

TORONTO DOMINION BANK

Form 424B3

January 04, 2008

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Registration No. 333-147304**

PROPOSED MERGER TRANSACTION YOUR VOTE IS VERY IMPORTANT

Commerce Bancorp, Inc., or Commerce, entered into a merger agreement with The Toronto-Dominion Bank, or TD, which provides for TD to acquire Commerce. If the merger is completed, you will receive \$10.50 in cash and 0.4142 TD common shares (plus cash in lieu of any fractional share interests) for each share of Commerce common stock you hold immediately prior to the completion of the merger. Based on the closing price of TD common shares as reported on the New York Stock Exchange on October 1, 2007, the last trading day before public announcement of the merger, the merger consideration represented \$42.37 in value for each share of Commerce common stock. Based on the closing price of TD common shares as reported on the New York Stock Exchange on January 3, 2008, the last practicable date before the date of this document, the merger consideration represented \$38.89 in value for each share of Commerce common stock. The exchange ratio of 0.4142 TD common shares 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 Commerce or TD. The dollar value of the stock consideration Commerce shareholders 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. TD's common shares and Commerce's common stock are listed on the New York Stock Exchange under the symbols TD and CBH, respectively, and TD's common shares are also listed on the Toronto Stock Exchange under the symbol TD. You should obtain current market quotations for both securities. The merger will be a taxable transaction for Commerce shareholders for United States federal income tax purposes.

At Commerce'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 October 2, 2007, among Commerce, TD and Cardinal Merger Co., a wholly-owned subsidiary of TD. The special meeting of Commerce shareholders will be held at Commerce University, 4140 Church Road, Mt. Laurel, New Jersey, on February 6, 2008, at 4:00 p.m., local time, to vote on the approval of the plan of merger. **Our board of directors unanimously recommends that you vote FOR the approval of the plan of merger.**

Based on the number of shares of Commerce common stock outstanding as of the record date, TD expects to issue approximately 81 million TD common shares to Commerce shareholders upon completion of the merger. In addition, TD expects that additional TD common shares will be issuable in respect of converted Commerce stock options. However, any increase or decrease in the number of shares of Commerce common stock outstanding that occurs for any reason prior to completion of the merger would cause the actual number of TD common shares issued in the merger to change.

Your Vote Is Very Important. Approval of the plan of merger contained in the merger agreement requires the affirmative vote of a majority of the votes cast at the Commerce special meeting. Whether or not you plan to attend the special meeting, please take the time to vote by completing and mailing the enclosed proxy card to us. 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 21.

We appreciate your continued support.

Sincerely,

Dennis M. DiFlorio
Chairman of Commerce Bank, N.A.

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 January 4, 2008, and it is first being mailed or otherwise delivered to Commerce shareholders on or about January 7, 2008.

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REFERENCES TO ADDITIONAL INFORMATION

This proxy statement/prospectus incorporates important business and financial information about Commerce 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 Commerce 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.

Commerce Bancorp, Inc.
Commerce Atrium
1701 Route 70 East
Cherry Hill, NJ 08034-5400
Attn: C. Edward Jordan, Jr.
Executive Vice President
(856) 751-9000

TD Bank Financial Group
Investor Relations
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.

Morrow & Co., LLC
470 West Avenue
Stamford, CT 06902
Toll free telephone: (800) 573-4370
Brokers and banks, please call: (203) 658-9400
commercebank.info@morrowco.com

In order to receive timely delivery of requested documents in advance of the special meeting, you should make your request no later than January 30, 2008.

See Where You Can Find More Information beginning on page 108.

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COMMERCE BANCORP, INC.

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON FEBRUARY 6, 2008**

To the Shareholders of Commerce Bancorp, Inc.:

We will hold a special meeting of shareholders at 4:00 p.m., local time, on February 6, 2008 at Commerce University, 4140 Church Road, Mt. Laurel, New Jersey 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 October 2, 2007, among Commerce Bancorp, Inc., The Toronto-Dominion Bank and Cardinal Merger Co., pursuant to which Cardinal Merger Co. will merge with and into Commerce, whereupon the separate corporate existence of Cardinal Merger Co. will cease and Commerce will survive as a 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 December 14, 2007 has been fixed as the record date for determining those Commerce shareholders entitled to notice of, and to vote at, the special meeting and any adjournments or postponements of the special meeting. Only Commerce shareholders of record 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 two proposals described above requires the affirmative vote of a majority of the votes cast at the special meeting by Commerce shareholders. 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,

C. Edward Jordan, Jr.
Secretary

January 4, 2008

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.

COMMERCE 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.

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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 Commerce. 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 108. 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 indirect wholly-owned subsidiary, Cardinal Merger Co., to merge into Commerce, with Commerce surviving the merger as a wholly-owned subsidiary of TD.

