voting power of holders of TSFG capital stock entitled to vote at the special meeting, which could make it more difficult for a third party to acquire TSFG prior to completion of the merger or termination of the merger agreement.

Table of Contents

The merger is subject to the receipt of consents and approvals from government entities that may impose conditions that could have an adverse effect on TD, or, if not obtained, could prevent completion of the merger.

We cannot complete the merger unless we receive various consents, orders, approvals and clearances from the Federal Reserve Board, the Superintendent of Financial Institutions of Canada, the State Board of Financial Institutions of the State of South Carolina and other bank regulatory, antitrust and other authorities in the U.S. On July 22, 2010, the Federal Reserve Board of Governors announced its approval of the application of TD and its subsidiary bank holding companies to acquire TSFG and its subsidiary bank. The approval required TSFG to enter into an agreement to divest certain branches in the Palatka banking market prior to consummation of the Merger and TSFG did so on August 8, 2010. TD filed an application with, and has obtained the conditional approval of, the State Board of Financial Institutions of the State of South Carolina. Authorities who have not yet approved the transactions may impose conditions on the completion of the merger or require changes to the terms of the merger. While TD and TSFG do not currently expect that any such conditions or changes would be imposed, there can be no assurance that they will not be, and such conditions or changes could have the effect of imposing additional costs on or limiting the revenues of TD following the merger, any of which may have an adverse effect on TD. See *The Merger Regulatory Matters Related to the Merger and Stock Exchange Listings* beginning on page 52 and *Proposal No. 1: The Merger Agreement Conditions to the Merger* beginning on page 69. In addition, if any action is taken or legal or regulatory restrictions or conditions deemed applicable to the merger that would be reasonably likely to have a material adverse effect on TSFG or TD (assuming, for this purpose, that TD is an entity the size of TSFG in terms of financial metrics), TD may elect not to consummate the merger.

Certain rights of TSFG shareholders who do not make a cash election will change as a result of the merger.

Following the completion of the merger, TSFG shareholders who do not make a cash election will no longer be shareholders of TSFG, a South Carolina corporation, but will instead be shareholders of TD, a Canadian chartered bank. There will be certain differences between your current rights as a shareholder of TSFG, on the one hand, and the rights to which you will be entitled as a shareholder of TD, on the other hand. For a more detailed discussion of the differences in the rights of shareholders of TSFG and TD, see *Comparison of Shareholder Rights* beginning on page 84.

TD's consolidated results of operations may be negatively impacted by foreign currency fluctuations.

A substantial portion of TD's consolidated revenues following the transaction will be earned in non-Canadian currencies, primarily U.S. dollars. For purposes of financial reporting under Canadian GAAP, revenues and expenses denominated in non-Canadian currencies are translated into Canadian dollars at the average exchange rates prevailing during the year. TD will continue to report its financial results in Canadian dollars in accordance with Canadian GAAP. The revenues that are earned in currencies other than Canadian dollars are subject to unpredictable fluctuations if the values of non-Canadian currencies change relative to the Canadian dollar. Such fluctuations could decrease TD's revenues earned in non-Canadian currencies and have a material adverse impact on its business.

TD expects to maintain its status as a foreign private issuer in the U.S. and thus will be exempt from a number of rules under the U.S. Securities Exchange Act of 1934, as amended, or the Exchange Act, and will be permitted to file less information with the SEC than a company incorporated in the United States.

As a foreign private issuer, TD is exempt from rules under the Exchange Act that impose disclosure requirements, as well as procedural requirements, for proxy solicitations under Section 14 of the Exchange Act. In addition, TD's officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions of Section 16 of the Exchange Act. In addition, TD is permitted, under a multi-jurisdictional disclosure system

adopted by the United States and Canada, to prepare its disclosure documents filed under the Exchange Act in accordance with Canadian disclosure requirements, including preparing its financial statements in accordance with Canadian GAAP, which differ in some respects from U.S. GAAP.

TD is chartered under the laws of Canada and a substantial portion of its assets are, and many of its directors and officers reside, outside of the United States. As a result, it may not be possible for shareholders to enforce civil liability provisions of the securities laws of the United States in Canada.

TD is chartered under the laws of Canada. A substantial portion of TD's assets are located outside the United States, and many of TD's directors and officers and some of the experts named in this proxy statement/prospectus are residents outside of the United States. As a result, it may be difficult for investors to effect service within the United States upon TD and those directors, officers and experts, or to realize in the United States upon

Table of Contents

judgments of courts of the United States predicated upon civil liability of TD and such directors, officers or experts under the United States federal securities laws. There is uncertainty as to the enforceability in Canada by a court in original actions, or in actions to enforce judgments of United States courts, of the civil liabilities predicated upon the United States federal securities laws.

Nasdaq may delist the shares of TSFG common stock as a result of the issuance of the Series M Preferred Stock to TD without shareholder approval which may adversely affect the market price and liquidity of the shares of TSFG s common stock. If the merger is not consummated and TSFG is unable to relist its common stock on the Nasdaq Capital Market, the market price and liquidity of the shares of TSFG common stock may be further adversely affected.

As discussed under The Merger Background of the Merger and Nasdaq Matters , TSFG s audit committee determined that the issuance of the Series M Preferred Stock to TD without shareholder approval was necessary to avoid seriously jeopardizing the financial viability of TSFG, as contemplated by Nasdaq Rule 5635(f). Following announcement of the merger, however, the staff of Nasdaq informed TSFG that it has interpreted Rule 5635(f) to not apply in the specific context of the merger. Because there is no process for appealing this conclusion other than as part of the delisting appeal process, because the TD preferred share issuance remains an important requirement under the terms of the proposed transaction, and because the TSFG board determined that the issuance is in the best interests of TSFG, its shareholders and other constituents, TSFG completed the issuance of the Series M Preferred Stock to TD on August 23, 2010. On August 23, 2010, TSFG received a letter from Nasdaq stating that TSFG had failed to comply with Nasdaq Listing Rules 5635(b), 5635(d) and 5640 and had taken action that raises public interest concerns under Listing Rule 5100. The letter stated that TSFG s common stock would be delisted from Nasdaq on September 1, 2010 unless TSFG requested a hearing before the Nasdaq Listing Qualifications Hearing Panel prior to August 30, 2010. In response to the letter, TSFG intends to request an oral hearing before the Nasdaq Listing Qualifications Hearing Panel to appeal the Nasdaq staff s delisting determination. Meanwhile, TSFG s common stock will continue to trade on the Nasdaq Capital Market until a written decision is rendered by the Nasdaq Listing Qualifications Hearing Panel. TSFG cannot predict the timing or outcome of this process, but if shares of TSFG common stock were to be delisted prior to completion of the merger, the trading price and liquidity levels would likely be negatively impacted.

If the shares of TSFG common stock are ultimately delisted from the Nasdaq Capital Market, there is no guarantee that they will begin trading on the Over-the-Counter Bulletin Board, the Pink Sheets or any other established market. The delisting of TSFG s common stock would likely negatively impact the trading price of TSFG common stock and result in a reduction of the liquidity of the common stock. Delisting could reduce the ability of holders of TSFG s common stock to purchase or sell shares as quickly and as inexpensively as they could have done in the past. In addition, following any delisting, certain investors may become obligated by law or contractual mandate to sell their shares of TSFG common stock, TSFG common stock would not be eligible for margin loans and TSFG common stock would be subject to Rule 15g-9 of the Exchange Act.

If the merger is not consummated, TSFG may not be able to meet the criteria for relisting its shares of common stock on the Nasdaq Capital Market due to certain listing requirements. The listing requirements include a minimum bid price of \$4.00 per share and a market value of publicly held shares of at least \$15 million. The inability to relist the shares of TSFG common stock following any termination of the merger agreement may have further negative effects on the market price and liquidity of TSFG s common stock.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

Some of the statements contained or incorporated by reference in this proxy statement/prospectus, including those relating to TD s and TSFG s strategies and other statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as expects, anticipates, intends, plans, believes, estimates

should, may or similar expressions, are forward-looking statements within the meaning of Section 21E of the Exchange Act and Section 27A of the Securities Act of 1933, as amended, which we refer to in this document as the Securities Act. Without limiting the generality of the preceding sentence, statements contained in the sections The Merger TSFG s Reasons for the Merger, Opinion of TSFG s Financial Advisor, and TD s Reasons for the Merger include forward-looking statements. These statements are not historical facts but instead represent only TD s and/or TSFG s expectations, estimates and projections regarding future events.

Table of Contents

The forward-looking statements contained or incorporated by reference in this proxy statement/prospectus are not guarantees of future performance and involve certain risks and uncertainties that are difficult to predict. The future results and shareholder values of TD and TSFG may differ materially from those expressed in the forward-looking statements contained or incorporated by reference in this proxy statement/prospectus due to, among other factors, the matters set forth under **Risk Factors** beginning on page 23, the parties' ability to obtain the regulatory and other approvals required for the merger on the terms and within the time expected, the risk that TD will not be able to integrate successfully the businesses of TSFG or that such integration will be more time consuming or costly than expected, the risk that expected synergies and benefits of the merger will not be realized within the expected time frame or at all, the risk of deposit attrition, increased operating costs, customer loss, employee loss and business disruption following the merger and the factors detailed in each company's filings with the SEC, including the factors detailed in TD's Form 40-F for its fiscal year ended October 31, 2009, TD's reports on Form 6-K and TSFG's annual report on Form 10-K for the year ended December 31, 2009 and TSFG's quarterly reports on Form 10-Q and current reports on Form 8-K.

We caution you not to place undue reliance on the forward-looking statements, which speak only as of the date of this proxy statement/prospectus, in the case of forward-looking statements contained in this proxy statement/prospectus, or the dates of the documents incorporated by reference into this proxy statement/prospectus, in the case of forward-looking statements made in those incorporated documents. Neither TD nor TSFG undertakes any obligation to update or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this proxy statement/prospectus or to reflect the occurrence of unanticipated events, except as required by law.

THE SPECIAL MEETING

This section contains information for TSFG shareholders about the special meeting that TSFG has called to allow its shareholders to consider and approve the plan of merger contained in the merger agreement. TSFG is mailing this proxy statement/prospectus to its shareholders on or about August 26, 2010. Together with this proxy statement/prospectus, TSFG is sending a notice of the special meeting and a form of proxy that TSFG's board of directors is soliciting for use at the special meeting and at any adjournments or postponements of the meeting.

Date, Time and Place

The special meeting will be held on September 28, 2010, at 10:30 a.m. local time at Poinsett Plaza, 2nd Floor, 104 South Main Street, Greenville, SC 29601.

Matters to be Considered

At the special meeting, TSFG shareholders will be asked to:

approve the plan of merger contained in the merger agreement; and

approve the adjournment or postponement of the special meeting, if necessary or appropriate, including to solicit additional proxies.

Proxies

If you are a registered shareholder (that is, you hold stock certificates registered in your own name), you may attend the special meeting and vote in person, or you may vote by proxy. You may vote by proxy by completing and returning the proxy card accompanying this proxy statement/prospectus or by telephone or through the Internet by

following the instructions described on your proxy card. If your shares are held through a bank, broker or other nominee (that is, if your shares are held in street name), you will receive separate voting instructions from your bank, broker or other nominee with your proxy materials. Although most banks, brokers and other nominees offer telephone and Internet voting, availability and specific processes will depend on their voting arrangements. You can revoke a proxy at any time before the vote is taken at the special meeting by submitting a properly executed proxy of a later date by mail, telephone or Internet, or by attending the special meeting and voting in person. Communications about revoking TSFG proxies should be addressed to:

The South Financial Group, Inc.
104 South Main Street
Poinsett Plaza, 10th Floor
Greenville, SC 29601
Attn: William P. Crawford, Jr.

Table of Contents

If your shares are held in street name, you should follow the instructions of your bank, broker or other nominee regarding the revocation of proxies.

All shares represented by valid proxies that TSFG receives through this solicitation, and that are not revoked, will be voted in accordance with the instructions on the proxy card. If you make no specification on your proxy card as to how you want your shares voted before signing and returning it, your proxy will be voted FOR the approval of the plan of merger and FOR the proposal to adjourn or postpone the special meeting, if necessary or appropriate, including to solicit additional proxies. TSFG's board of directors is currently unaware of any other matters that may be presented for action at the special meeting. If other matters properly come before the special meeting, or at any adjournment or postponement of the meeting, TSFG intends that shares represented by properly submitted proxies will be voted, or not voted, by and in accordance with the best judgment of the persons named as proxies on the proxy card.

Solicitation of Proxies

TSFG will bear the entire cost of soliciting proxies from its shareholders, except that TD and TSFG will share equally the costs of filing, printing and mailing this proxy statement/prospectus. In addition to solicitation of proxies by mail, TSFG will request that banks, brokers and other record holders send proxies and proxy material to the beneficial owners of TSFG common stock and secure their voting instructions, if necessary. TSFG will reimburse the record holders for their reasonable expenses in taking those actions.

TSFG has also made arrangements with Innisfree M&A Incorporated to assist in soliciting proxies in connection with approval of the plan of merger and in communicating with shareholders and has agreed to pay it up to \$100,000 plus disbursements for these services. Proxies may also be solicited by directors, officers and employees of TSFG in person or by telephone or other means, for which such persons will receive no special compensation.

Record Date and Quorum

TSFG's board of directors has fixed the close of business on August 23, 2010 as the record date for determining the holders of TSFG common stock and Series M Preferred Stock entitled to receive notice of and to vote at the special meeting.

At the record date, there were 216,401,091 shares of TSFG common stock outstanding and entitled to vote at the special meeting held by 7,493 holders of record. Each share of TSFG common stock entitles the holder to one vote at the special meeting on all matters properly presented at the meeting. At the record date, TD held 100 shares of the Series M Preferred Stock of TSFG that vote as a single class with TSFG's common stock, representing 39.9% of the total voting power of holders of TSFG capital stock entitled to vote at the special meeting. In addition, as of the record date for the special meeting, TD also held 10,000,000 shares of TSFG common stock, representing (together with the Series M Preferred Stock) 42.7% of the total voting power of holders of TSFG capital stock entitled to vote at the special meeting. TD is required to vote its shares of Series M Preferred Stock, and has informed TSFG that intends to vote its shares of TSFG common stock, in favor of the proposal to approve the plan of merger contained in the merger agreement.

A majority of the votes entitled to be cast on the plan of merger, consisting of all outstanding shares of TSFG common stock and the Series M Preferred Stock, voting together as a single class, constitutes a quorum for transacting business at the special meeting. Abstentions and broker non-votes will be counted for the purpose of determining whether a quorum is present.

Vote Required

Approval of the plan of merger requires the affirmative vote of a majority of the votes entitled to be cast at the special meeting by the holders of TSFG common stock and the Series M Preferred Stock, voting together as a single class. Only holders of TSFG common stock and Series M Preferred Stock are entitled to vote at the special meeting. You are entitled to one vote for each full share of TSFG common stock you held as of the record date. Approval of the proposal relating to the adjournment or postponement of the special meeting, if necessary or appropriate, including to solicit additional proxies requires the affirmative vote of a majority of the votes cast on such proposal at the special meeting by the holders of TSFG common stock and the Series M Preferred Stock, voting together as a single class, even if less than a quorum.

Table of Contents

At the record date, there were 216,401,091 shares of TSFG common stock outstanding and entitled to vote at the special meeting. Directors and executive officers of TSFG and their affiliates had the right to vote 4,018,003 shares of TSFG common stock at the special meeting, or approximately 1.12% of the voting power of the outstanding TSFG capital stock entitled to vote at the special meeting (after giving effect to the issuance of the Series M Preferred Stock). All of the members of the TSFG board of directors have indicated their intention as of August 23, 2010 to vote the shares of TSFG common stock they own (or have the power to vote or direct the vote), if any, as of the record date in favor of the approval of the plan of merger contained in the merger agreement. In addition, as of the record date for the special meeting, TD held 100 shares of Series M Preferred Stock of TSFG that votes as a single class with TSFG's common stock and has voting power equal to 39.9% of the total voting power of holders of TSFG capital stock entitled to vote, and also held 10,000,000 shares of TSFG common stock, which it purchased in the open market, representing (together with the Series M Preferred Stock) 42.7% of the total voting power of holders of TSFG capital stock entitled to vote at the special meeting. TD is required to vote its shares of Series M Preferred Stock, and has informed TSFG that it intends to vote its shares of TSFG common stock in favor of, the proposal to approve the plan of merger contained in the merger agreement. TSFG's board of directors urges TSFG shareholders to complete, date and sign the accompanying proxy card and return it promptly in the enclosed postage paid envelope, or to vote by telephone or through the Internet.

If you do not vote, or you abstain from voting, your shares with respect to the proposal to approve the plan of merger, it will have the same effect as a vote against the approval of the plan of merger contained in the merger agreement. If the proposal to approve the plan of merger contained in the merger agreement receives the required approval of TSFG's shareholders and the merger is completed, your shares of TSFG common stock will be converted into the right to receive the merger consideration even though you did not vote.

The affirmative vote of a majority of the votes cast by the holders of the TSFG common stock and Series M Preferred Stock, voting together as a single class, at the special meeting is required to approve the proposal to adjourn or postpone the special meeting, if necessary or appropriate, including to solicit additional proxies. If you do not vote, or you abstain from voting, your shares with respect to the proposal to approve such adjournment or postponement, it will have no effect on such proposal.

Additionally, if you do not vote your shares with respect to the proposal to approve the plan of merger contained in the merger agreement, or the proposal to adjourn or postpone the special meeting, if necessary or appropriate, including to solicit additional proxies, then your vote will not be counted toward the quorum requirement at the TSFG special meeting called for such purpose.

Brokers cannot vote the shares that they hold beneficially either for or against the proposal to approve the plan of merger contained in the merger agreement without specific instructions from the person who beneficially owns the shares, so-called broker non-votes. Therefore, if your shares are held by a broker and you do not give your broker instructions on how to vote your shares, this will have the same effect as voting against the proposal to approve the plan of merger contained in the merger agreement. Abstentions also will have the same effect as a vote against the proposal to approve the plan of merger contained in the merger agreement.

Participants in TSFG Employee Plans

If you own shares of TSFG common stock in The South Financial Group, Inc. 401(k) Plan, such shares will be voted solely by the trustee of such plan pursuant to the terms of such plan and the instructions received by the trustee from plan participants. The trustees of such plan will not disclose the confidential voting directions of any individual participant or beneficiary to TSFG. If you own shares of TSFG common stock in such plan, you will be receiving a separate letter, shortly after the mailing of this proxy, from the trustee of such plan explaining the voting process with

respect to such shares and you will be provided with instructions on how to direct the trustee to vote those shares.

If you own shares of TSFG common stock in the Deferred Compensation Plan, such shares will be voted solely by the trustee of such plan pursuant to the terms of such plan. You will not be entitled to vote any shares of the TSFG common stock held for your benefit under the Deferred Compensation Plan.

Voting by Telephone or Through the Internet

Many shareholders of TSFG have the option to submit their proxies or voting instructions by telephone or electronically through the Internet instead of submitting proxies by mail on the enclosed proxy card. Please note that

Table of Contents

there are separate arrangements for using the telephone and the Internet depending on whether your shares are registered in TSFG's stock records in your name or in the name of a brokerage firm or bank. You should check your proxy card or the voting instruction form forwarded by your broker, bank or other holder of record to see which options are available.

TSFG shareholders of record may submit proxies:

By telephone: Use any touch-tone telephone to vote your proxy 24 hours a day, 7 days a week. Have your proxy card handy when you call. You will be prompted to enter your control number(s), which is located on your proxy card, and then follow the directions given.

Through the Internet: Use the Internet to vote your proxy 24 hours a day, 7 days a week. Have your proxy card handy when you access the website. You will be prompted to enter your control number(s), which is located on your proxy card, to create and submit an electronic ballot.

Please note that although there is no charge to you for voting by telephone or electronically through the Internet, there may be costs associated with electronic access such as usage charges for Internet service providers and telephone companies. TSFG does not cover these costs; they are solely your responsibility. The telephone and Internet voting procedures being made available to you are valid forms of granting proxies under the SCBCA.

Delivery of Proxy Materials

To reduce the expenses of delivering duplicate proxy materials to TSFG shareholders, TSFG is relying upon SEC rules that permit us to deliver only one proxy statement/prospectus to multiple shareholders who share an address unless we receive contrary instructions from any shareholder at that address. If you share an address with another shareholder and have received only one proxy statement/prospectus, you may call us at (888) 592-3001 or write us as specified below to request a separate copy of this document and we will promptly send it to you at no cost to you:

The South Financial Group, Inc.
104 South Main Street
Poinsett Plaza, 10th Floor
Greenville, SC 29601
Attn: William P. Crawford, Jr.

Recommendations of TSFG's Board of Directors

TSFG's board of directors has unanimously approved the plan of merger. The board of directors believes that the merger and the merger agreement are advisable and in the best interests of TSFG and its shareholders, and unanimously recommends that TSFG shareholders vote FOR the approval of the plan of merger and FOR the proposal to adjourn or postpone the special meeting, if necessary or appropriate, including to solicit additional proxies.

INFORMATION ABOUT THE COMPANIES

The Toronto-Dominion Bank

Toronto-Dominion Centre
P.O. Box 1
Toronto, Ontario, Canada M5K 1A2
(416) 982-8222

TD and its subsidiaries are collectively known as TD Bank Financial Group, or TDBFG. TDBFG is the sixth largest bank in North America by branches and serves more than 18 million customers in four key businesses operating in a number of locations in key financial centres around the globe: Canadian Personal and Commercial Banking, including TD Canada Trust and TD Insurance; Wealth Management, including TD Waterhouse and an investment in TD Ameritrade; U.S. Personal and Commercial Banking, including TD Bank, America's Most Convenient Bank; and Wholesale Banking, including TD Securities. TDBFG also ranks among the world's leading online financial services firms, with more than 6 million online customers. TDBFG had C\$574 billion in assets on April 30, 2010. The Toronto-Dominion Bank trades under the symbol TD on the Toronto and New York Stock Exchanges.

Table of Contents

Additional information about TD can be found on its website at <http://www.td.com>. The information provided on TD's website is not part of this proxy statement/prospectus and is not incorporated herein by reference.

Additional information about TD and its subsidiaries is included in documents incorporated by reference into this document. For more information, see the section entitled "Where You Can Find More Information" on page 96.

Additional Information Relating to Certain Prior Disclosures of TD

The discussion set forth under "Capital Structure Ratings" in the Annual Information Form filed as Exhibit 99.1 to TD's Annual Report on Form 40-F for the year ended October 31, 2009, "Liquidity Risk Funding" in the Management's Discussion and Analysis attached as Exhibit 99.2 to TD's Annual Report on Form 40-F for the year ended October 31, 2009, "Management's Discussion and Analysis Liquidity Risk" in TD's 1st Quarter 2010 Report to Shareholders attached as Exhibit 99.1 to TD's Report of Foreign Issuer on Form 6-K filed with the SEC on March 4, 2010 that attached as an exhibit to TD's 1st Quarter 2010 Report to Shareholders, and "Management's Discussion and Analysis Liquidity Risk" in the 2nd Quarter 2010 Report to Shareholders attached as Exhibit 99.1 to TD's Report of Foreign Issuer on Form 6-K filed with the SEC on May 27, 2010 that attached as an exhibit to TD's 2nd Quarter 2010 Report to Shareholders, which reports are incorporated by reference into this proxy statement/prospectus, is amended by supplementing such discussion with the following additional information:

Credit ratings are important to TD's borrowing costs and ability to raise funds. A ratings downgrade could potentially result in higher financing costs and reduce access to capital markets. A lowering of credit ratings may also affect TD's ability to enter into normal course derivative or hedging transactions and impact the costs associated with such transactions. TD regularly reviews the level of increased collateral its trading counterparties would require in the event of a downgrade of TD's credit rating. TD believes that the impact of a one notch downgrade would be minimal and could be readily managed in the normal course of business, but more severe downgrades could have a more significant impact by increasing TD's cost of borrowing and/or requiring TD to post additional collateral for the benefit of its trading counterparties. Credit ratings and outlooks provided by the ratings agencies reflect their views and are subject to change from time to time, based on a number of factors, including TD's financial strength, competitive position and liquidity as well as factors not entirely within TD's control, including the methodologies used by the rating agencies and conditions affecting the financial services industry generally.

The information contained under "Capital Structure Ratings" in the Annual Information Form with respect to the description of ratings categories of various ratings agencies is issuer-related disclosure required by Canadian law and was based solely on public statements by the respective ratings agencies available on their respective public websites.

Hunt Merger Sub, Inc.

c/o The Toronto-Dominion Bank
New York Branch
31 West 52nd Street
New York, NY 10019-6101
(212) 827-7000

Hunt Merger Sub, Inc. is a South Carolina corporation and a wholly-owned subsidiary of TD. Hunt Merger Sub, Inc. was organized solely for the purpose of effecting the merger with TSFG described in this proxy statement/prospectus. It has not carried on any activities other than in connection with the merger agreement.

The South Financial Group, Inc.

104 South Main Street
Poinsett Plaza, 10th Floor

Greenville, SC 29601
(888) 592-3001

TSFG is a bank holding company focused on serving small businesses, middle market companies, and retail customers in the Carolinas and Florida. At June 30, 2010, it had approximately \$11.6 billion in total assets and 176 branch offices. TSFG operates Carolina First Bank, which conducts banking operations in North Carolina and South Carolina (as Carolina First Bank), and in Florida (as Mercantile Bank). At June 30, 2010, approximately 44% of TSFG's total customer deposits were in South Carolina, 45% were in Florida, and 11% were in North Carolina.

Table of Contents

Additional information about TSFG and its subsidiaries can be found on its website at <http://www.thesouthgroup.com> and in documents incorporated by reference into this document. The information provided on TSFG's website is not part of this proxy statement/prospectus and is not incorporated herein by reference.

For more information, see the section entitled "Where You Can Find More Information" on page 96.

THE MERGER

The following discussion contains material information about the merger. The discussion is subject, and qualified in its entirety by reference, to the merger agreement included as an Appendix to this document. We urge you to read carefully this entire document, including the merger agreement included as an Appendix to this document, for a more complete understanding of the merger.

TD's and TSFG's boards of directors have approved the merger agreement. The merger agreement provides for the acquisition of TSFG by TD through the merger of Hunt Merger Sub, Inc., a wholly-owned subsidiary of TD, with and into TSFG, with TSFG as the surviving corporation. Following the merger, TSFG will operate as a wholly-owned subsidiary of TD.

In the merger, each share of TSFG common stock will be converted into the right to receive either \$0.28 in cash, if a cash election is effectively made with respect to such share, or 0.004 TD common shares, plus cash in lieu of any fractional share interests. TD common shares issued and outstanding at merger completion will remain outstanding and those stock certificates will be unaffected by the merger. TD's common shares will continue to trade on the New York Stock Exchange and the Toronto Stock Exchange under the symbol "TD" following the merger.

See "Proposal No. 1: The Merger Agreement" for additional and more detailed information regarding the legal documents that govern the merger, including information about the conditions to the completion of the merger and the provisions for terminating or amending the merger agreement.

Background of the Merger

TSFG has been severely affected by economic deterioration and real estate downturn resulting in declining asset quality. During 2008, TSFG experienced a \$568.8 million net loss available to common shareholders, which was followed by a net loss available to common shareholders of \$736.9 million in 2009 and an additional \$85.8 million net loss available to common shareholders in the first quarter of 2010. As of May 2010, TSFG projected that these substantial losses would continue for the foreseeable future, and in particular projected net losses of approximately \$365 million in 2010 and further losses in 2011. These losses have severely depleted its capital and future losses will further erode capital levels. At March 31 of this year, TSFG's tangible common equity ratio had declined precipitously to 2.9% (compared to 6% a year earlier) and both TSFG's and the Carolina First Bank's credit ratings have been reduced to "junk" status. As a result of TSFG's severe financial challenges, on April 30, 2010, the FDIC and the South Carolina Board of Financial Institutions required Carolina First Bank to enter into a consent order, and TSFG entered into a formal written agreement with the Federal Reserve effective May 4, 2010. As discussed in TSFG's public filings, these regulatory agreements, among other things, require that Carolina First Bank meet and maintain a minimum Tier 1 leverage ratio of 8% and a minimum total risk-based capital ratio of 12% by August 28, 2010, prohibit Carolina First Bank from originating or renewing brokered deposits without prior FDIC approval, limit the interest rates Carolina First Bank is permitted to pay on customer deposits and require TSFG to develop a capital plan addressing TSFG's and Carolina First Bank's current and future capital requirements. Carolina First Bank's capital ratios are substantially lower than the minimums required by these regulatory agreements, and TSFG expects that if it does not meet those requirements in accordance with the terms of the regulatory agreements, Carolina First Bank will ultimately be subject to FDIC receivership, which will result in the insolvency of TSFG and a complete loss by its

shareholders of their investment in the company.

In light of the circumstances TSFG has faced over the past several years, TSFG has undertaken numerous and exhaustive efforts to preserve and raise capital, reduce problem asset levels and stabilize earnings. These efforts began in early 2008, when TSFG raised \$250 million of capital through a mandatorily convertible preferred stock

Table of Contents

issuance. TSFG raised an additional \$347 million in December 2008 by selling preferred stock to the U.S. Department of the Treasury under the Treasury's Capital Purchase Program. Due to continuing losses, these efforts were insufficient, and TSFG announced and began executing a capital plan in June 2009 to bolster its common equity. This plan enabled TSFG to raise \$85 million of common equity in an underwritten public offering, \$200 million from public and private exchanges of the mandatorily convertible preferred stock for common stock, and \$16 million from the sale of three ancillary businesses. TSFG also took various other steps, including first reducing and then suspending all common stock, preferred stock and trust preferred securities dividends, and reducing its total loans by approximately \$2.2 billion from December 31, 2008 to March 31, 2010.

Although TSFG completed over \$942 million of capital actions in 2008 and 2009, those actions proved insufficient in the face of mounting losses. In the fall of 2009, TSFG began to explore the potential for a transaction or series of transactions that would enable the company to obtain a substantial capital infusion from private capital sources that would effectively recapitalize TSFG, and formed a special committee to assist in leading those efforts with management, comprised of directors M. Dexter Hagy, Jon W. Pritchett, C.B. Smith and William R. Timmons III and former director Edward J. Sebastian. Members of management, including Chief Executive Officer H. Lynn Harton and Chief Financial Officer James R. Gordon, were invited to, attended, and actively participated in the meetings of the special committee. As a result, TSFG, working with its advisors, began discussions with a number of potential capital sources. The potential investors engaged in discussions with management, led by Mr. Harton, and conducted due diligence regarding a potential recapitalization transaction. In December 2009, following discussions with its bank regulators, and in recognition of its large and growing need for a substantial amount of capital, TSFG committed to expand its efforts by proceeding on simultaneous paths in which it would seek either to obtain a substantial capital infusion from public or private investors or to sell itself to a strategic partner. Accordingly, TSFG began to approach and undertake discussions and due diligence with potential strategic partners in addition to the discussions in process with private capital sources. Working with and through its advisors, TSFG undertook a comprehensive effort to identify potential transaction partners, including parties both within and beyond its geographic footprint. Among other efforts, TSFG or its advisors contacted the principals of these potential transaction partners and distributed materials relating to the company and its business. In total, TSFG or its advisors formally contacted nineteen potential strategic acquirers and investors, and fourteen of those potential partners entered into confidentiality agreements with TSFG. Upon execution of a confidentiality agreement, parties were provided with access to an electronic data room containing extensive due diligence materials relating to TSFG, and a number of parties participated in discussions with management. In addition, six parties attended formal presentations by TSFG's management, which were arranged by TSFG's financial advisor, Morgan Stanley, and led by Mr. Harton, relating to a potential transaction with the Company.

Following several months of due diligence and management meetings, none of the capital sources remained interested in pursuing discussions with TSFG, with a number of such investors indicating they were not interested in pursuing an investment in TSFG because of the extent of the perceived credit losses in TSFG's loan portfolio, as well as the risk of bank failure and seizure by the FDIC. Similarly, while TSFG sought to engage in discussions and due diligence with a number of potential strategic partners, only three potential partners engaged in comprehensive due diligence. After this diligence, two determined not to proceed with a potential transaction in view of significant anticipated credit losses in TSFG's loan portfolio and only TD expressed a willingness to continue to explore a potential transaction.