Commerce Shareholders Will Receive Cash and TD Common Shares in the Merger (Page 67)

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

0.4142 TD common shares; and

\$10.50 in cash.

You will not receive any fractional TD common shares. Instead, TD will pay you cash for any fractional TD common shares you would have otherwise received.

For example, if you own 1,000 shares of Commerce common stock, when the merger has been completed you will receive:

414 TD common shares;

\$10,500 in cash; and

for the fractional TD common share, cash in U.S. dollars equal to 0.2 (the remaining fractional interest in a TD common share) multiplied by the average of the daily volume weighted averages 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.

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 Commerce 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 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 Commerce shareholders vote on the merger. For information on recent market prices of the TD common shares and Commerce common stock, see *Comparative Per Share Market Price and Dividend Information* beginning on page 14. See also *Risk Factors* beginning on page 21.

You will need to surrender your Commerce common stock certificates to receive the merger consideration in exchange for your Commerce common stock. Please do not surrender your certificates until you receive written instructions from TD after we have completed the merger.

Treatment of Commerce Stock Options (Page 64)

Upon completion of the merger, each option to purchase shares of Commerce common stock outstanding under any of Commerce's stock incentive plans will be fully vested and will automatically convert into an option to purchase TD common shares, and each stock option plan thereof will be assumed and honored by TD in accordance with its terms.

Table of Contents**Comparative Market Prices and Share Information (Page 14)**

The table below sets forth the closing sale prices of Commerce common stock and TD common shares as reported on the New York Stock Exchange Composite Tape on October 1, 2007, the last trading day before the public announcement of the merger, and January 3, 2008, 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 Commerce 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 0.4142 and adding the \$10.50 cash portion of the merger consideration. We urge you to obtain current market quotations for both TD common shares and Commerce common stock.

	TD Common Shares	Commerce Common Stock	Commerce Common Stock Pro Forma Equivalent (including the \$10.50 cash portion)
October 1, 2007	U.S.\$76.94	U.S.\$39.74	U.S.\$42.37
January 3, 2008	68.54	37.86	38.89

Commerce's Financial Advisor Has Delivered an Opinion that the Stock Consideration and Cash Consideration, Taken in the Aggregate, was Fair, from a Financial Point of View, to Commerce Shareholders (Page 40 and Appendix B)

Goldman, Sachs & Co., or Goldman Sachs, rendered its oral opinion to the board of directors of Commerce, which was subsequently confirmed in writing, that as of the date of the opinion, and based upon and subject to the factors and assumptions set forth in the opinion, the stock consideration and cash consideration to be received by the holders of Commerce common stock, taken in the aggregate, pursuant to the merger agreement was fair from a financial point of view to such holders. The full text of the written opinion of Goldman Sachs, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is included as **Appendix B** to this proxy statement/prospectus. Goldman Sachs provided its opinion for the information and assistance of the Commerce board of directors in connection with its consideration of the merger. Goldman Sachs' opinion is not a recommendation as to how any holder of Commerce common stock should vote with respect to the merger. Pursuant to an engagement letter dated August 21, 2007 between Commerce and Goldman Sachs, Goldman Sachs is entitled to receive a transaction fee of 0.30% of the aggregate consideration payable in the merger, based upon the average closing price of the TD common shares on the five trading days ending five trading days prior to the date of the consummation of the transaction, all of which is contingent on the consummation of the transaction.

Material United States Federal Income Tax Consequences to Holders of Commerce Common Stock (Page 55)

For a U.S. holder (as defined in *The Merger - Material United States Federal Income Tax Consequences*), the merger will be a taxable transaction. For United States federal income tax purposes, a U.S. holder will recognize gain or loss equal to the difference between (1) the sum of the cash consideration (including any cash received in lieu of fractional shares) and the fair market value of the TD common shares received in the merger and (2) such holder's adjusted tax basis in the shares of Commerce common stock surrendered in the merger for TD common shares and 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 Commerce Common Stock Do Not Have Dissenters' Rights of Appraisal (Page 64)

Under applicable New Jersey law, the holders of Commerce common stock are not entitled to any dissenters' rights of appraisal in connection with the merger.

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Commerce's Board of Directors Unanimously Recommends that You Vote FOR the Approval of the Plan of Merger (Page 29)

Commerce'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 Commerce and its shareholders and has unanimously approved the plan of merger contained in the merger agreement. For the factors considered by the Commerce board of directors in reaching its decision to approve the plan of merger, see the section entitled "The Merger - Commerce's Reasons for the Merger" beginning on page 36. **Commerce's board of directors unanimously recommends that Commerce 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 Commerce Common Stock (Page 92)

The conversion of your shares of Commerce common stock into TD common shares and cash in the merger will result in changes from your current rights as a Commerce shareholder, which generally are governed by the New Jersey Business Corporation Act, or the NJBCA, and Commerce'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.

Commerce Executive Officers and Directors Have Financial and Other Interests in the Merger that are Different from or in Addition to Your Interests (Page 50)

Some of the members of Commerce's board of directors and Commerce's executive officers have financial interests in the merger that are in addition to, and/or different from, your interests. The independent members of the Commerce board of directors were aware of these additional and/or differing interests and potential conflicts and considered them, among other matters, in evaluating, negotiating and approving the merger agreement. These interests include employment agreements between Commerce and its executive officers, which were amended and restated in contemplation of the merger, that provide, among other things, cash payments in the case of a change of control, such as the completion of the merger, and the vesting of outstanding stock options and certain retirement plan account balances upon the completion of the merger.

On December 31, 2007, Commerce completed the sale of Commerce Banc Insurance Services, Inc., or CBIS, the insurance agency subsidiary of Commerce, to a group headed by George Norcross, a member of the Commerce board of directors and Chairman and Chief Executive Officer of CBIS. In connection with the sale, Mr. Norcross entered into a non-competition agreement with Commerce Bank/North, in exchange for which Commerce Bank/North agreed to pay Mr. Norcross a lump sum cash payment of \$4 million, in addition to Commerce's obligation to pay Mr. Norcross a change in control payment pursuant to the terms of his amended employment agreement. Both payments became payable on January 2, 2008. Please see "The Merger - Interests of Commerce's Executive Officers and Directors in the Merger - Sale of CBIS" beginning on page 52.

The Companies

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

TD is a Canadian chartered bank formed through the amalgamation of The Bank of Toronto (established 1855) and The Dominion Bank (established 1869). TD and its subsidiaries are collectively known as TD Bank Financial Group. In Canada and around the world, TD serves more than 14 million customers in four key businesses operating in a number of locations in key financial centers around the globe: Canadian Personal and Commercial Banking, including TD Canada Trust as well as TD's global insurance operations (excluding the U.S.); Wealth Management, including TD Waterhouse Canada, TD Waterhouse U.K. and TD's investment in TD Ameritrade; U.S. Personal and Commercial Banking through TD Banknorth Inc., or TD Banknorth; and Wholesale Banking, including TD Securities. TD also ranks among the world's leading online financial services firms, with more than 4.5 million online customers. TD had C\$422.1 billion (U.S.\$444.5 billion based on the noon buying rate as reported

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by the Federal Reserve Bank in the City of New York at October 31, 2007) in assets as at October 31, 2007 and is headquartered in Toronto, Canada.

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.

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

Cardinal Merger Co. is a New Jersey corporation and an indirect wholly-owned subsidiary of TD. Cardinal Merger Co. was organized solely for the purpose of effecting the merger with Commerce described in this proxy statement/prospectus. It has not carried on any activities other than in connection with the merger agreement.

Commerce Bancorp, Inc.
1701 Route 70 East
Cherry Hill, New Jersey 08034-5400
(856) 751-9000

Commerce, a New Jersey business corporation, is a regional financial services leader, anchored by the financial strength of its banking subsidiaries, Commerce Bank, N.A. and Commerce Bank/North, and augmented by CBIS and Commerce Capital Markets, Inc. With assets of more than \$49 billion as of September 30, 2007, Commerce is the largest bank headquartered in New Jersey, serving Metropolitan Philadelphia, New Jersey, New York, Connecticut, Delaware, Washington, D.C., Virginia, Maryland and Southeast Florida. Commerce is a growth retailer selling convenience, and has successfully developed and implemented a unique retail strategy. This retail approach to banking uses a chain concept and features standardized facilities, standardized hours, standardized service and aggressive marketing. Commerce is America's Most Convenient Bank, with over 450 convenient branch locations which are open seven days a week.

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

The Special Meeting of Commerce Shareholders (Page 27)

The Commerce special meeting will be held at 4:00 p.m. local time, on February 6, 2008, at Commerce University, 4140 Church Road in Mt. Laurel, New Jersey. At the Commerce special meeting, Commerce 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. Commerce shareholders may cast one vote at the special meeting for each share of Commerce common stock that was owned at the close of business on December 14, 2007. At that date, there were 195,548,790 shares of

Commerce common stock entitled to be voted at the special meeting.

As of the record date, directors and executive officers of Commerce and their affiliates owned (directly or indirectly) and had the right to vote approximately 16.4 million shares of Commerce common stock, representing approximately 8.4% of the shares of Commerce common stock entitled to be voted at the special meeting, and directors and executive officers of TD and their affiliates owned (directly or indirectly) and had the right to vote less than 1% of the shares of Commerce common stock entitled to be voted at the special meeting.

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Required Vote. In order for the plan of merger to be approved by Commerce shareholders, a majority of the votes cast by Commerce shareholders entitled to vote must be voted in favor of the approval of the plan of merger. We urge you to vote.