Throughout this period and through the announcement of the merger on May 17, 2010, the TSFG board of directors met periodically to receive updates and engage in discussions regarding the status of TSFG's financial condition, the results of its efforts to seek a transaction and the status of the discussions with the bank regulatory authorities. Also during this period, the TSFG special committee met regularly between meetings of the full board to consider and discuss these matters and related matters and give direction to management and TSFG's advisors. During this period representatives of TSFG, including Mr. Harton, also engaged in weekly update discussions with the FDIC, the Federal Reserve and the South Carolina State Board of Financial Institutions, and Mr. Harton generally served as TSFG's

primary contact with its regulators throughout TSFG's strategic process.

While TD continued to conduct due diligence and explore the potential for a transaction, TSFG also continued to seek out other potential capital sources and strategic merger partners. These efforts became particularly important following the issuance of the FDIC consent order and written agreement with the Federal Reserve Board because of

Table of Contents

TSFG's inability to meet the requirements contained therein absent a strategic transaction or substantial capital raise. These various efforts resulted in further discussions and due diligence efforts with additional potential investors and acquirers, as well as with some of the potential partners previously contacted by TSFG which had previously determined not to pursue a transaction. These efforts took place both before and after the period following the release by TSFG and other U.S. bank holding companies of first quarter 2010 earnings reflecting some degree of credit improvement at TSFG and across the industry, which resulted in renewed investor interest in regional banking franchises. In late April, one potential strategic partner expressed interest in a potential transaction at an indicative price that, while still below the market value of TSFG's common stock, exceeded the consideration offered under the merger agreement by TD. However, following additional due diligence on TSFG, the potential partner withdrew its indication and informed TSFG that it had determined that it was unable to arrive at a positive equity value for the company.

Thus, TSFG's efforts were not successful in obtaining a firm proposal from any of these potential investors or acquirers. In addition, analyses performed by TSFG and its financial advisor indicated that a public or private stock offering to raise capital would require a minimum of \$500 million and would likely need to equal or even exceed \$800 million in order to successfully address TSFG's capital needs and provide investors with an adequate capital cushion against potential future credit losses. TSFG, following discussions with its financial advisor, concluded that such a capital raise (which would appear to be the largest in U.S. public capital markets history relative to the issuer's pre-issuance market capitalization and shareholder base), was not likely achievable under the circumstances, and even if achievable would likely result in such massive dilution to existing TSFG shareholders that it would almost certainly provide less value to TSFG shareholders than the merger with TD.

During the period of TD's due diligence and consideration of a potential transaction, the parties also engaged in discussions regarding the treatment of the \$347 million of TSFG Series 2008-T Preferred Stock and related warrant held by the Treasury Department pursuant to the Treasury's Capital Purchase Program. In light of preliminary discussions with the Treasury Department and the occurrence of a number of publicly announced transactions involving similarly situated banks in which the Treasury Department had exchanged TARP preferred stock at a discount, TSFG engaged in general discussions with TD and other potential investors and strategic partners regarding the possibility of negotiating with the Treasury Department to redeem or exchange the Series 2008-T Preferred Stock at a discount, but in each case (other than TD) these parties ceased discussions with TSFG before arriving at a specific transaction that could be proposed to the Treasury Department. As the discussions with TD regarding a potential transaction progressed, TSFG, working with Morgan Stanley, and the Treasury Department held discussions relating to the consideration to be paid to the Treasury, and TSFG obtained a commitment from Treasury to accept approximately \$130.6 million as consideration for the exchange of the Series 2008-T Preferred Stock and related warrant and the discharge of all accrued but unpaid dividends on the preferred stock.

Following agreement in principle on the terms of the preferred stock repurchase, the parties continued to work to finalize the terms of the proposed merger, and counsel to TSFG and TD worked to finalize the definitive transaction documentation, including the merger agreement. The parties also worked on the Series M Preferred Stock purchase arrangements, under which TSFG agreed to issue and sell to TD, 100 shares of Series M Preferred Stock, which shares represent in the aggregate 39.9% of the voting power of TSFG's outstanding voting securities after giving effect to the issuance and will vote with the common stock on the merger agreement. The issuance was an essential component of, and a condition of TD's willingness to enter into, the merger. The share issuance was essential in order to provide TD, as well as TSFG's depositors and other customers and its regulators, with a reasonable level of confidence that TSFG would not be destabilized prior to the completion of the merger and that the merger transaction, once announced, would be completed.

On May 16, the audit committee of the TSFG board of directors met to discuss and consider the proposed Series M Preferred Stock purchase agreement. Ordinarily, the rules of the Nasdaq would require shareholder approval on an

issuance of securities having voting rights of 20% or more of the company's outstanding voting securities. However, following discussion and consideration of the factors described above and further discussed with the full board of directors as described below and under "Reasons for the Merger," including the lack of alternatives available to meet TSFG's capital and other regulatory obligations under the FDIC and Federal Reserve Board agreements and prevent the ultimate seizure of Carolina First Bank and resulting failure of TSFG, the audit

Table of Contents

committee unanimously determined that, upon full board approval of the transactions, it was appropriate to issue the Series M Preferred Stock without shareholder approval pursuant to Nasdaq Rule 5635(f). This Rule, commonly known as the financial viability exception, permits a Nasdaq-listed issuer, with the approval of Nasdaq, to issue securities without shareholder approval where the audit committee determines that the delay in securing shareholder approval prior to the consummation of the share issuance would seriously jeopardize the financial viability of the issuer. The TSFG audit committee so determined in connection with the proposed TD merger and related share issuance. As discussed below under **Nasdaq Matters**, subsequent to the announcement of the merger TSFG was advised by Nasdaq staff that they did not believe that the issuance of the Series M Preferred Stock without a shareholder vote would qualify under the financial viability exception. TSFG has determined that it is in the best interests of TSFG and its shareholders and other constituents to proceed with the issuance of the Series M Preferred Stock in accordance with the terms of the applicable purchase agreement, and intends to reassert its position that such issuance does qualify under the financial viability exception in any proceedings that Nasdaq may bring to delist TSFG's common stock, including if necessary in an appeal from any such delisting determination.

Also on May 16, the TSFG board of directors met to consider the proposed transactions with TD. The special committee and management reviewed for the TSFG board of directors the most recent discussions with TD and the Treasury Department and the result of the audit committee meeting. Representatives of TSFG's financial advisor, Morgan Stanley, reviewed with the TSFG board of directors the proposed financial terms of the transaction with TD. The Morgan Stanley representatives also reviewed with the TSFG board of directors additional information, including information regarding TSFG's financial condition, information regarding TSFG's capital needs and its efforts to seek alternative transactions to meet those needs, information regarding the commitment from Treasury regarding the Series 2008-T Preferred Stock and financial information regarding TD. In connection with the deliberation by the TSFG board of directors, Morgan Stanley rendered to the TSFG board of directors its oral opinion (subsequently confirmed in writing), as described under **Opinion of TSFG's Financial Advisor**, that, as of such date and based upon and subject to the assumptions, considerations, qualifications and limitations set forth in the written opinion, the consideration to be received by the holders of shares of TSFG's common stock pursuant to the merger agreement was fair, from a financial point of view, to such holders. Representatives of Wachtell, Lipton, Rosen & Katz, legal advisors to TSFG, discussed with the TSFG board of directors the legal standards applicable to its decisions and actions with respect to its evaluation of merger proposals, and reviewed the proposed transaction agreements, the terms of the Series M Preferred Stock and related information.

Following these discussions with their advisors, the members of the TSFG board of directors reviewed and discussed the proposed merger and related matters among the board members and with their advisors, including consideration of the factors described under **TSFG's Reasons for the Merger**. The TSFG board noted in particular that, other than the TD merger, it did not have any other viable alternative that would enable it to meet the obligations under the FDIC consent order or the written agreement with the Federal Reserve. The TSFG board also noted that if TSFG failed to meet those obligations, Carolina First Bank would ultimately be subject to FDIC receivership, which would in turn result in the insolvency of TSFG, and that any insolvency would likely result in a complete loss to its shareholders due to the minimal assets of TSFG outside of its investment in Carolina First Bank. Following these board deliberations, the TSFG board of directors determined that the merger, the merger agreement and the transactions contemplated by the merger agreement are advisable and in the best interests of TSFG and its shareholders, and the directors voted unanimously to approve the merger and other transactions and to approve and adopt the merger agreement and the other agreements and related matters.

The definitive transaction documentation was entered into as of May 16, 2010, and on the following day, the transaction was announced before the opening of the market in press releases issued by TD and TSFG.

TSFG's Reasons for the Merger

After careful consideration, the TSFG board of directors determined that the merger agreement and the transactions contemplated by the merger agreement were advisable and in the best interests of TSFG and its shareholders and approved the merger agreement and the transactions contemplated by the merger agreement, including the merger and the Series M Preferred Stock issuance. Accordingly, TSFG's board recommends that TSFG shareholders vote FOR adoption of the merger agreement at the TSFG special meeting.

Table of Contents

In reaching its decision, the board of directors, with advice from its financial and legal advisors, considered a number of factors, including the following:

The lack of strategic alternatives available to TSFG, notwithstanding the exhaustive search and evaluation of alternatives conducted by TSFG with the assistance of its financial and legal advisors.

The likelihood that TSFG would not be able to access the capital markets at levels sufficient to meet its obligations under the FDIC consent order, and the risk that pursuing such a path despite its low likelihood would jeopardize the potential transaction with TD.

The fact that any material failure to comply with the provisions of the FDIC consent order or the written agreement with the Federal Reserve Board would result in additional enforcement actions, including, in the absence of a transaction that satisfies the capital requirements under the FDIC and Federal Reserve Board agreements, eventual FDIC receivership of Carolina First and the resulting insolvency of TSFG.

The risks that TSFG faces in terms of loss of liquidity in the future, including the regulatory prohibition on accepting or renewing brokered deposits without FDIC approval in light of its approximately \$1 billion of maturing brokered deposits prior to June 2011 (\$1.9 billion outstanding) (as of May 2010). In addition, the board noted that TSFG's deteriorating financial position or external events could trigger deposit outflows or volatility, further weakening its liquidity position and impacting TSFG's franchise value.

The belief that FDIC receivership and the resulting failure of TSFG would result in a complete loss of value to TSFG's shareholders, and would also have significant adverse impacts on depositors, other customers, the Treasury Department, the resources of the FDIC and employees.

TSFG's and TD's respective sizes, businesses, operations, financial conditions, asset quality, earnings and prospects, including the stronger balance sheet and relative prospects of TD.

The Carolina First Bank loan portfolio and the current and prospective environment in which it operates, which reflects challenging conditions and risks that are likely to persist, including future credit losses, the potential for volatile market actions and generally uncertain economic conditions. The board also considered the effect these factors could have on TSFG's liquidity and capital position and funding capabilities, and noted the effects which these factors had had on its business, including difficulties in retaining necessary vendor contracts, limitations on its ability to confirm letters of credit for customers, the elimination of all trading and other credit lines with financial institutions (which severely restricts its ability to serve commercial and international customers), and significant and continuing deterioration in TSFG's ability to hire and retain employees.

The inability of financial institutions such as TSFG to withstand a loss of confidence, which presents the risk of a run on the bank that could have a material and adverse impact on Carolina First Bank and the speed with which such a loss of confidence and resulting impact can cause bank regulators to proceed with bank seizure.

The fact that TD was willing to permit, and the merger agreement allows, all holders to elect between the cash consideration and the stock consideration, and that the stock consideration had a fixed exchange ratio and, therefore, would allow TSFG shareholders to participate in a portion of the future performance of the combined TSFG and TD businesses and synergies resulting from the merger, and the value to TSFG shareholders represented by that consideration. The TSFG board of directors also considered that the consideration reflected a substantial discount to TSFG's then-current and historical trading prices.

Closing certainty and time to closing, along with management's belief that TSFG's regulators would view the transaction favorably.

The terms of the merger agreement and share purchase agreement.

The oral opinion of Morgan Stanley (which subsequently was confirmed in writing) that, as of May 16, 2010 and based upon and subject to the assumptions, considerations, qualifications and limitations set forth in the written opinion, the consideration to be received by the holders of shares of TSFG's common stock pursuant

Table of Contents

to the merger agreement was fair, from a financial point of view, to such holders. For more information, see **Opinion of TSFG's Financial Advisor** beginning on page 37.

The requirement that TSFG issue shares of preferred stock to TD that would give TD voting rights reflecting 39.9% of TSFG's post-issuance voting securities, which would provide greater certainty and stability at TSFG, but which would lessen the ability of TSFG shareholders to accept a competing transaction proposal or otherwise vote down the proposed merger.

The reasons set forth above are not intended to be exhaustive, but include material factors considered by the board of directors in approving the merger agreement. Although each member of TSFG's board individually considered these and other factors, the board did not collectively assign any specific or relative weights to the factors considered and did not make any determination with respect to any individual factor. The board collectively made its determination with respect to the merger based on the conclusion reached by its members, in light of the factors that each of them considered appropriate, that the merger is in the best interests of TSFG and its shareholders. TSFG's board of directors realized there can be no assurance about future results, including results expected or considered in the factors listed above. However, the board concluded the potential positive factors outweighed the potential risks of entering into the transaction agreements.

Opinion of TSFG's Financial Advisor

TSFG retained Morgan Stanley to act as its financial advisor in connection with the merger because of Morgan Stanley's qualifications, expertise and reputation, as well as its knowledge of the business and affairs of TSFG and its investment banking professionals' substantial experience in comparable transactions. On May 16, 2010, Morgan Stanley rendered its oral opinion, subsequently confirmed in writing, to TSFG's board of directors that, as of such date and based upon and subject to the assumptions, considerations, qualifications and limitations set forth in the written opinion, the consideration to be received by the holders of shares of TSFG's common stock pursuant to the merger agreement was fair, from a financial point of view, to such holders.

The full text of Morgan Stanley's written fairness opinion, dated May 17, 2010, is attached as Appendix B to this proxy statement/prospectus. You should read the Morgan Stanley opinion for a discussion of the assumptions made, procedures followed, factors considered and limitations upon the review undertaken by Morgan Stanley in rendering its opinion. Morgan Stanley's opinion is directed to TSFG's board of directors and addresses only the fairness, from a financial point of view, of the consideration to be received by the holders of shares of TSFG's common stock pursuant to the merger agreement, and it does not address any other aspect of the merger nor does it constitute a recommendation to any shareholder as to how to vote at any shareholders meeting. The summary of the opinion of Morgan Stanley set forth in this document is qualified in its entirety by reference to the full text of such opinion.

In arriving at its opinion, Morgan Stanley, among other things:

reviewed certain publicly available financial statements and other business and financial information of TSFG and TD, respectively;

reviewed certain internal financial statements and other financial and operating data concerning TSFG;

reviewed certain financial projections prepared by management of TSFG;

reviewed (i) the consent order with the FDIC and the South Carolina State Board of Financial Institutions, effective April 30, 2010, which consent order was entered into by the board of directors of TSFG's bank

subsidiary, Carolina First Bank, and (ii) TSFG's written agreement with the Federal Reserve Board, effective May 4, 2010;

discussed the past and current operations and financial condition and the prospects of TSFG with senior executives of TSFG;

reviewed the reported prices and trading activity for TSFG's common stock and TD's common stock;

Table of Contents

compared the financial performance of TSFG and TD and the prices and trading activity of TSFG's common stock and TD's common stock with that of certain other publicly-traded companies comparable with TSFG and TD, respectively, and their securities;

reviewed the financial terms, to the extent publicly available, of certain recent recapitalization transactions involving certain companies comparable with TSFG;

participated in discussions and negotiations among representatives of TSFG and TD and their financial and legal advisors;

reviewed the merger agreement and certain related documents; and

performed such other analyses, reviewed such other information and considered such other factors as Morgan Stanley deemed appropriate.

The TSFG board of directors advised Morgan Stanley that TSFG had considerable exposure to risks related to the deteriorating credit performance and declining values of a significant portion of the loan portfolio and related assets of TSFG and its subsidiaries, and that the business and prospects of TSFG were severely and negatively affected as a result thereof, as well as due to the prevailing economic, financial and regulatory environment and the deteriorating financial condition of TSFG.

In particular, the TSFG board of directors informed Morgan Stanley that:

The board of directors of TSFG's bank subsidiary, Carolina First Bank, had entered into the consent order, that, among other things, included the following:

A requirement that Carolina First Bank have a tier 1 leverage ratio of not less than 8% and a total risk-based capital ratio of not less than 12% within 120 days of the date of the consent order;

Prohibitions on Carolina First Bank's ability to accept or renew brokered deposits without prior approval from the FDIC, which may put severe pressure on Carolina First Bank's short and long term liquidity needs; and

Limitations on Carolina First Bank with respect to the rates it can pay on certain customer deposits.