TD Shareholder Approval

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

The Merger Agreement (Page 67)

The merger agreement is described beginning on page 67 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.

Completion of the Merger is Subject to Conditions (Page 77)

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

receipt of the required approval by the Commerce shareholders of the plan of merger;

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;

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

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.

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 Commerce 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 Commerce;

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

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 Commerce or TD or which would result in an adverse impact on TD's status as a financial holding company under the Bank Holding Company Act of 1956, as amended, or BHC Act (in the case of the condition related to TD's financial holding company status, if such action is due to any fact or condition relating to Commerce).

Commerce'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.

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The Merger Agreement May Be Terminated Under Some Circumstances (Page 78)

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 Commerce shareholders, in any of the following circumstances:

by mutual written consent of TD and Commerce; or

by either TD or Commerce 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 July 31, 2008, but neither TD nor Commerce 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 30 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 Commerce may terminate the merger agreement for this reason if it itself is then in material breach of the merger agreement; or

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

by TD if:

the board of directors of Commerce has failed to recommend the merger and the approval of the plan of merger by the shareholders of Commerce or has withdrawn, amended or modified in any manner adverse to TD its recommendation, or if Commerce 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; or

a tender offer or exchange offer for 20% or more of the outstanding shares of Commerce common stock has commenced (other than by TD), and the board of directors of Commerce recommends that the shareholders of Commerce 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.

Commerce May Be Required to Pay a Termination Fee Under Some Circumstances (Page 79)

If the merger agreement is terminated under certain circumstances, including circumstances involving a change in recommendation by Commerce's board of directors, Commerce will be required to pay TD a termination fee of up to \$332 million, except that if a final stipulation of settlement is entered into with respect to the litigation settlement described under *The Merger - Litigation Relating to the Merger*, TD has agreed to reduce this termination fee amount to \$255 million. The termination fee could discourage other companies from seeking to acquire or merge with Commerce.

Regulatory Approvals Required for the Merger (Page 61)

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 Commerce, as a result of the merger. The U.S. Department of Justice will have an opportunity to comment during this approval process and will have at least 15 days (but no more than 30 days) following the approval of the Federal Reserve Board to challenge the approval on antitrust grounds.

Bank Act of Canada. Under the Bank Act of Canada, TD is required to obtain the approval of the Superintendent of Financial Institutions of Canada for the indirect acquisition of control, as a result of the merger, of Commerce Bank, N.A. and Commerce Bank/North, Commerce's banking subsidiaries, for the issuance of the TD

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common shares included in the merger consideration for non-cash consideration and in respect of Commerce's existing ownership interest in Pennsylvania Commerce Bancorp, Inc.

Other Regulatory Approvals. TD and Commerce are also required to file and have filed applications with, and obtain the approval of, bank regulatory authorities in the State of New Jersey and the Commonwealth of Pennsylvania with respect to the merger. Applications and notifications may be filed with various other state regulatory authorities, including self-regulatory organizations, including the Financial Industry Regulatory Authority, in connection with changes in control of the broker-dealer subsidiaries of Commerce.

There can be no assurance that regulatory approvals will be obtained, that such approvals will be received on a timely basis or that such approvals will not impose conditions or requirements that would be reasonably likely to have a material adverse effect on Commerce or TD or which would result in an adverse impact on TD's status as a financial holding company. If any such condition or requirement is imposed, TD may, in certain circumstances, elect not to consummate the merger.

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QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETING AND RELATED MATTERS

Q: What am I being asked to vote on?

A: TD and Commerce have entered into a merger agreement pursuant to which TD has agreed to acquire Commerce. You are being asked to vote to approve the plan of merger contained in the merger agreement. Under the terms of the merger agreement, Cardinal Merger Co. will merge with and into Commerce, with Commerce 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 Commerce shareholder of record will receive, in exchange for each share of Commerce common stock owned by such shareholder immediately prior to the merger, the following:

0.4142 TD common shares (with cash being paid in lieu of the issuance of fractional shares); and
\$10.50 in cash.

Q: Can the number of TD common shares to be issued in the merger for each share of Commerce 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 Commerce 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 21.

Q: When and where is the Commerce special meeting?

A: The Commerce special meeting will take place on February 6, 2008. The time and location of the meeting are specified on the cover page of this proxy statement/prospectus.

Q: Who can vote at the special meeting?

A: Holders of Commerce common stock as of the close of business on the record date of December 14, 2007 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 vote of Commerce shareholders is required in connection with the merger?

A: The affirmative vote of a majority of the votes cast by the shareholders of Commerce common stock at the special meeting is required to approve the plan of merger.

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.

Q: What happens if I do not vote at all?

A: If you do not vote your shares with respect to the proposal to approve the plan of merger, it will have no effect on the outcome of the proposal. However, if the proposal to approve the plan of merger receives the required approval of Commerce s shareholders and the merger is completed, your Commerce shares will be converted into the right to receive the merger consideration even though you did not vote. Additionally, if you do not vote

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your shares with respect to the proposal to approve the plan of merger, then your vote will not be counted toward the quorum requirement at the Commerce 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 Commerce 401(k) Plan, what should I do?

A: If you are a participant in the Commerce Bancorp, Inc. 401(k) Retirement Plan, you may give voting instructions for any Commerce shares held in your account to Registrar and Transfer Company, Commerce's transfer agent, 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. Commerce's transfer agent 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: When do you expect the merger to be completed?

A: We currently expect to complete the merger in February or March 2008. 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 Commerce 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 61.

Q: What are the material federal income tax consequences of the merger to Commerce shareholders?

A: For a U.S. holder (as defined in *The Merger Material United States Federal Income Tax Consequences* beginning on page 55), the merger will be treated for United States federal income tax purposes as a taxable sale by such holder of the shares of Commerce common stock that such holder surrenders in the merger. The material United States federal income tax consequences of the merger to U.S. holders are as follows:

A U.S. holder will recognize gain or loss equal to the difference between (1) the sum of the cash consideration (including any cash received in lieu of fractional shares) and the fair market value of the TD common shares received in the merger and (2) such holder's adjusted tax basis in the shares of Commerce common stock surrendered in the merger for TD common shares and cash;

A U.S. holder's aggregate tax basis in the TD common shares 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 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.

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See The Merger Material United States Federal Income Tax Consequences beginning on page 55.

The merger should not give rise to Canadian income tax liability for Commerce shareholders who are not residents of Canada for Canadian income tax purposes. See The Merger Material Canadian Federal Income Tax Considerations beginning on page 60.

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 Commerce at the address below, stating that you would like to revoke your proxy.

Commerce Bancorp, Inc.
Commerce Atrium
1701 Route 70 East
Cherry Hill, NJ 08034-5400
Attn: C. Edward Jordan, 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 Commerce 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 Commerce University, 4140 Church Road, Mt. Laurel, New Jersey, at 4:00 p.m., local time, on February 6, 2008. 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: No. After we complete the merger, you will receive written instructions for exchanging your Commerce stock certificates for TD common shares and the cash merger consideration. **Please do not send in your Commerce 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 Commerce 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 Commerce stock certificates after looking for them carefully, we urge you to contact Commerce's transfer agent, Registrar and Transfer Company, as soon as possible and follow the procedure they explain to you for replacing your Commerce stock certificates. Registrar and Transfer Company can be

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reached at (866) 465-2630 or on their website at <http://www.rtco.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 21.

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

A: No. Under the NJBCA, Commerce's shareholders are not entitled to appraisal rights in connection with the merger. See "The Merger - No Dissenters' Rights of Appraisal" beginning on page 64.

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:

Morrow & Co., LLC
470 West Avenue
Stamford, CT 06902
Toll free telephone: (800) 573-4370
Brokers and banks, please call: (203) 658-9400
commercebank.info@morrowco.com

Table of Contents**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 Commerce.

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 Commerce incorporated into this proxy statement/prospectus by reference. See *Where You Can Find More Information* beginning on page 108.

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 Commerce 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 Commerce. 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.

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. 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 Year Ended October 31, 2007	
	(C\$)	(U.S.\$)(1)
Basic Earnings Per Share:		
TD historical (Canadian GAAP)	C\$ 5.53	U.S.\$ 5.06
TD historical (U.S. GAAP)	5.64	5.16
TD pro forma combined (Canadian GAAP)(2)	5.00	4.57
TD pro forma combined (U.S. GAAP)(2)	5.09	4.66
Diluted Earnings Per Share:		
TD historical (Canadian GAAP)	5.48	5.01
TD historical (U.S. GAAP)	5.59	5.11
TD pro forma combined (Canadian GAAP)(2)	4.92	4.50
TD pro forma combined (U.S. GAAP)(2)	5.02	4.59
Dividends Per Share:		
TD historical and pro forma(3)	2.11	1.98
Book Value Per Share at Period End:		
TD historical (Canadian GAAP)	29.23	30.78

TD historical (U.S. GAAP)	28.59	30.11
TD pro forma combined (Canadian GAAP)(2)	34.20	36.02
TD pro forma combined (U.S. GAAP)(2)	33.62	35.40

- (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 year ended October 31, 2007 of 1.0930. The average exchange rate is calculated as the average of the noon buying rate on the last day of each month during the period. 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

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as at October 31, 2007 of 0.9496. 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 Federal Reserve Bank in the City of New York.