TSFG had also entered into the written agreement, that, among other things, required TSFG to submit to the Federal Reserve Board, within 60 days of such agreement, an acceptable written plan to maintain sufficient capital at TSFG on a consolidated basis; and

TSFG expected that, absent a transaction such as the merger or a significant infusion of new capital, TSFG's capital position would become severely strained and, as a result, TSFG and Carolina First Bank would face additional regulatory actions, including intervention by the United States federal banking regulators, and/or TSFG would be required to seek protection under applicable bankruptcy laws.

As part of Morgan Stanley's engagement, Morgan Stanley assisted the management of TSFG in connection with its evaluation of a range of strategic alternatives, including, but not limited to, a sale of TSFG and capital raising and recapitalization alternatives. As part of this process, TSFG had discussions with a significant number of potential strategic acquirors and investors. In arriving at its opinion, Morgan Stanley took into account the foregoing.

The TSFG board of directors advised Morgan Stanley that, as a result of the foregoing, TSFG and its board of directors were faced with a narrow set of alternatives, which, at the time of Morgan Stanley's opinion, were limited to a significant strategic transaction such as the merger or intervention by United States banking regulators and eventual liquidation of TSFG, and, at that point, there were no executable transactions other than the merger. Morgan Stanley considered recent instances where concerns regarding the liquidity of a bank or financial institution triggered a rapid deterioration of the institution's financial condition, necessitating government intervention or bankruptcy protection and, as a result of which, the common equity holders of the institution received substantially diminished value, if any at all, for their equity. In light of the facts and circumstances, Morgan Stanley assumed that, if Carolina First Bank were taken over by the United States federal banking regulators and TSFG's non-banking

Table of Contents

assets were liquidated under applicable bankruptcy laws, the holders of TSFG's common stock would likely receive no value for their shares.

In arriving at its opinion, Morgan Stanley assumed and relied upon, without independent verification, the accuracy and completeness of the information that was publicly available or supplied or otherwise made available to it by TSFG, and formed a substantial basis for its opinion. With respect to the financial projections, Morgan Stanley assumed that they had been reasonably prepared on bases reflecting the best currently available estimates and judgments of TSFG's management of the future financial performance of TSFG. In addition, Morgan Stanley assumed that the merger will be consummated in accordance with the terms set forth in the merger agreement without any waiver, amendment or delay of any terms or conditions. Morgan Stanley assumed that, in connection with the receipt of all the necessary governmental, regulatory or other approvals and consents required for the merger, no delays, limitations, conditions or restrictions will be imposed that would have a material adverse effect on the contemplated benefits expected to be derived in the merger. Morgan Stanley is not a legal, tax, accounting or regulatory advisor. Morgan Stanley is a financial advisor only and relied upon, without independent verification, the assessment of TSFG and its legal, tax, accounting, or regulatory advisors with respect to legal, tax, accounting, or regulatory matters. Morgan Stanley's opinion is not a solvency opinion and did not in any way address the solvency or financial condition of TSFG or whether other strategic alternatives exist for TSFG or are available. Morgan Stanley expressed no opinion with respect to the fairness of the amount or nature of the compensation to any of TSFG's officers, directors or employees, or any class of such persons, relative to the consideration to be received by the holders of TSFG's common stock in the merger. Morgan Stanley did not make any independent valuation or appraisal of the assets or liabilities of TSFG, nor was it furnished with any such appraisals. Morgan Stanley does not have expertise in the evaluation of allowances for loan losses, and it neither made an independent evaluation of the adequacy of the allowance for loan losses at TSFG nor examined any individual loan credit files of TSFG, nor was Morgan Stanley requested to conduct such a review. Accordingly, Morgan Stanley relied upon, without independent verification, the assessment by TSFG's management that the aggregate allowance for the estimated loan losses of TSFG was adequate. In particular, Morgan Stanley did not express any opinion as to the value of any asset of TSFG, whether at the current market prices or in the future. Morgan Stanley noted, however, that, under the ownership of a company with adequate liquidity and capital, such as TD, the value of TSFG could substantially improve, resulting in significant returns to TD if the proposed merger is consummated. Morgan Stanley's opinion was necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to Morgan Stanley as of, the date of the opinion. Events occurring after such date may affect its opinion and the assumptions used in preparing it, and Morgan Stanley did not assume any obligation to update, revise or reaffirm its opinion. Morgan Stanley's opinion was approved by a committee of Morgan Stanley investment banking professionals in accordance with its customary practices.

The following is a summary of the material financial analyses used by Morgan Stanley in connection with providing its opinion to TSFG's board of directors. The financial analyses summarized below include information presented in tabular format. In order to fully understand the financial analyses used by Morgan Stanley, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. Rather, the analyses listed in the tables and described below must be considered as a whole; considering any portion of such analyses and of the factors considered, without considering all analyses and factors, could create a misleading or incomplete view of the process underlying Morgan Stanley's fairness opinion. Morgan Stanley did not perform certain analyses that it would customarily prepare in connection with a financial opinion letter because such analyses were not meaningful as a result of the extraordinary circumstances of TSFG described in the opinion.

Review of Alternatives

Based on information provided by TSFG's board of directors, Morgan Stanley reviewed the condition of TSFG and the alternatives available to TSFG. The TSFG board of directors informed Morgan Stanley that TSFG's principal operating subsidiary, Carolina First Bank, had received the consent order following, among other things,

approximately \$1.4 billion in losses (after preferred dividends) since 2008, significant continuing expected losses and rapidly depleting capital. The consent order, among other things, required Carolina First Bank to raise substantial capital within 120 days. The TSFG board of directors also informed Morgan Stanley that TSFG had

Table of Contents

entered into the written agreement with the Federal Reserve Board. Based upon the foregoing, absent third party action (i.e., a sale of the company or substantial capital raise), Carolina First Bank would exhaust its regulatory capital, fail to achieve the obligations under the consent order and be expected to be seized by the FDIC. Because TSFG had only minimal assets beyond its investment in Carolina First Bank, its common shareholders would likely receive no value in the event of a seizure of the bank.

TSFG had conducted an extensive review of capital options and potential investors and no definitive offers were received. Even if a recapitalization of TSFG could be completed, the terms of recent publicly announced recapitalization transactions involving companies that Morgan Stanley, based on its experience, deemed comparable to TSFG would imply a value to TSFG's common stock that is less than the value attributed to such shares in the merger with TD.

Using publicly available information, Morgan Stanley reviewed the following transactions:

Sterling Financial Corporation's proposed capital plan, consisting of a \$170 million investment by Thomas H. Lee Partners; conversion of \$303 million of preferred stock held by the U.S. Treasury into common stock at a 75% discount; and a \$555 million capital raise (announced April 27, 2010); and

Ford Financial Fund, L.P.'s proposed investment of \$500 million in Pacific Capital Bancorp, conditioned upon Pacific Capital Bancorp's exchange of \$181 million of preferred stock held by the U.S. Treasury for common stock at an 80% discount; successful tender for at least 70% of \$67 million of trust preferred securities at an 80% discount and \$121 million of subordinated debt at a 70% discount; and receipt of approval from NASDAQ for an exemption to its shareholder voting requirements pursuant to NASDAQ's financial viability exception (announced April 29, 2010).

No company or transaction utilized in this analysis is identical to TSFG or the merger.

The following table sets forth certain financial metrics of these transactions and the implied price per share of TSFG common stock, based on TSFG's closing price on the Nasdaq Global Select Market on May 14, 2010 of \$0.67 per share:

Sterling Financial	Financial Metrics	Implied Price per Share for TSFG
Discount to Current Market Price	87%	\$0.08
Price/Tangible Book Value*	Not Meaningful	Not Meaningful
Pro Forma Ownership of Existing Shareholders	1%	\$0.05**
Pacific Capital	Financial Metrics	Implied Price per Share for TSFG
Discount to Current Market Price	95 %	\$ 0.03
Price/Tangible Book Value	0.1 x	\$ 0.16
Pro Forma Ownership of Existing Shareholders	2 %	\$ 0.07 **

* Sterling Financial reported negative tangible book value at March 31, 2010.

** Assumes \$800 million common equity raise by TSFG.

Morgan Stanley was also advised that TSFG conducted an extensive solicitation of strategic partners and received no definitive offers other than from TD with respect to the merger.

The TSFG board of directors advised Morgan Stanley that, as a result of the foregoing, TSFG and its board of directors were faced with a narrow set of alternatives, which at the time of Morgan Stanley's opinion were limited to a significant strategic transaction such as the merger with TD or intervention by United States banking regulators and eventual liquidation of TSFG, and that at that point, there were no executable transactions other than the merger with TD.

Table of Contents***TD Valuation Summary***

The number of shares of TD common stock issuable in the merger for each share of TSFG common stock for which an election to receive TD shares is made was calculated based on TD's closing stock price on the Toronto Stock Exchange on May 14, 2010 of C\$73.39 per share, converted to U.S. dollars, as compared to the cash price per share of TSFG common stock for which an election to receive cash in the merger is made (\$0.28).

Discounted Cash Flow Analysis

Morgan Stanley conducted an illustrative discounted cash flow analysis on TD (on a stand-alone basis), using Institutional Brokers' Estimate System, which we refer to as IBES, mean earnings per share estimates for the remainder of fiscal year 2010, and fiscal years 2011 and 2012, grown at 7.0% thereafter, a 5% tangible common equity ratio, discount rates ranging from 10% - 12% and terminal forward earnings multiples ranging from 10.0x - 12.0x applied to estimated earnings for fiscal year 2015. IBES is a data service that compiles forward-looking financial estimates made by equity research analysts for U.S. publicly traded companies. This analysis resulted in an implied present value per share of TD common stock in the range of C\$67 to C\$85, as compared to TD's closing stock price on the Toronto Stock Exchange on May 14, 2010 of C\$73.39.

Comparative Analysis of TD Trading Multiples

Morgan Stanley also reviewed certain historical trading multiples of TD common stock in relation to the corresponding mean trading multiples for selected companies that share similar business characteristics with TD.

The selected companies were divided into two segments:

Canadian peers: Royal Bank of Canada, Bank of Nova Scotia, BMO Financial Group and Canadian Imperial Bank of Commerce; and

U.S. peers: Wells Fargo & Co., Bank of America Corp., JPMorgan Chase & Co., Citigroup Inc., U.S. Bancorp and PNC Financial Services Group, Inc.

The following table lists the results of the analysis:

	Closing Price as a Multiple of Next 12 Months Earnings Estimates					
	Over Period Ending on May 14, 2010					
	Current	1-Month Avg.	6-Month Avg.	1-Year Avg.	3-Year Avg.	5-Year Avg.
The Toronto-Dominion Bank	11.5	12.0	11.8	11.9	10.8	11.5
Canadian peers mean	11.8	12.3	12.2	12.2	10.7	11.5
U.S. peers mean	12.2	14.3	15.1	15.8	12.8	12.4

Closing Price as a Multiple of Tangible Book Value per Share					
Over Period Ending on May 14, 2010					
	1-Month	6-Month	1-Year	3-Year	5-Year

	Current	Avg.	Avg.	Avg.	Avg.	Avg.
The Toronto-Dominion Bank	3.4	3.5	3.3	3.2	3.8	4.4
Canadian peers mean	3.0	3.0	2.9	2.9	2.8	3.0
U.S. peers mean	2.0	2.1	2.0	2.0	2.6	3.0

Sources: FactSet and SNL Financial

No company utilized in the comparative analysis of TD trading multiples is identical to TD. In evaluating the comparable companies, Morgan Stanley made judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of TD, such as the impact of competition on the businesses of TD and the industry generally, industry growth and the absence of any adverse material change in the financial condition and prospects of TD or the industry or in the financial markets in general. Mathematical analysis (such as determining the average or median) is not in itself a meaningful method of using peer data.

Table of Contents

Miscellaneous

The preparation of a financial opinion is a complex process and is not necessarily susceptible to a partial analysis or summary description. In arriving at its opinion, Morgan Stanley considered the circumstances described above and the results of all of its analyses as a whole and did not attribute any particular weight to any analysis or factor it considered. Morgan Stanley believes that selecting any portion of its analyses, without considering all analyses as a whole, would create an incomplete view of the process underlying its analyses and opinion. In addition, Morgan Stanley may have given various analyses and factors more or less weight than other analyses and factors, and may have deemed various assumptions more or less probable than other assumptions. In performing its analyses, Morgan Stanley made numerous assumptions with respect to industry performance, general business and economic conditions and other matters. Many of these assumptions are beyond the control of TSFG and TD. Any estimates contained in Morgan Stanley's analyses are not necessarily indicative of future results or actual values, which may be significantly more or less favorable than those suggested by such estimates.

Morgan Stanley conducted the analyses described above solely as part of its analysis of the fairness of the consideration to be received by the holders of TSFG's common stock pursuant to the merger agreement from a financial point of view to such holders and in connection with the delivery of its opinion to TSFG's board of directors. These analyses do not purport to be appraisals or to reflect the prices at which shares of TSFG's common stock might actually trade.

The consideration to be paid pursuant to the merger agreement was determined through arm's-length negotiations between TSFG and TD and was approved by TSFG's board of directors. Morgan Stanley provided advice to TSFG during these negotiations. Morgan Stanley did not, however, recommend any specific merger consideration to TSFG or that any specific merger consideration constituted the only appropriate merger consideration for the merger. Morgan Stanley's opinion did not in any manner address the prices at which TD's common stock will trade following consummation of the merger. Morgan Stanley's opinion did not address the underlying business decision of TSFG to engage in the merger, or the relative merits of the merger as compared to any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or were available. Morgan Stanley's opinion addressed only the fairness, from a financial point of view, to the holders of TSFG's common stock, as of the date of the opinion, of the consideration to be received by such holders pursuant to the merger agreement. Morgan Stanley expressed no view on, nor did its opinion address, any other term or aspect of the fairness of the merger to, or any consideration received in connection therewith by, the holders of any class of securities, creditors, or other constituencies of TSFG other than holders of TSFG common stock. Morgan Stanley expressed no view or opinion as to any terms or other aspects of the merger, including, without limitation, (i) TD's acquisition of shares of the Series M Preferred Stock and (ii) TD's purchase from the United States Department of the Treasury of all of the outstanding shares of TSFG Series 2008-T Preferred Stock, and the associated warrant, acquired under the Treasury's Capital Purchase Program, each to be effected by TD in connection with the merger.

Morgan Stanley's opinion and its presentation to TSFG's board of directors was one of many factors taken into consideration by TSFG's board of directors in deciding to approve, adopt and authorize the merger agreement. Consequently, the analyses as described above should not be viewed as determinative of the opinion of TSFG's board of directors with respect to the merger consideration or of whether TSFG's board of directors would have been willing to agree to a different merger consideration.

Morgan Stanley is a global financial services firm engaged in the securities, investment management and individual wealth management businesses. Morgan Stanley's securities business is engaged in securities underwriting, trading and brokerage activities, foreign exchange, commodities and derivatives trading, prime brokerage, as well as providing investment banking, financing and financial advisory services. Morgan Stanley, its affiliates, directors and officers may at any time invest on a principal basis or manage funds that invest, hold long or short positions, finance positions,

and may trade or otherwise structure and effect transactions, for their own account or the accounts of its customers, in debt or equity securities or loans of TSFG, TD or any other company, or any currency or commodity, that may be involved in the proposed merger, or any related derivative instrument.

In the two years prior to the date of its opinion, Morgan Stanley and its affiliates have provided financial advisory and financing services for each of TSFG and TD and have received fees in connection for such services.

Table of Contents

Morgan Stanley may also seek to provide such services to TD in the future and expects to receive fees for the rendering of these services. Morgan Stanley acted as financial advisor to the board of directors of TSFG in connection with the merger. As compensation for its services in connection with the merger, TSFG has agreed to pay Morgan Stanley aggregate fees of approximately \$12,875,000, a substantial portion of which is payable upon the completion of the merger. TSFG has also agreed to reimburse Morgan Stanley for certain expenses incurred by Morgan Stanley, including fees of outside legal counsel, and to indemnify Morgan Stanley and its affiliates, their respective directors, officers, agents and employees and each person, if any, controlling Morgan Stanley or any of its affiliates against certain liabilities and expenses, including certain liabilities under the federal securities laws, related to or arising out of Morgan Stanley's engagement.

TD's Reasons for the Merger

One of TD's strategic priorities is the continued expansion of its U.S. operations in businesses in which TD is strong in Canada and sees opportunities for growth in the United States. In that regard, TD believes that the acquisition of TSFG will complement TD's U.S. growth strategy, footprint and retail banking model. In particular, TD believes it will expand its presence in the Florida market and provide a strong entry for TD into South Carolina and North Carolina. TD also considered the experience and quality of TSFG's current management team as a significant benefit of the transaction and believes there is a growth opportunity in providing a broader suite of retail and commercial banking products to TSFG's customers. The board of directors of TD approved the merger agreement after TD's senior management discussed with the board of directors a number of factors, including those described above and the business, assets, liabilities, results of operations, financial performance, strategic direction and prospects of TSFG. The TD board of directors did not consider it practicable to, and did not attempt to, quantify or otherwise assign relative weights to the specific factors it considered in reaching its determination. The TD board of directors viewed its position as being based on all the information and the factors presented to and considered by it. In addition, individual directors may have given different weights to different information and factors.

Litigation Relating to the Merger

TSFG, members of its board of directors and management, TD and Hunt Merger Sub, Inc. have been named as defendants in two purported class action lawsuits in the South Carolina Court of Common Pleas, consolidated under the caption *In re The South Financial Group, Inc., Civil Action No. 2010-CP-23-5001*. The consolidated action alleges breach of fiduciary duty by the TSFG directors in connection with the acquisition contemplated by the merger agreement and the issuance of Series M preferred stock to TD, and asserts aiding and abetting claims against TSFG, TD and Hunt Merger Sub, Inc. On August 6, 2010, the parties entered into a stipulation of settlement to settle the consolidated action. Under the stipulation of settlement, the defendants agreed to include certain additional disclosures relating to the merger in this proxy statement/prospectus and TD agreed not to engage in any additional purchases of outstanding shares of TSFG common stock as of July 22, 2010 and prior to the record date. The stipulation of settlement is subject to the approval of the South Carolina Court of Common Pleas.

Interests of TSFG's Executive Officers and Directors in the Merger

In considering the recommendation of the TSFG board of directors that you vote to adopt the merger agreement, you should be aware that some of TSFG's executive officers and directors may have financial interests in the merger that are different from, or in addition to, those of TSFG's shareholders generally. The independent members of TSFG's board of directors were aware of and considered these interests, among other matters, in evaluating and negotiating the merger agreement and the merger, and in recommending to the shareholders that the merger agreement be adopted.

Equity Compensation Awards

Under the merger agreement, upon completion of the merger, outstanding TSFG equity awards (except for TSFG restricted stock units, which we refer to as RSUs) will be converted into corresponding TD equity awards, based on the exchange ratio in the merger. Outstanding TSFG restricted stock units will be converted into the right to receive \$0.28 per share subject to such restricted stock unit, upon completion of the merger. Under the terms of the merger agreement, stock options to purchase shares of TSFG common stock that were granted under the Florida

Table of Contents

Banks, Inc. 1998 Stock Option Plan and the TSFG Stock Option Plan will vest and terminate, in accordance with their terms, upon completion of the merger or, to the extent required by their terms, during a period of up to 31 days thereafter. The treatment of outstanding TSFG equity awards in the merger are discussed in greater detail under Treatment of TSFG Options and Other Equity Based Awards beginning on page 55.

The table below sets forth the number of stock options, service- and performance-based restricted shares and RSUs that will vest upon consummation of the merger for each TSFG executive officer, as well as for the non-employee directors as a group, based on TSFG equity compensation awards outstanding as of August 18, 2010, and assuming a merger completion date of September 30, 2010.

	Outstanding	Outstanding	Outstanding	Outstanding	Outstanding
	Stock	Service	Performance	Service	Performance
	Options That	Based	Based	Based	Based
	Would Vest	Restricted	Restricted	RSUs That	RSUs
	Would Vest	Shares That	Shares	That	That
	Would Vest	Would Vest	That	Would Vest	Would Vest
	Would Vest	Would Vest	Would Vest	Would Vest	Would Vest
H. Lynn Harton	110,000	0	0	10,000	0
Tanya A. Butts	21,250	0	0	1,875	0
William P. Crawford, Jr.	56,000	0	0	5,000	0
J. Ernesto Diaz	10,834	3,334	0	1,500	0
Robert A. Edwards	23,500	0	0	3,000	0
Christopher S. Gompper	22,750	0	0	1,875	0
James R. Gordon	106,000	0	0	10,000	0
Christopher G. Speaks	9,950	0	0	1,500	0
Non-employee directors, as a group	0	0	0	0	0

Employment Agreements

Current Employment Agreements. TSFG is party to Noncompetition, Severance and Employment Agreements, which we refer to as employment agreements, with each of its executive officers (Messrs. Gordon, Crawford, Gompper, Diaz, Harton, Speaks and Edwards and Ms. Butts), which will, upon the consummation of the merger, be superseded by their offer letters with TD, as described in more detail below.

Under the terms of the employment agreements, if an executive officer's employment is terminated without cause or due to a constructive termination, in each case, following a change in control (each as defined under the employment agreement), the executive would have been eligible to receive severance benefits, which included a lump sum cash severance benefit equal to a multiple of one to three times the sum of the executive's annual base salary and average annual cash bonus earned in the three years preceding the executive's termination, vesting of certain equity compensation awards and continued coverage under TSFG's health and life insurance plans.

In addition, in the event that any payments or benefits made to the executive would be subjected to the excise tax imposed by Section 4999 of the Internal Revenue Code, under the terms of the employment agreements, Messrs. Harton, Crawford and Gordon would have received an additional payment such that they would be placed in

the same after-tax position as if no excise tax had been imposed. However, to the extent such payments or benefits do not exceed 110% of the specified statutory threshold amount giving rise to the excise tax, Messrs. Harton, Crawford and Gordon would not have been entitled to any additional payment and any payments or benefits would have been reduced to the maximum amount that he could receive without being subject to the excise tax. In the case of all the other executive officers, any severance payments or benefits that would be subject to the excise tax under Section 4999 of the Code would have been reduced to the maximum amount that he or she could receive without being subject to the excise tax.

Because each of the executive officer's existing employment agreements will be superseded by their respective new offer letter agreements with TD at the completion of the merger, none of the executive officers will receive severance benefits under their existing employment agreement.

Table of Contents

New Offer Letter Agreement with Messrs. Gordon and Crawford. Messrs. Gordon and Crawford have each entered into a new offer letter agreement with TD that will become effective upon the completion of the merger and will have an employment term guaranteed up to 90 days after the completion of the merger (except in the event of a termination for cause). Under the terms of these new offer letter agreements, Mr. Gordon and Mr. Crawford's base salary will be \$345,000 and \$275,625, respectively. Upon the applicable executive's termination of employment (excluding termination for cause) at a date no earlier than the end of the employment term, executive will be entitled to a severance payment of \$650,000, in lieu of any severance benefits under TD's severance arrangements. In the event that any payments or benefits made to the executive would be subjected to the excise tax imposed by Section 4999 of the Internal Revenue Code, such payments will be reduced to the maximum amount that the executive could receive without being subject to the excise tax.

New Offer Letter Agreements with Messrs. Speaks, Gompper, Diaz, Edwards, Harton and Ms. Butts. Messrs Speaks, Gompper, Diaz, Edwards and Harton and Ms. Butts have each entered into a new offer letter agreement with TD that will become effective upon the completion of the merger. Under the terms of the offer letter agreement, Messrs Gompper, Diaz, Edwards and Harton and Ms. Butts will each be eligible to receive (1) an annual base salary equal to \$300,000, \$300,000, \$200,000, \$450,000 and \$200,000, respectively, (2) annual incentive target awards equal to \$50,000, \$50,000, \$25,000, \$175,000 and \$25,000, respectively and (3) equity incentive target awards equal to \$150,000, \$150,000, \$100,000, \$625,000 and \$100,000, respectively, (4) a one-time TD RSU and/or cash award, subject to the executive's continued employment for specified periods of time, in an amount equal to \$600,000, \$1,025,000, \$595,000, \$2,000,000 and \$595,000, respectively (with the number of shares to be granted under the TD RSU awards determined by dividing the dollar amount of the award by the closing TD share price on the trading day preceding the grant date) and (5) certain benefits such as a car allowance, paid time off and credits for years of service currently recognized by TSFG. Mr. Speaks will receive an annual base salary of \$176,000, an annual incentive target award in an amount equal to what is granted to similarly situated executives of TD and certain benefits such as paid time off and credits for years of service. Mr. Speaks will also, upon consummation of the merger, receive a payment of \$16,000, which represents the earned deferred portion of a prior year's bonus payable under the applicable bonus plan terms.

The offer letter further specifies that, in the event of a termination without cause during the period prior to the third anniversary of the executive's start date (or second anniversary in the case of Mr. Speaks), Messrs Speaks, Gompper, Diaz, Edwards and Harton and Ms. Butts will be eligible to receive severance benefits in an amount equal to \$200,000, \$600,000, \$925,000, \$525,000, \$1,800,000 and \$525,000, respectively.

In the event that any payments or benefits made to the executive would be subjected to the excise tax imposed by Section 4999 of the Internal Revenue Code, such payments will be reduced to the maximum amount that the executive could receive without being subject to the excise tax.

Supplemental Executive Retirement Agreements.

Messrs. Harton, Butts, Crawford, Diaz, Edwards, Gompper, and Gordon each entered into amendments to their offer letter agreements with TD to provide that, upon the consummation of the merger, each of their Supplemental Executive Retirement Agreements, which we refer to as SERPs, with TSFG will terminate and, without giving effect to the fact that a change in control (as defined under the SERP) has occurred and the attendant additional benefits that the SERP provides in that situation, each of their vested and accrued SERP amounts will be distributed in an amount equal to \$211,852, \$13,487, \$719,637, \$14,580, \$10,558, \$14,154 and \$137,135, respectively, assuming a merger completion date of September 30, 2010.

Non Qualified Deferred Compensation Plan

TSFG maintains the 2005 Executive and Director Deferred Compensation Plan, a non-qualified deferred compensation plan, for the benefit of eligible executive officers and all the directors of TSFG. Under the terms of the Deferred Compensation Plan, if a change in control occurs prior to the participant's termination of employment, then the participant's vested account balance may become, at the participant's election, distributable, in a lump sum, no later than 60 days following a change in control. If the participant has not made such an election, then his or her

Table of Contents

account balance will remain within the Deferred Compensation Plan and continue to be subject to its terms and conditions.

Indemnification and Directors and Officers Insurance

Following completion of the merger, TD will cause TSFG to indemnify and hold harmless the current or former directors, officers or employees of TSFG or its subsidiaries against all costs and liabilities arising out of matters existing or occurring at or before the completion of the merger based in whole or in part on the fact of such person's status as such a director, officer or employee or the merger and related transactions, to the same extent that they are indemnified under the articles of incorporation, bylaws or other organizational documents of TSFG, or under certain indemnification agreements. In addition, for a period of six years after completion of the merger, TD will provide director's and officer's liability insurance that serves to reimburse current and former officers and directors of TSFG or any of its subsidiaries with respect to claims against such persons arising from facts or events that existed or occurred at or prior to the completion of the merger. Such insurance will contain at least the same coverage and amounts and contain terms and conditions as are not less advantageous, in the aggregate, to such indemnified persons as that coverage currently provided by the TSFG, and be purchased from insurers with ratings equivalent to or better than the insurers providing coverage as of the date of the merger agreement. TD will not, however, be required to make annual premium payments for such insurance to the extent such premiums exceed 200% of TSFG's current annual premium payments for such insurance.

Material United States Federal Income Tax Consequences

The following is a summary of the material United States federal income tax consequences of the merger to holders of TSFG common stock and the ownership of TD common shares received in the merger by U.S. holders (as defined below) (i) who are residents of the United States for purposes of the current Canada-United States Income Tax Convention (1980) as amended, which we refer to as the Treaty, (ii) whose TD common shares are not, for purposes of the Treaty, effectively connected with a permanent establishment in Canada and (iii) who otherwise qualify for the full benefits of the Treaty. This discussion is based upon the Code, the regulations of the United States Treasury Department and court and administrative rulings and decisions in effect on the date of this document. These laws may change, possibly retroactively, and any change could affect the continuing validity of this discussion. We have not and will not seek any rulings from the Internal Revenue Service, which we refer to as the IRS, regarding the matters discussed below. There can be no assurance that the IRS will not take positions concerning the tax consequences of the merger that are different from those discussed below.

For purposes of this discussion, we use the term "U.S. holder" to mean:

an individual citizen or resident of the United States for United States federal income tax purposes;

a corporation (or other entity treated as a corporation for United States federal income tax purposes) created or organized in or under the laws of the United States, any U.S. state or the District of Columbia;

an estate the income of which is subject to United States federal income taxation regardless of its source; or

a trust which either (1) is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person.

A non-U.S. holder is a person (other than a partnership) that is not a U.S. holder.

If a partnership holds TD common shares or TSFG common stock, the tax treatment of a partner will generally depend on the status of the partners and the activities of the partnership. If you are a partner of a partnership holding TD common shares or TSFG common stock, you should consult your tax advisors.

This discussion assumes that you hold your TD common shares or TSFG common stock as capital assets within the meaning of Section 1221 of the Code. This discussion does not address any tax consequences arising under the laws of any state, local or foreign jurisdiction or under any U.S. federal laws other than those pertaining to the income tax, nor does it address the tax consequences arising under the unearned income Medicare contribution tax pursuant to the Health Care and Education Reconciliation Act of 2010. Further, this discussion does not address

Table of Contents

all aspects of United States federal income taxation that may be relevant to you in light of your particular circumstances or that may be applicable to you if you are subject to special treatment under the United States federal income tax laws, including if you are:

- a financial institution;
- a tax-exempt organization;
- an S corporation, partnership or other pass-through entity;
- an insurance company;
- a regulated investment company;
- a real estate investment trust;
- a dealer in securities or foreign currencies;
- a trader in securities who elects the mark-to-market method of accounting for your securities;
- a person liable for alternative minimum tax;
- a TSFG shareholder who received TSFG common stock through the exercise of employee stock options or through a tax-qualified retirement plan;
- a person that has a functional currency other than the United States dollar;
- a holder of options granted under any TSFG benefit plan;
- a TSFG or TD shareholder who holds TSFG common stock or TD common shares, respectively, as part of a hedge, straddle, constructive sale or integrated or conversion transaction; or
- a person that owns or is deemed to own 10% or more of TD's voting stock.

Merger

U.S. Holders

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 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.

If U.S. holders receive stock consideration, such holders of TSFG common stock 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 as of the date of the merger. 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.

Table of Contents

U.S. holders of TSFG common stock may be subject to information reporting and backup withholding on any cash payments such holders receive in the merger. A U.S. holder will not be subject to backup withholding, however, if such holder:

timely furnishes a correct taxpayer identification number and certifies that such holder is not subject to backup withholding on the substitute Form W-9 or successor form included in the letter of transmittal such holder will receive; or

is otherwise exempt from backup withholding.

Any amounts withheld under the backup withholding rules will generally be allowed as a refund or credit against a U.S. holder's United States federal income tax liability, provided such holder timely furnishes the required information to the IRS.

Non-U.S. Holders

Any gain realized on the receipt of TD common shares and/or cash in the merger by a non-U.S. holder generally will not be subject to United States federal income tax unless:

the gain is effectively connected with a trade or business of the non-U.S. holder in the United States (and, if required by an applicable income tax treaty, is attributable to a United States permanent establishment of the non-U.S. holder);

the non-U.S. holder is an individual who is present in the United States for 183 days or more in the taxable year of that disposition, and certain other conditions are met; or

TSFG is or has been a United States real property holding corporation for United States federal income tax purposes and the non-U.S. holder owned more than 5% of TSFG's common stock at any time during the five years preceding the merger.

An individual non-U.S. holder described in the first bullet point immediately above will be subject to tax on the net gain derived from the merger under regular graduated United States federal income tax rates. An individual non-U.S. holder described in the second bullet point immediately above will be subject to a flat 30% tax on the gain derived from the merger, which may be offset by U.S. source capital losses, even though the individual is not considered a resident of the United States. If a non-U.S. holder that is a foreign corporation falls under the first bullet point immediately above, it will be subject to tax on its net gain in the same manner as if it were a United States person as defined under the Code and may be subject to an additional branch profits tax equal to 30% of its effectively connected earnings and profits or at such lower rate as may be specified by an applicable income tax treaty.