- (2) Pro forma combined amounts are calculated by adding together the historical amounts reported by TD and Commerce 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 as of September 30, 2007, in connection with the merger 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 year ended October 31, 2007 were calculated using the latest annual financial information filed with the SEC. Commerce's results for the twelve months ended September 30, 2007 have been used to calculate the TD pro forma combined results for the year ended October 31, 2007.

- (3) 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.

Commerce 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 Commerce on a historical basis and pro forma equivalent basis. The pro forma equivalent amounts with respect to the Commerce 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 12) by the exchange ratio of 0.4142 TD common shares included in the merger consideration, and do not include the cash portion of the merger consideration. Since Commerce and TD have different fiscal years, the pro forma equivalent for the twelve months ended September 30, 2007 has been compared with TD's fiscal year ended October 31, 2007.

	As at and for the Twelve Months Ended September 30, 2007 (U.S.\$)	
Basic Earnings Per Share:		
Commerce historical	\$	0.89
Commerce pro forma equivalent (Canadian GAAP)		1.89
Commerce pro forma equivalent (U.S. GAAP)		1.93
Diluted Earnings Per Share:		
Commerce historical		0.86
Commerce pro forma equivalent (Canadian GAAP)		1.86
Commerce pro forma equivalent (U.S. GAAP)		1.90
Dividends Per Share:		
Commerce historical		0.52
Commerce pro forma equivalent		0.82

Book Value Per Share at Period End:

Commerce historical	15.17
Commerce pro forma equivalent (Canadian GAAP)	14.92
Commerce pro forma equivalent (U.S. GAAP)	14.66

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" and also trade on the Tokyo Stock Exchange. Commerce's common stock is listed on the New York Stock Exchange under the trading symbol "CBH". The following table sets forth, for the respective calendar years and quarters indicated, the high and low sale prices per share of Commerce common stock as reported on the New York Stock Exchange Composite Tape, and the high and low sale prices per TD common share as reported on the New York Stock Exchange Composite Tape and the Toronto Stock Exchange. The Toronto Stock Exchange sale prices of TD common shares are presented in Canadian dollars, and the New York Stock Exchange sale prices of Commerce 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 Commerce's fiscal year end is December 31.

	The New York Stock Exchange (U.S.\$)				The Toronto Stock Exchange (C\$)	
	Commerce Common Stock		TD Common Shares		TD Common Shares	
	High	Low	High	Low	High	Low
2002						
Annual	\$ 25.25	\$ 18.05	\$ 28.60	\$ 15.77	\$ 45.03	\$ 25.17
2003						
Annual	26.74	18.12	33.76	20.50	44.78	31.20
2004						
Annual	33.83	23.35	41.69	31.16	50.10	42.54
2005						
Annual	35.98	26.87	53.16	38.73	62.79	48.08
2006						
Annual	41.20	31.20	60.57	49.52	70.21	55.62
First Quarter	37.16	31.86	58.07	51.49	66.85	60.20
Second Quarter	41.20	33.85	57.42	49.84	65.35	55.62
Third Quarter	37.59	31.20	60.26	49.52	66.93	56.00
Fourth Quarter	37.10	34.25	60.57	55.31	70.21	62.80
2007						
First Quarter	36.15	30.45	61.45	57.13	71.61	67.21
Second Quarter	37.68	31.32	70.26	59.43	74.89	66.55
Third Quarter	39.62	32.17	77.63	59.43	77.10	64.02
Fourth Quarter	41.00	34.36	77.08	64.87	76.50	64.18
2008						
First Quarter (through January 3, 2008)	38.11	37.53	69.94	67.69	69.37	67.05

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

	The New York Stock Exchange (U.S.\$)				The Toronto Stock Exchange (C\$)	
	Commerce Common Stock		TD Common Shares		TD Common Shares	
	High	Low	High	Low	High	Low
July 2007	\$ 39.13	\$ 33.41	\$ 70.65	\$ 63.70	\$ 73.75	\$ 67.82
August 2007	38.10	32.17	68.90	59.43	72.50	64.02
September 2007	39.62	36.26	77.63	67.16	77.10	70.66
October 2007	41.00	38.29	77.08	69.65	76.50	67.75
November 2007	40.55	34.36	75.41	64.87	75.00	64.18
December 2007	39.96	37.43	74.64	68.33	74.69	68.00

The table below sets forth the closing sale prices of Commerce common stock and TD common shares as reported on the New York Stock Exchange Composite Tape on October 1, 2007, the last trading day before the public announcement of the merger, and January 3, 2008, 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 Commerce 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 0.4142 and adding the \$10.50 cash portion of the merger consideration. We urge you to obtain current market quotations for both TD common shares and Commerce common stock.

	TD Common Shares (U.S.\$)	Commerce Common Stock (U.S.\$)	Commerce Common Stock Pro Forma Equivalent (including the \$10.50 cash portion) (U.S.\$)	
October 1, 2007	\$ 76.94	\$ 39.74	\$	42.37
January 3, 2008	68.54	37.86		38.89

The table below sets forth the dividends declared per TD common share and per share of Commerce common stock for the fiscal years ended 2002, 2003, 2004, 2005, 2006 and 2007. TD's fiscal year end is October 31 and Commerce's fiscal year end is December 31.

TD	Declared Dividends	
	TD	Commerce

	(C\$(1)	(U.S.\$)(1)(2)	(U.S.\$)
Fiscal Year Ended			
2002	\$ 1.12	\$ 0.71	\$ 0.3075
2003	1.16	0.82	0.3425
2004	1.36	1.04	0.395
2005	1.58	1.29	0.45
2006	1.78	1.58	0.49
2007	2.11	1.98	0.52

(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 Federal Reserve Bank in the City of New York 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 Federal Reserve Bank in the City of New York.

	C\$ per U.S.\$1.00		U.S.\$ per C\$1.00	
October 1, 2007 (the last trading day before public announcement of the merger)	C\$	0.9929	U.S. \$	1.0072
January 3, 2008		0.9905		1.0096

	Average Rate(1)			
	C\$ per U.S.\$1.00		U.S.\$ per C\$1.00	
Year Ended October 31,				
2002	C \$	1.5718	U.S. \$	0.6362
2003		1.4379		0.6955
2004		1.3147		0.7606
2005		1.2134		0.8241
2006		1.1329		0.8827
2007		1.0930		0.9149

(1) The average rate is calculated as the average of the noon buying rate as reported by the Federal Reserve Bank 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 Federal Reserve Bank in the City of New York.

	High		Low	
	(C\$ per U.S.\$1.00)			
July 2007	C\$	1.0689	C\$	1.0372
August 2007		1.0754		1.0497
September 2007		1.0546		0.9959
October 2007		1.0002		0.9496
November 2007		1.0007		0.9168
December 2007		1.0216		0.9784

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 Canadian GAAP, except as otherwise indicated. The information as at and for each of the years in the five-year period ended October 31, 2007 has been derived from the consolidated financial statements of TD as filed with the SEC. 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 108.

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 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, 2007, see Exhibit 99.4 to TD's Form 40-F for the year ended October 31, 2007, filed with the SEC on November 29, 2007, 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 108.

	Fiscal				
	Year Ended October 31,				
	2007	2006	2005	2004	2003
	(C\$ in millions, except per share data and ratios)				
Operations Data:					
Interest income	17,852	15,569	12,776	11,132	11,202
Interest expense	10,928	9,198	6,768	5,359*	5,765*
Net interest income	6,924	6,371	6,008	5,773*	5,437*
Provision for (recovery of) credit losses	645	409	55	(386)	186
Net interest income after credit loss provision	6,279	5,962	5,953	6,159*	5,251*
Other income	7,357	6,821	5,951	4,928	4,455
Non-interest expenses	8,975	8,815	8,844	8,052	8,395
Dilution gain (net)	0	1,559	0	0	0
Net income (loss)	3,997	4,603	2,229	2,232*	989*
Net income (loss) (U.S. GAAP basis)	4,108	4,618	2,144	1,881	1,162
Preferred dividends	20	22	0	0*	0*
Net income (loss) applicable to common shares	3,977	4,581	2,229	2,232	989
Net income (loss) applicable to common shares (U.S. GAAP basis)	4,053	4,559	2,089	1,828	1,098
Per Common Share:					
Net income (basic)	5.53	6.39	3.22	3.41	1.52
Net income (basic) (U.S. GAAP basis)	5.64	6.36	3.02	2.79	1.69
Net income (fully diluted)	5.48	6.34	3.20	3.39	1.51
Net income (fully diluted) (U.S. GAAP basis)	5.59	6.31	3.00	2.77	1.68
Cash dividends declared(1)	2.11	1.78	1.58	1.36	1.16
Book value (period end)	29.23	26.77	22.29	19.31	17.64
Consolidated Balance Sheet (period end):					
Total assets	422,124	392,914	365,210	311,027	273,532

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Total assets (U.S. GAAP basis)	428,602	400,616	371,746	317,494	283,439
Loans (net)	175,915	160,608	152,243	123,924	118,058
Deposits	276,393	260,907	246,981	206,893	182,880
Subordinated notes	9,449	6,900	5,138	5,644	5,887
Total shareholders' equity	21,404	19,632	15,866	12,668	11,576
Common shares outstanding (in millions)	717.8	717.4	711.8	655.9	656.3
Selected Ratios:					
Return on total common equity	19.3	25.5	15.3	18.5	8.7
Net impaired loans net of specific allowance as a % of net loans	0.2	0.2	0.1	0.2	0.7
Efficiency ratio(2)	62.8	59.8	74.0	75.2 *	84.9 *
Provision for credit losses as a % of net average loans	0.37	0.25	0.04	(0.30)	0.15
Tangible common equity as a % of risk-weighted assets(3)	7.4	9.1	7.4	9.0	6.9
Tier 1 capital to risk weighted assets(3)	10.3	12.0	10.1	12.6	10.5