TSFG believes it is not and has not been a United States real property holding corporation for United States federal income tax purposes.

Information reporting and, depending on the circumstances, backup withholding will apply to the TD common shares and/or cash received in the merger, unless the beneficial owner certifies under penalty of perjury that it is a non-U.S. holder (and the payor does not have actual knowledge or reason to know that the beneficial owner is a United States person as defined under the Code) or such owner otherwise establishes an exemption. Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules may be refunded or credited against a non-U.S. holder's United States federal income tax liability, if any, provided that such non-U.S. holder furnishes the required information to the IRS in a timely manner.

Ownership and Disposition of TD Common Shares by U.S. Holders

Passive Foreign Investment Company

TD does not believe that it is, for United States federal income tax purposes, a passive foreign investment company, or PFIC, and expects to operate in such a manner so as not to become a PFIC. If, however, TD is or becomes a PFIC, you could be subject to additional United States federal income taxes on gains recognized with respect to TD common shares and on certain distributions, plus an interest charge on certain taxes treated as having

Table of Contents

been deferred under the PFIC rules. The remainder of this discussion assumes that TD will not be treated as a PFIC for United States federal income tax purposes.

Dividends

Distributions on a U.S. holder's TD common shares (including amounts withheld to reflect Canadian withholding taxes) will be taxable as dividends to the extent paid out of TD's current or accumulated earnings and profits, as determined under United States federal income tax principles. Such income (including withheld taxes) will be includable in a U.S. holder's gross income as ordinary income on the day actually or constructively received by such U.S. holder. Because TD is not a U.S. corporation, such dividends will not be eligible for the dividends received deduction allowed to corporations. With respect to non-corporate U.S. holders, certain dividends received in taxable years beginning before January 1, 2011 from a qualified foreign corporation may be subject to reduced rates of taxation (currently 15%). A qualified foreign corporation includes a foreign corporation that is eligible for the benefits of a comprehensive income tax treaty with the United States which the United States Treasury Department determines to be satisfactory for these purposes and which includes an exchange of information provision. The United States Treasury Department has determined that the Treaty meets these requirements, and TD believes it is eligible for the benefits of the Treaty. Non-corporate holders that do not meet a minimum holding period requirement during which they are not protected from the risk of loss or that elect to treat the dividend income as investment income under Section 163(d)(4) of the Code will not be eligible for the reduced rates of taxation regardless of TD's status as a qualified foreign corporation. In addition, the rate reduction will not apply to dividends if the recipient of a dividend is obligated to make related payments with respect to positions in substantially similar or related property. This disallowance applies even if the minimum holding period has been met. U.S. holders should consult their own tax advisors regarding the application of these rules given their particular circumstances.

The amount of any dividend paid on the TD common shares in Canadian currency will equal the United States dollar value of the Canadian currency calculated by reference to the exchange rate in effect on the date the dividend is properly included in income by a U.S. holder, regardless of whether the Canadian currency is converted into United States dollars. A U.S. holder will have a basis in the Canadian currency equal to its United States dollar value on the date the dividend is properly included in income. Any gain or loss realized on a subsequent conversion or other disposition of the Canadian currency will be treated as United States source ordinary income or loss.

Subject to certain conditions and limitations, Canadian withholding taxes on dividends, as described under *Material Canadian Federal Income Tax Considerations – Material Canadian Federal Income Tax Consequences of Owning TD Common Shares* beginning on page 51, may be treated as foreign taxes eligible for credit against a U.S. holder's United States federal income tax liability. For purposes of calculating the foreign tax credit, dividends paid on the TD common shares will be treated as income from sources outside the United States and will generally constitute passive category income. Special rules apply to certain U.S. holders that are individuals whose foreign source income during the taxable year consists entirely of qualified passive income and whose creditable foreign taxes paid or accrued during the taxable year do not exceed \$300 (\$600 in the case of a joint return). Further, in certain circumstances, if a U.S. holder:

has held TD common shares for less than a specified minimum period during which such holder is not protected from risk of loss,

is obligated to make payments related to the dividends with respect to positions in substantially similar or related property, or

holds the TD common shares in arrangements in which such holder's expected economic profit, after non-U.S. taxes, is insubstantial,

such holder will not be allowed a foreign tax credit for foreign taxes imposed on dividends paid on the TD common shares. The rules governing the foreign tax credit are complex. U.S. holders are urged to consult their tax advisors regarding the availability of the foreign tax credit under their particular circumstances.

To the extent that the amount of any distribution exceeds TD current and accumulated earnings and profits, the distribution will first be treated as a tax-free return of capital, causing a reduction in the adjusted basis of the TD

Table of Contents

common shares (which increases the amount of gain, or decreases the amount of loss, to be recognized by the U.S. holder on a subsequent disposition of the common shares), and the balance in excess of adjusted basis will be taxed as capital gain. Consequently, these distributions in excess of TD's current and accumulated earnings and profits would not give rise to foreign source income and a U.S. holder would not be able to use the foreign tax credit arising from any Canadian withholding tax imposed on that distribution unless that credit can be applied (subject to applicable limitations) against U.S. tax due on other foreign source income in the appropriate category for foreign tax credit purposes.

Taxation of Capital Gains

A U.S. holder will recognize taxable gain or loss on any sale or exchange of TD common shares in an amount equal to the difference between the amount realized for the TD common shares and such holder's tax basis in the TD common shares. Such gain or loss will generally be capital gain or loss. Capital gains of non-corporate taxpayers derived with respect to capital assets held for more than one year are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations. Any gain or loss recognized by a U.S. holder will generally be treated as United States source gain or loss.

Information Reporting and Backup Withholding

In general, information reporting will apply to dividends in respect of TD common shares and the proceeds from the sale, exchange or redemption of TD common shares that are paid to a U.S. holder within the United States (and in certain cases, outside the United States), unless such holder is an exempt recipient. Backup withholding may apply to such payments if a U.S. holder fails to provide a taxpayer identification number or certification of other exempt status or fails to report in full dividend and interest income.

Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against a U.S. holder's United States federal income tax liability provided the required information is furnished to the IRS.

This discussion does not address tax consequences that may vary with, or are contingent on, individual circumstances. Moreover, it only addresses United States federal income tax and does not address any non-income tax or any foreign, state or local tax consequences. You should consult your own tax advisors concerning the United States federal income tax consequences of the merger and the ownership of TD common shares in light of your particular situation, as well as any consequences arising under the laws of any other taxing jurisdiction.

Material Canadian Federal Income Tax Considerations

The following summary describes the material Canadian federal income tax considerations generally applicable to a person who acquires cash (including cash in lieu of fractional share interests) and/or TD common shares in exchange for TSFG common stock as part of the merger and who, at all relevant times, for purposes of the application of the Income Tax Act (Canada) and the Income Tax Regulations, or collectively, the Tax Act, and the Canada-United States Income Tax Convention (1980), or the Treaty, (1) deals at arm's length with TD; (2) is not affiliated with TD; (3) holds TD common shares as capital property; (4) is not, and is not deemed to be, resident in Canada; (5) is a resident of the U.S. that is eligible for benefits under the Treaty; and (6) does not use or hold, and is not deemed to use or hold, TD common shares or TSFG common stock in a business carried on in Canada (a U.S. Resident Holder). Special rules, which are not discussed in this summary, may apply to certain holders that are insurers carrying on an insurance business in Canada and elsewhere.

Generally, TD common shares will be capital property to a U.S. Resident Holder provided the U.S. Resident Holder does not hold those shares in the course of carrying on a business or as part of an adventure or concern in the nature of trade.

This summary is based on the current provisions of the Tax Act, and on our understanding of the current administrative and assessing practices and policies of the Canada Revenue Agency published in writing prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, which we refer to as the proposed

Table of Contents

amendments, and assumes that all proposed amendments will be enacted in the form proposed. However, no assurances can be given that the proposed amendments will be enacted as proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative or assessing practice whether by legislative, regulatory, administrative or judicial action nor does it take into account tax legislation or considerations of any province, territory or foreign jurisdiction, which may be different from those discussed herein.

This summary is of a general nature only and is not, nor is it intended to be, legal or tax advice to any particular U.S. Resident Holder. This summary is not exhaustive of all Canadian federal income tax considerations. Accordingly, U.S. Resident Holders should consult their own tax advisors with regard to their own particular circumstances.

For the purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of TD common shares must be converted into Canadian dollars based on the exchange rates as determined in accordance with the Tax Act. The amount of any dividends required to be included in the income of a U.S. Resident Holder may be affected by fluctuations in the Canadian/U.S. dollar exchange rate.

Material Canadian Federal Income Tax Consequences of the Merger

A U.S. Resident Holder will not be subject to tax under the Tax Act on the exchange of TSFG common stock for cash (including cash in lieu of fractional share interests) and/or TD common shares in the merger.

Material Canadian Federal Income Tax Consequences of Owning TD Common Shares

Dividends paid or credited or deemed to be paid or credited to a U.S. Resident Holder on TD common shares will be subject to Canadian withholding tax at a rate of 25%, subject to a reduction in the rate of withholding to which the U.S. Resident Holder is entitled under the Treaty. If the U.S. Resident Holder is the beneficial owner of the dividends, the applicable rate of Canadian withholding tax is generally reduced under the Treaty to 15%.

Material Canadian Federal Income Tax Consequences of Disposing of TD Common Shares

A U.S. Resident Holder will not be subject to tax under the Tax Act on any capital gain realized on a disposition of TD common shares, unless the TD common shares are taxable Canadian property to the U.S. Resident Holder for purposes of the Tax Act and the U.S. Resident Holder is not entitled to relief under the Treaty.

Generally, the TD common shares will not constitute taxable Canadian property to a U.S. Resident Holder at a particular time provided that (1) the TD common shares are listed on a designated stock exchange (which includes the Toronto Stock Exchange and the New York Stock Exchange) at that time, and (2) the U.S. Resident Holder, persons with whom the U.S. Resident Holder does not deal at arm's length, or the U.S. Resident Holder together with all such persons, have not owned or had an interest in or an option in respect of 25% or more of the issued shares of any class or series of the capital stock of TD at any time during the 60-month period that ends at that time. In any event, gains realized by a U.S. Resident Holder on the disposition of TD common shares will not generally be subject to Canadian tax as long as the value of the TD common shares is not derived principally from real property situated in Canada at the time of the disposition, as contemplated in the Treaty.

In the Canadian federal budget released on March 4, 2010, the Minister of Finance (Canada) proposed to amend the definition of taxable Canadian property in the Tax Act such that, after March 4, 2010, shares that are listed on a designated stock exchange (which includes the Toronto Stock Exchange and New York Stock Exchange) will generally not constitute taxable Canadian property to a U.S. Resident Holder at a particular time unless at any time during the 60-month period that ends at that time (a) 25% or more of the issued shares of any class or series of the

capital stock of the company were owned by or belonged to any combination of the U.S. Resident Holder and persons with whom the U.S. Resident Holder did not deal at arm's length, and (b) more than 50% of the fair market value of the shares was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, Canadian resource properties (as defined in the Tax Act), timber resource properties (as defined in the Tax Act), and options in respect of, or interests in, or for civil law rights in, any such properties whether or not such properties exist. A bill to enact such amendment is currently being considered by the Canadian Parliament, although there can be no assurance that such amendment will be enacted as proposed.

Table of Contents

Anticipated Accounting Treatment

TD intends to account for the merger under the purchase method for both Canadian and United States financial accounting purposes. Accordingly, the aggregate fair value of the consideration paid by TD in connection with the merger will be allocated to TSFG's net assets based on their fair values as of the completion of the merger. The excess of the total purchase consideration over the fair value of the identifiable net assets acquired will be allocated to goodwill. The purchase price allocation is subject to refinement as TD completes the valuation of the assets acquired and liabilities assumed. The results of operations of TSFG will be included in TD's consolidated results of operations only for periods subsequent to the completion of the merger.

Regulatory Matters Related to the Merger and Stock Exchange Listings

To complete the merger, we need to obtain approvals or consents from, or make filings with, a number of U.S. federal and state bank and other regulatory authorities as well as regulatory authorities in Canada. These approvals and filings are described below.

Federal Reserve Board Approval

On July 22, 2010, the Federal Reserve Board of Governors announced its approval of the application of TD and its subsidiary bank holding companies to acquire control of TSFG and its subsidiary bank. The approval required TSFG to enter into an agreement to divest certain branches in the Palatka banking market prior to consummation of the Merger and TSFG did so on August 8, 2010.

Canadian Approvals

Under the Bank Act of Canada, the consent of the Superintendent of Financial Institutions of Canada is required in order for TD to hold a substantial investment in TSFG as a result of the purchase of the Series M Preferred Stock and to acquire control of TSFG, as a result of the merger. Approval is also required for TD to issue its common shares for non-cash consideration as part of the consideration to be distributed to TSFG shareholders in connection with the merger. TD has filed the necessary applications with the Superintendent of Financial Institutions of Canada for the aforementioned approvals. Approval was also required for TD to issue its common shares for non-cash consideration in order to purchase the TSFG shares of Series M Preferred Stock, which approval was received on July 7, 2010.

Stock Exchange Listings

TD is obligated under the merger agreement to use its reasonable best efforts to cause the TD common shares issuable in the merger to be approved for listing on the Toronto Stock Exchange and the New York Stock Exchange, subject to official notice of issuance, prior to the completion of the merger. In addition, it is a condition to the completion of the merger that these shares be approved for listing on the Toronto Stock Exchange and the New York Stock Exchange. As discussed in greater detail under **Nasdaq Matters**, on August 23, 2010, TSFG received notice from Nasdaq of the commencement of delisting proceedings. TSFG common stock will be delisted from the Nasdaq Capital Market promptly following consummation of the merger.

Other Regulatory Approvals

TD has filed an application with, and has obtained the conditional approval of, the State Board of Financial Institutions of the State of South Carolina. Applications and notifications may be filed with various other state

regulatory authorities. While we believe that the requisite regulatory approvals for the merger will be received, there can be no assurances of this or regarding the timing of receipt of the approvals, our ability to obtain the approvals on satisfactory terms or the absence of litigation challenging such approvals. There can likewise be no assurance that U.S., Canadian or state regulatory authorities will not attempt to challenge the merger on antitrust grounds or for other reasons, or, if such a challenge is made, as to the result of such challenge. The obligations of TD and TSFG to complete the merger are conditioned upon the receipt of all required regulatory approvals (and, in the case of TD's obligation to complete the merger, the receipt of these approvals without the imposition of any condition or restriction that would reasonably be expected to have a material adverse effect on TSFG or TD (assuming, for this

Table of Contents

purpose, that TD is an entity the size of TSFG in terms of financial metrics). See Proposal No. 1: The Merger Agreement Conditions to the Merger beginning on page 69.

Private parties also may seek to take legal action under the antitrust laws under some circumstances. Based upon an examination of information available relating to the businesses in which the companies are engaged, TSFG and TD believe that the completion of the merger will not violate U.S. antitrust laws. However, we can give no assurance that a challenge to the merger on antitrust grounds will not be made, or, if such a challenge is made, that we will prevail.

The approval of an application means only that the regulatory criteria for approval have been satisfied or waived. It does not mean that the approving authority has determined that the consideration to be received by TSFG shareholders in the merger is fair. Regulatory approval does not constitute an endorsement or recommendation of the merger.

Merger Fees, Costs and Expenses

All expenses incurred in connection with the merger agreement and the transactions contemplated by the merger agreement will be paid by the party incurring those expenses, except that TSFG and TD will share equally the costs and expenses incurred in connection with the filing, printing and mailing of this proxy statement/prospectus and the registration statement of which this proxy statement/prospectus forms a part and costs and expenses incurred in connection with applications, notices and other filings with regulatory authorities. See Proposal No. 1: The Merger Agreement Termination Fees and Expenses beginning on page 71.

Procedures for Cash Election and Exchange of TSFG Stock Certificates

TSFG shareholders are receiving a form of cash election with this proxy statement-prospectus. This form of cash election shall be used if a TSFG shareholder wishes to make a cash election for any or all of such holder's shares of TSFG common stock. The form of cash election allows the holder to make a cash election for some or all of such holder's shares of TSFG common stock. If a holder or the holder's affiliates are the registered holders of shares of TSFG common stock represented by more than one certificate or held in more than one account, the holder may also specify on the form of cash election how to allocate cash consideration, if any, among those shares of TSFG common stock.

You only need to complete and return a cash election form if you wish to receive cash for some or all of your shares of TSFG common stock. You do not need to complete the cash election form if you wish to receive only TD common shares for your shares of TSFG common stock. If the exchange agent does not receive from you a properly completed cash election form, together with the stock certificates representing the shares you wish to exchange for cash, properly endorsed for transfer, a book-entry delivery of shares or a guarantee of delivery by the election deadline, all of your shares of TSFG common stock will be exchanged for TD common shares (or cash in lieu of fractional shares of TD common shares) in the merger.

Exchange Agent

BNY Mellon Shareowner Services will serve as the exchange agent for purposes of effecting the election.

Election Deadline

The election deadline will be 5:00 p.m., New York City time, on (i) September 28, 2010, the date of the TSFG special meeting, or (ii) two business days prior to the date of the completion of the merger if the completion of the merger is more than four business days following the TSFG special meeting. If it is determined that the election deadline will not be the date of the special meeting of TSFG shareholders, TD and TSFG will publicly announce the election

deadline at least five business days prior to the anticipated completion date of the merger.

Table of Contents

Form of Cash Election

The applicable form of cash election must be properly completed and signed and accompanied by:

certificates representing all of the shares of TSFG common stock covered by the form of cash election, duly endorsed in blank or otherwise in a form acceptable for transfer on TSFG's books (or appropriate evidence as to the loss, theft or destruction, appropriate evidence as to the ownership of that certificate by the claimant, and appropriate and customary indemnification, as described in the form of cash election);

a properly completed and signed notice of guaranteed delivery, as described in the form of cash election, from a firm that is an eligible guarantor institution (as described in the form of cash election), provided that the actual stock certificates are in fact delivered to the exchange agent by the time set forth in the notice of guaranteed delivery; or

if the shares of TSFG common stock are held in book-entry form, the documents specified in the form of cash election.

In order to make a cash election, the properly completed and signed form of cash election, together with one of the items described above, must be actually received by the exchange agent at or prior to the election deadline in accordance with the instructions in the form of cash election.

If shares of TSFG common stock are held in street name and the holder wishes to make a cash election, the holder should contact his or her bank, broker, dealer or financial institution and follow the instructions provided.

Inability to Sell Shares as to which an Election is Made

TSFG shareholders who make a cash election will be unable to sell their shares of TSFG common stock after making the election, unless the election is properly revoked before the election deadline or the merger agreement is terminated.

Election Revocation and Changes

Generally, an election may be revoked or changed with respect to all or a portion of the shares of TSFG common stock covered by the election by the holder who submitted the applicable form of cash election, but only by written notice received by the exchange agent prior to 5:00 p.m., New York City time on the election deadline. If an election is revoked, or the merger agreement is terminated, and any stock certificates have been transmitted to the exchange agent, the exchange agent will promptly return those certificates to the TSFG shareholder who submitted those certificates. TSFG shareholders will not be entitled to revoke or change their elections following the election deadline. As a result, TSFG shareholders who have made elections will be unable to revoke their elections or sell their shares of TSFG common stock during the interval between the election deadline and the date of completion of the merger.

Shares of TSFG common stock as to which the holder has not made a valid cash election prior to the election deadline, including as a result of revocation, will be deemed not to have made a cash election and the holder thereof will receive the stock consideration for such shares of TSFG common stock. If it is determined that any purported cash election was not properly made, the purported election will be deemed to be of no force or effect and the holder making the purported election will be deemed not to have made an election for these purposes, unless a proper election is subsequently made on a timely basis.

Neither TD nor TSFG is making any recommendation as to whether TSFG shareholders should make a cash election. You must make your own decision with respect to such election.

Exchange of TSFG Stock Certificates

At or prior to the completion of the merger, TD will cause to be deposited with an exchange agent appointed by TD, subject to the approval of TSFG, which shall not be unreasonably withheld, an estimated amount of cash sufficient to pay the aggregate cash consideration and the cash in lieu of any fractional shares that would otherwise

Table of Contents

be issued in the merger, and certificates, or evidence of shares in book-entry form, representing the TD common shares to be issued as part of the merger consideration.

As soon as reasonably practicable after the completion of the merger, and in no event more than five business days thereafter, the exchange agent will mail to each record holder of TSFG common stock (other than any holders who properly made a cash election) a form of letter of transmittal and instructions for use in effecting the surrender of the TSFG stock certificates in exchange for the stock consideration. Upon proper surrender of a TSFG stock certificate for exchange and cancellation to the exchange agent, together with a letter of transmittal and such other documents as may be specified in the instructions, the holder of the TSFG stock certificate will be entitled to receive the stock consideration. With respect to the stock consideration consisting of TD common shares, holders of TSFG stock certificates will receive evidence of such shares in book-entry form.

TSFG stock certificates may be exchanged for the merger consideration with the exchange agent for up to six months after the completion of the merger. At the end of that period, any evidence of shares in book-entry form and cash may at TD's option be returned to TD, and in such case, any holders of TSFG stock certificates that have not exchanged their stock certificates would then be entitled to look only to TD for the portion of the merger consideration to be paid by TD.

Until you exchange your TSFG stock certificates for merger consideration, you will not receive any dividends or other distributions in respect of any TD common shares which you may be entitled to receive in connection with that exchange. Once you exchange your TSFG stock certificates for the merger consideration, you will receive, without interest, any dividends or distributions with a record date after the completion of the merger and payable with respect to the TD common shares, if any, that you are entitled to receive.

If your TSFG stock certificate has been lost, stolen or destroyed, you may receive the merger consideration upon the making of an affidavit of that fact. You may be required to post a bond in a reasonable amount as an indemnity against any claim that may be made with respect to the lost, stolen or destroyed TSFG stock certificate.

Treatment of TSFG Options and Other Equity Based Awards

Treatment of TSFG Stock Options

Upon completion of the merger, each option to purchase shares of TSFG common stock (a *Company Option*) outstanding under any of TSFG's stock incentive plans, whether vested or unvested, will become fully vested and will automatically convert into an option to purchase a number of TD common shares (a *TD Option*), on the same terms and conditions as were applicable under such *Company Option*, equal to (i) the number of shares of TSFG common stock subject to each *Company Option*, multiplied by (ii) 0.004, rounded, if necessary, down to the nearest whole TD common share, and such *TD Option* shall have an exercise price per share equal to the per share exercise price specified in such *Company Option* divided by 0.004, rounded up, if necessary, to the nearest cent. However, in the case of any *Company Option* that qualifies as an incentive stock option, if the foregoing calculation above does not preserve such *Company Option*'s status as incentive stock options, the manner of determination will be adjusted in a way that (i) complies with Section 424(a) of the Code and (ii) results in the smallest adverse modification in the economic values that otherwise would be achieved by the holder pursuant to the calculation set forth above. TD Options granted in respect of *Company Options* originally granted under the Florida Banks, Inc. 1998 Stock Option Plan will be terminated, without payment, upon completion of the merger and outstanding options granted under the TSFG Stock Option Plan will be terminated, without payment, no less than 31 days after the completion of the merger.

Treatment of TSFG Restricted Stock

Upon completion of the merger, each outstanding share of TSFG common stock, subject to vesting or other lapse restrictions, granted under any of TSFG's stock incentive plans will become fully vested and free from such restrictions and will be treated in the same manner as other TSFG common stock, as described above.

Table of Contents

Treatment of TSFG Restricted Stock Units

Upon completion of the merger, each outstanding right to receive a share of TSFG common stock in the form of a restricted stock unit, whether vested or unvested, granted under any of TSFG's stock incentive plans, will be fully vested and will automatically convert into the vested right to receive cash in accordance with the applicable stock incentive plan in an amount equal to the product of (x) \$0.28 multiplied by (y) the number of shares of TSFG common stock subject to such right.

Treatment of TSFG Stock Appreciation Rights

Upon completion of the merger, each outstanding stock appreciation right granted under any of TSFG's stock incentive plans, whether vested or unvested, will cease to represent a right to receive cash upon exercise of such stock appreciation right and will be converted into a stock appreciation right in respect of TD common shares, on the same terms and conditions as were applicable under the respective stock incentive plan (including that the stock appreciation right will be settled in cash upon exercise), in an amount equal to the product of (x) 0.004, multiplied by (y) the number of shares of TSFG's common stock subject to each such stock appreciation right, rounded down, if necessary, to the nearest whole TD common share, and such TD stock appreciation right shall have an exercise price per share equal to the per share exercise price specified in such Company stock appreciation right divided by 0.004, rounded, if necessary, up to the nearest cent.

Treatment of Certain TSFG Equity-Based Plans

TSFG's Dividend Reinvestment Plan and the Amended and Restated TSFG Employee Stock Purchase Plan (and any other plan or program intending to qualify as a stock purchase plan under Section 423 of the Code) will be terminated immediately prior to the completion of the merger. All TSFG common stock (and, if applicable, preferred stock) held in the TSFG tax-qualified defined contribution plan and in respect of any liabilities under TSFG's Executive Deferred Compensation Plan will be converted into the merger consideration in the same manner as all other shares of TSFG common stock.

No Dissenters' Rights of Appraisal

Chapter 13 of the South Carolina Business Corporation Act provides that a shareholder of a corporation is entitled to dissent from, and obtain payment of the fair value of his or her shares in the event of, the consummation of a plan of merger to which the corporation is a party if shareholder approval is required for the merger by Section 33-11-103 of the 1976 Code of Laws of South Carolina, as amended, or the articles of incorporation and the shareholder is entitled to vote on the merger. However, Section 33-13-102(B) of the 1976 Code of Laws of South Carolina, as amended, states that no dissenters' rights are available for shares of any class or series of shares which, at the record date fixed to determine shareholders entitled to receive notice of a vote at the meeting of shareholders to act upon the agreement of merger or exchange, were either listed on a national securities exchange or designated as a national market system security on an interdealer quotation system by the Financial Industry Regulatory Authority. As a result of the foregoing, TSFG common shareholders will not be entitled to exercise any dissenters' rights of appraisal in connection with the transactions contemplated by the merger agreement.

Resale of TD Common Shares

U.S. Resale Requirements

The TD common shares issued under the terms of the merger agreement will not be subject to any restrictions on transfer arising under the Securities Act.

Canadian Resale Restrictions

The TD common shares issued under the terms of the merger agreement will not be subject to any restrictions on transfer under applicable Canadian securities law. To the extent Canadian securities laws apply, however, the first trade in the TD common shares issued under the terms of the merger agreement must be made in accordance with customary conditions, including that such trade is not a control distribution, that no unusual effort is made to prepare the market or to create a demand for such shares and that no extraordinary commission or consideration is paid in

Table of Contents

respect of the trade. In addition, when selling the TD common shares, holders who engage in the business of trading in securities, or hold themselves out as engaging in the business of trading in securities may also be subject to Canadian dealer registration requirements. If a holder requires advice on the application of Canadian securities laws to the trade of TD common shares, the holder should consult its own legal advisor.

Nasdaq Matters

As discussed under **Background of the Merger**, Nasdaq Rule 5635 typically requires shareholder approval for issuances of voting securities representing 20% or more of the outstanding voting securities of the issuer. However, Nasdaq Rule 5635(f), commonly known as the financial viability exception, permits a Nasdaq-listed issuer to issue securities without a shareholder vote where the audit committee of the board of directors determines that the delay in securing that shareholder approval prior to consummation of the issuance would seriously jeopardize the financial viability of the issuer. While the TSFG audit committee reached that conclusion with respect to the issuance of the Series M Preferred Stock to TD for the reasons discussed under **Background of the Merger** and **Reasons for the Merger**, reliance on Nasdaq financial viability exception also requires the approval of Nasdaq. The staff of Nasdaq has informed TSFG that it has reviewed TSFG's request for approval to rely on the financial viability exception and has determined not to approve such request. The staff of Nasdaq informed TSFG that it has interpreted Rule 5635(f) to not apply in the specific context of the proposed merger. This interpretation, which TSFG understands was an issue of first impression for Nasdaq, is contrary to determinations by the New York Stock Exchange in similar circumstances with respect to its comparable shareholder approval rules.

TSFG advised the staff of Nasdaq that it respectfully believes that the staff reached the wrong conclusion in this matter. Because there is no process for appealing this conclusion other than as part of the delisting appeal process, because the issuance of the Series M Preferred Stock to TD is an important requirement under the terms of the proposed transaction, and because the TSFG board determined that the issuance is in the best interests of TSFG, its shareholders and other constituents, TSFG completed the issuance of the Series M Preferred Stock to TD on August 23, 2010. On August 23, 2010, TSFG received a letter from Nasdaq stating that TSFG had failed to comply with Nasdaq Listing Rules 5635(b), 5635(d) and 5640 and had taken action that raises public interest concerns under Listing Rule 5100. The letter stated that TSFG's common stock would be delisted from Nasdaq on September 1, 2010 unless TSFG requested a hearing before the Nasdaq Listing Qualifications Hearing Panel prior to August 30, 2010. In response to the letter, TSFG intends to request an oral hearing before the Nasdaq Listing Qualifications Hearing Panel to appeal the Nasdaq staff's delisting determination. Meanwhile, TSFG's common stock will continue to trade on the Nasdaq Capital Market until a written decision is rendered by the Nasdaq Listing Qualifications Hearing Panel. Under Nasdaq's rules, TSFG may also file a notice of appeal of any staff delisting determination within seven days after notification of such determination. The filing of an appeal will generally stay the delisting process pending a hearing on the appeal (which Nasdaq's rules specify will take place, to the extent practicable, within 45 days of the filing of the notice of appeal). TSFG understands that in the normal course a determination of an appeal would be made within three to four weeks following a hearing. In the event that the Nasdaq Hearings Panel agrees with the Nasdaq staff's interpretation, TSFG's common stock would then be delisted from Nasdaq following a 10-day notice period (although TSFG could pursue further appeals during that period). There can be no assurances as to the timing of delisting or such appeal process or the result of any such appeals.

In the event that TSFG is delisted from Nasdaq prior to completion of the merger, TSFG shareholders will not be able to trade their shares of TSFG common stock on Nasdaq, and will only be able to trade to the extent trading develops in the so-called over-the-counter market on the OTC Bulletin Board or in the Pink Sheets. The completion of the merger is expected to occur approximately one month following the issuance of the Series M Preferred Stock (subject to the conditions to closing set forth in the merger agreement). In any event, TSFG would expect that the loss of the Nasdaq listing would likely negatively impact the trading price of TSFG common stock and levels of liquidity available to TSFG shareholders. In addition, following any delisting, certain investors may become obligated by law or contractual

mandate to sell their holdings of TSFG common stock, TSFG common stock would not be eligible for margin loans and TSFG common stock would be subject to Rule 15g-9 of the Exchange Act.

In addition, as previously disclosed, on December 4, 2009, TSFG received a notice letter from Nasdaq regarding its non-compliance with Rule 5450(a)(1) of The Nasdaq Marketplace Rules with respect to the minimum bid price requirement of \$1.00 per share. In accordance with the Nasdaq listing rules, TSFG had a 180 calendar day

Table of Contents

grace period, or until June 2, 2010, to comply with the minimum bid price requirement. TSFG was unable to satisfy this requirement, and, effective June 7, 2010, the listing of TSFG common stock was transferred to the Nasdaq Capital Market from the Nasdaq Global Market. In connection with such transfer, TSFG has been granted an additional 180 calendar days from June 2, 2010, or until November 29, 2010, to demonstrate compliance with the \$1.00 bid price requirement. As a result, TSFG could be delisted notwithstanding the above discussion relating to the TD preferred share issuance.

PROPOSAL NO. 1: THE MERGER AGREEMENT

The following is a summary of material terms of the merger agreement, including the effects of those provisions. While TD and TSFG believe this description covers the material terms of the merger agreement, it may not contain all of the information that is important to you and is qualified in its entirety by reference to the merger agreement, which is included as Appendix A to this document and is incorporated by reference in this document. We urge you to read the entire merger agreement carefully.

Structure of the Merger

Subject to the terms and conditions of the merger agreement, and in accordance with South Carolina law, Hunt Merger Sub, Inc., a newly-formed subsidiary of TD, will merge with and into TSFG. TSFG will be the surviving corporation in the merger, will become a wholly-owned subsidiary of TD, and will continue its corporate existence under the laws of the State of South Carolina. Upon completion of the merger, the separate corporate existence of Hunt Merger Sub, Inc. will terminate.

Merger Consideration

Merger Consideration. Upon completion of the merger, each TSFG shareholder of record will be entitled to receive in exchange for each share of TSFG common stock owned by such shareholder either:

\$0.28 in cash, which we refer to as the cash consideration, if a cash election is made with respect to such share; or

0.004 TD common shares, plus cash in lieu of any fractional share interests, which we refer to as the stock consideration.

Cash Election. TSFG common shareholders are receiving a form of cash election with this proxy statement/prospectus for making cash elections. The form of cash election allows the record holder of shares of TSFG common stock (or, in the case of nominee record holders, the beneficial owner through proper instructions and documentation) to make cash elections for some or all of their TSFG common stock in lieu of receiving the stock consideration. TSFG shares of common stock as to which the holder has not made a valid election prior to the election deadline will be treated as though no cash election had been made and will receive the stock consideration. See *The Merger Procedures for Cash Election and Exchange of TSFG Stock Certificates* beginning on page 53.

TD intends to pay any cash consideration (including any amounts paid in lieu of any fractional share interests) from funds on hand by TD and its affiliates.

Cancellation of Stock. All shares of TSFG common stock directly owned by TSFG (other than shares in trust accounts, managed accounts and the like, or otherwise held in a fiduciary or agency capacity, for the benefit of customers or clients, and other than shares held in satisfaction of a debt previously contracted) at the effective time of the merger will be cancelled and retired and will cease to exist, and no merger consideration will be delivered in

exchange for these shares. All shares of TSFG common stock owned by TD or by any wholly-owned subsidiary of TD will remain outstanding, and no consideration will be delivered in exchange for these shares.

Effect on Preferred Stock. Each share of the TSFG's Series 2008-T Preferred Stock and each share of Series M Preferred Stock outstanding immediately prior to the completion of the merger will remain issued and outstanding and will have the rights, preferences, privileges and voting powers, and limitations and restrictions as set forth in TSFG's articles of incorporation.

Table of Contents

Conversion of Hunt Merger Sub, Inc. Common Stock. Upon completion of the merger, all of the shares of Hunt Merger Sub, Inc. common stock outstanding immediately prior to the effective time of the merger will be converted into one share of common stock of TSFG.

Treatment of TSFG Stock Options and Other Equity Based Awards. At the effective time of the merger, outstanding TSFG equity awards (except for TSFG restricted stock units) will be converted into the right to receive TD equity awards, adjusted to reflect the exchange ratio and outstanding TSFG restricted stock units will be converted into the right to receive cash. TD Options granted in respect of Company Options originally granted under the Florida Banks, Inc. 1998 Stock Option Plan will be terminated, without payment, upon completion of the merger and outstanding options granted under the TSFG Stock Option Plan will be terminated, without payment, no less than 31 days after the completion of the merger. See *The Merger Treatment of TSFG Options and Other Equity Based Awards* beginning on page 55.

Fractional Shares. TD will not issue any fractional TD common shares in the merger. Instead, a TSFG shareholder will receive an amount in cash that is equal to:

the fractional part of a TD common share the shareholder would otherwise be entitled to receive, multiplied by the average of the daily volume weighted average prices for the TD common shares on the Toronto Stock Exchange for the five trading days immediately prior to the date on which the merger is completed, converted into U.S. dollars using the exchange rate for each day as reported by the Bank of Canada.

Certain Adjustments. If, between the date of the merger agreement and the completion of the merger, TD's outstanding common shares are increased, decreased, changed into or exchanged for a different number or kind of shares or securities through any reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split, or other like changes in TD's capitalization or any special or extraordinary dividend or distribution shall have been declared, paid or made with respect to the TD common shares (excluding regularly quarterly dividends and any increases of regularly quarterly dividends by TD) unless the record date of such special or extraordinary dividend or distribution is after the completion of the merger, the exchange ratio for the TD common shares to be issued as merger consideration and issuable upon exercise of assumed TSFG options will be appropriately adjusted to provide TSFG's shareholders and optionholders, as the case may be, the same economic effect as contemplated by the merger agreement prior to the relevant event.

Surviving Corporation, Governing Documents and Directors

At the effective time of the merger, the articles of incorporation of TSFG, as in effect immediately prior to the effective time of the merger, will be the articles of incorporation of TSFG as the surviving corporation in the merger. At the effective time of the merger, the bylaws of TSFG, as in effect immediately prior to the effective time of the merger, will be amended and restated so as to read in their entirety in the form of the bylaws of Hunt Merger Sub, Inc. and will be the bylaws of TSFG as the surviving corporation in the merger.

At the effective time of the merger, the board of directors of Hunt Merger Sub, Inc. immediately prior to the effective time of the merger will be the directors of TSFG as the surviving corporation of the merger.

Closing

Unless the parties agree otherwise, the completion of the merger will occur on the second business day after the satisfaction or waiver of all closing conditions except for the conditions that, by their terms, are to be satisfied at the closing. See *The Merger Conditions to the Merger* beginning on page 69. The parties currently expect to complete the

merger shortly after the special meeting, assuming all regulatory approvals have been received.

Effective Time of the Merger

The merger will become effective at the time the articles of merger are filed with the Secretary of State of the State of South Carolina, or at such later time as agreed to by the parties and specified in the articles of merger. We will file the articles of merger as soon as practicable after the satisfaction or waiver of the closing conditions in the merger agreement.

Table of Contents

Representations and Warranties

The merger agreement contains representations and warranties made by TSFG to TD and Hunt Merger Sub, Inc. relating to a number of matters, including the following:

corporate or other organization and similar matters of TSFG and its subsidiaries;

capital structure;

corporate authorization and validity of the merger agreement and the absence of conflicts with organizational documents, laws and agreements;

the unanimous approval by TSFG's board of directors of the merger agreement, the share purchase agreement, the Certificate of Designations of the new preferred stock and the other transactions contemplated thereby, and the recommendation of the merger agreement to the shareholders of TSFG;

required consents, approvals and filings with governmental entities;

proper filing of documents with the SEC and the accuracy of information contained in those documents and the implementation of proper disclosure controls and procedures;

the conformity with U.S. GAAP and SEC requirements of TSFG's financial statements filed with the SEC and the absence of undisclosed liabilities;

broker's and finder's fees related to the merger;

the absence of a material adverse effect since December 31, 2009, the date of TSFG's last audited financial statements and the absence of certain other material events since March 31, 2010;

the absence of litigation, investigations, injunctions and similar proceedings affecting TSFG;

tax matters;

employees and employee benefit plans;

TSFG's and its subsidiaries' possession of all permits and regulatory approvals (and payment of all corresponding fees and assessments) required to conduct their business and compliance by TSFG and its subsidiaries with law;

the existence, validity and absence of defaults under material contracts;

the absence of agreements with, orders by, or directives from regulatory agencies;

the nature of, absence of defaults relating to, and financial position with respect to, derivative instruments and transactions; and

information to be provided by TSFG or its representatives for inclusion in this proxy statement/prospectus, the Form F-4, other filings with the SEC or any other filing with any other governmental entity;

title to real and personal property and the validity of and absence of defaults relating to leases for leased property;

insurance coverage;

environmental matters;

the receipt of an opinion of Morgan Stanley, TSFG's financial advisor, as to the fairness, from a financial point of view, of the merger consideration to TSFG's common shareholders;

ownership and validity of intellectual property rights;

loan and extension of credit matters;

allowances for loan losses;

Table of Contents

agreements or other transactions with related parties and insiders, including executive officers, principal shareholders, directors, affiliates or family members of the foregoing;

compliance by Carolina First Bank with the CRA and the regulations promulgated thereunder; and

labor matters.

The merger agreement also contains representations and warranties by TD to TSFG relating to a number of matters, including the following:

corporate or other organizational and similar matters;

capital structure;

corporate authorization and validity of the merger agreement and the absence of conflicts with organizational documents, laws and agreements;

required consents, approvals and filings with governmental entities;

proper filing of documents with the SEC and Canadian securities regulatory authorities and the accuracy of information contained in those documents and the implementation of proper disclosure controls and procedures;

the conformity with Canadian GAAP and SEC or Canadian securities regulatory authority requirements of TD's financial statements and the absence of undisclosed liabilities;

broker's and finder's fees related to the merger;

the absence of certain material changes or events since the date of TD's last audited financial statements;

the absence of litigation, investigations, injunctions and similar proceedings affecting TD;

the approval by TD's board of directors of the merger agreement and the transactions contemplated thereby;

TD's and its subsidiaries' possession of all permits and regulatory approvals required to conduct their business and compliance by TD and its subsidiaries with law;

the absence of agreements with, orders by, or directives from regulatory agencies; and

information to be provided by TD for inclusion in this proxy statement/prospectus, the Form F-4, other filings with the SEC or any other filing with any other governmental entity.

This summary, and the copy of the merger agreement attached to this document as Appendix A, are included solely to provide investors with information regarding the terms of the merger agreement. They are not intended to provide any other factual information about TSFG or TD or any of their respective subsidiaries or affiliates. The representations, warranties and covenants contained in the merger agreement were made only for purposes of that agreement and as of specific dates, were solely for the benefit of the parties to the merger agreement, may be subject to limitations agreed upon by the contracting parties, including being qualified by confidential disclosures made for the purposes of

allocating contractual risk between the parties to the merger agreement instead of establishing these matters as facts, and may be subject to standards of materiality applicable to the contracting parties that differ from those applicable to investors. Investors are not third-party beneficiaries under the merger agreement and should not rely on the representations, warranties and covenants or any descriptions thereof as characterizations of the actual state of facts or condition of TSFG or TD, or any of their respective subsidiaries or affiliates. Moreover, information concerning the subject matter of the representations and warranties may change after the date of the merger agreement, which subsequent information may or may not be fully reflected in the periodic and current reports and statements that TSFG and TD file with the SEC. For more information regarding these documents incorporated by reference, see the section entitled "Where You Can Find More Information" on page 96.

Certain of these representations and warranties are qualified as to materiality or material adverse effect. For purposes of the merger agreement, a material adverse effect with respect to TD or TSFG, as the case may be, means (a) a material adverse effect on the financial condition, results of operations or business of that party and its subsidiaries taken as a whole or (b) a material adverse effect that prevents or materially impairs that party's ability to

Table of Contents

consummate the transactions contemplated by the merger agreement on a timely basis, other than, with respect to (a) above, to the extent that effect results from:

changes applicable to banks or their holding companies generally in:

U.S. GAAP;

in the case of TD, Canadian GAAP;

laws, rules or regulations or the written interpretations of those laws, rules or regulations by courts or governmental authorities; or

regulatory accounting requirements;

except to the extent that the effects of such changes are disproportionately adverse to the financial condition, results of operations or business of such party and its subsidiaries, taken as a whole as compared to other companies in the industry in which such party and its subsidiaries operate

actions or omissions expressly required by the merger agreement;

changes in global, national or regional political conditions (including acts of terrorism or war) or in general economic, business or market conditions in the United States or any region thereof (or, in the case of TD, the United States or Canada and any region thereof) including changes generally in prevailing interest rates, currency exchange rates, credit markets and price levels or trading volumes in the United States or foreign securities markets, in each case affecting banks or their holding companies generally, except to the extent that the effects of such change are disproportionately adverse to the financial condition, results of operations or business of such party and its subsidiaries, taken as a whole as compared to other companies in the industry in which such party and its subsidiaries operate;

the execution of the merger agreement or the public disclosure of the merger agreement or the transactions contemplated thereby, including the impacts on relationships with customers and employees; or

failure, in and of itself, to meet earnings projections, but not including any underlying causes thereof unless separately excluded by one of the preceding, or changes in the trading price of a party's common stock, in and of itself, but not including any underlying causes, unless excluded by one of the preceding clauses.

The representations and warranties in the merger agreement do not survive the effective time of the merger and, as described below under Termination, if the merger agreement is validly terminated, there will be no liability under the representations and warranties of the parties, or otherwise under the merger agreement, unless a party intentionally breached the merger agreement.

Covenants and Agreements

Conduct of Business of TSFG Pending the Merger. TSFG has agreed that, prior to the completion of the merger, it and its subsidiaries will conduct their respective businesses in the ordinary course of business consistent with past practice and use reasonable best efforts to preserve intact their respective business organizations, rights, authorizations, franchises and other authorizations from governmental entities and advantageous business relationships and to retain its officers and key employees. TSFG has also agreed, on behalf of itself and its subsidiaries, to take no action that would reasonably be expected to adversely affect or delay the receipt of any

required regulatory approvals needed to complete the transactions contemplated by the merger agreement or the share purchase agreement or otherwise delay the consummation of the transactions contemplated by the merger agreement or the share purchase agreement.

Additionally, TSFG has agreed that except as set forth in the merger agreement or pursuant to certain exceptions, during the period from the date of the merger agreement to the completion of the merger, TSFG and its subsidiaries will not, and will not permit any of its subsidiaries to, without the prior written consent of TD:

adjust, split, combine or reclassify any of its capital stock, or redeem, purchase or otherwise acquire any of its capital stock;

Table of Contents

set any record date or payment date, or declare or pay, any dividends or other distributions on its capital stock, other than regular cash dividends on the Series 2008-T Preferred Stock, regular cash dividends on the Series 2000A Cumulative Fixed Rate Preferred Shares and Series 2002C Cumulative Floating Rate Preferred Shares of Carolina First Mortgage Loan Trust, regular quarterly dividends or dividends paid by subsidiaries to TSFG or any of its wholly-owned subsidiaries;

issue or commit to issue additional shares of its capital stock (except pursuant to the exercise of the warrant issued to the United States Department of the Treasury in connection with the issuance of the Series 2008-T Preferred Stock, the exercise of TSFG stock options, stock appreciation rights or in connection with the settlement of any TSFG restricted stock units, in each case, outstanding as of the date of the merger agreement or the exercise of purchase rights under any TSFG employee stock purchase plan outstanding as of the date of the merger agreement and for issuances of capital stock or other equity by subsidiaries to TSFG or any of its wholly-owned subsidiaries) or securities convertible into its capital stock or other equity interest (including TSFG options to purchase TSFG common stock, TSFG stock appreciation rights, TSFG restricted stock units or any other equity or phantom equity grant under any TSFG stock incentive plan or otherwise), except pursuant to the share purchase agreement;

incur or guarantee any material indebtedness for borrowed money other than deposits, Federal Home Loan Bank borrowings, repurchase agreements and similar liabilities in the ordinary course of business consistent with past practice;

amend its articles of incorporation or bylaws or similar governing documents;

sell, license, lease, transfer, mortgage, encumber or otherwise dispose of, abandon or fail to maintain, any material rights, assets, deposits or properties or cancel or release any material indebtedness or claims, except:

sales of loans and sales of investment securities in the ordinary course of business consistent with past practice;

as expressly required by the terms of any specified existing agreement; or

pledges of assets to secure public deposits accepted in the ordinary course of business consistent with past practice.

enter into new lines of business or change in any material respect its lending, investment, risk and asset-liability management and other material banking or operating policies except as required by law or by rules or policies imposed by governmental entities;

make any acquisition of or investment in any person or acquisition of assets of another person, in each case other than a wholly owned subsidiary of TSFG, or enter into an agreement relating to a business combination, liquidation or similar transaction, or letter of intent or memorandum of understanding or agreement in principle in respect thereto, except for:

foreclosures and other similar transactions in connection with securing or collecting debts previously contracted;

purchases of U.S. government and U.S. government agency securities which are investment grade rated and, in the case of fixed rate instruments, that have a final maturity of five years or less; and

transactions in the ordinary course of business consistent with past practice and that, together with all other such transactions, are not material to TSFG.

foreclose on or take a deed or title to any real estate other than single-family residential without first conducting a specified environmental assessment of the property, or if that assessment indicates the presence of a hazardous, toxic, radioactive or dangerous substance;

enter into, renew, extend or terminate any material lease, license, contract or other agreement, except in the ordinary course of business consistent with past practice, or make any material change in such leases,

Table of Contents

licenses, contracts or other agreements, other than renewals of leases, licenses, contracts or other agreements for a term of one year or less without material changes to the terms thereof;

increase the compensation or benefits of any current or former employee, officer, director, consultant or independent contractor of TSFG or its subsidiaries (each, a TSFG employee), subject to certain merit-based salary increases and changes required by law or existing specified arrangements;

grant or pay any change-in-control, retention bonus, severance or termination pa