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Fiscal
Year Ended October 31,
2007 2006 2005 2004 2003
(C\$ in millions, except per share data and ratios)

Total capital to risk-weighted assets(3)	13.0	13.1	13.2	16.9	15.6
Common dividend payout ratio	38.1	27.9	49.3	39.9	76.2

* 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) Equivalent to U.S.\$1.98 in fiscal 2007, U.S.\$1.58 in fiscal 2006, U.S.\$1.29 in fiscal 2005, U.S.\$1.04 in fiscal 2004 and U.S.\$0.82 in fiscal 2003, based on the noon exchange rates on each dividend payment date as reported by the Federal Reserve Bank in the City of New York.
- (2) Non-interest expenses, as a percentage of total revenue.
- (3) Risk-weighted assets are determined in accordance with applicable Canadian bank regulations.

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The following table sets forth certain selected consolidated financial information of Commerce 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, 2006 has been derived from the consolidated financial statements of Commerce and notes to the consolidated financial statements as filed with the SEC. The information as at and for the nine-month periods ended September 30, 2007 and September 30, 2006 has been derived from the unaudited consolidated financial statements of Commerce and the notes thereto filed by Commerce with the SEC, which reflect, in the opinion of Commerce'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 Commerce, including the notes thereto, incorporated by reference in this proxy statement/prospectus. See **Where You Can Find More Information** beginning on page 108.

Nine Months Ended
September 30,
2007 2006 2006 Year Ended December 31,
2005 2004 2003 2002
(U.S.\$ in millions, except per share data and ratios)

Balance Sheet**Data:**

Total assets	\$ 49,994	\$ 43,304	\$ 45,272	\$ 38,466	\$ 30,502	\$ 22,712	\$ 16,404
Loans (net)	16,881	14,551	15,455	12,525	9,319	7,329	5,732
Securities available for sale	7,365	10,800	11,098	9,519	8,044	10,651	7,807
Securities held to maturity	14,441	14,246	14,885	13,005	10,464	2,490	763
Trading securities	7,310	93	106	143	169	170	326
Deposits	46,534	40,142	41,288	34,727	27,659	20,701	14,549
Long-term debt					200	200	200
Stockholders' equity	2,938	2,715	2,801	2,309	1,666	1,277	918

Income Statement**Data:**

Net interest income	\$ 1,023	\$ 949	\$ 1,275	\$ 1,154	\$ 1,018	\$ 756	\$ 573
Provision for credit losses	49	24	34	19	39	32	33
Noninterest income	340	425	591	443	375	332	257
Noninterest expense	1,155	993	1,356	1,146	939	763	579
Income before income tax expense	159	357	476	431	415	293	218
Net income	107	236	299	283	273	194	145

Per Share Data:

Net income:							
Basic	\$ 0.56	\$ 1.29	\$ 1.62	\$ 1.70	\$ 1.74	\$ 1.36	\$ 1.08
Diluted	0.54	1.23	1.55	1.61	1.63	1.29	1.01
Dividends declared	0.39	0.36	0.49	0.45	0.40	0.34	0.31

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Book value	15.17	14.51	14.86	12.92	10.42	8.35	6.77
Average shares outstanding (in millions):							
Basic	191	184	185	166	157	142	134
Diluted	198	193	194	179	173	157	149
Other Data:							
Return on average assets	0.30%	0.76%	0.71%	0.83%	1.03%	0.99%	1.05%
Return on average equity	4.89	12.61	11.65	14.90	18.78	18.81	18.50
Net interest margin(1)	3.21	3.39	3.35	3.77	4.28	4.36	4.69
Average loans to average deposits(1)	37.12	37.15	37.09	35.01	34.49	36.93	42.48
Dividend payout ratio	69.64	27.91	30.25	26.47	22.99	25.00	28.70
Stockholders equity to total assets	5.88	6.27	6.19	6.00	5.46	5.62	5.60

(1) Information with respect to interim periods has not previously been publicly disclosed.

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	Nine Months Ended		Year Ended December 31,				
	September 30,	2006	2006	2005	2004	2003	2002
	2007						
	(U.S.\$ in millions, except per share data and ratios)						
Risk-based capital:							
Tier 1	11.10	11.99	11.73	11.81	12.30	12.66	11.47
Total	11.86	12.71	12.44	12.58	13.25	13.62	12.51
Leverage ratio	5.81	6.08	6.18	6.04	6.19	6.61	6.37
Non-performing assets to total period-end assets	0.20	0.11	0.12	0.09	0.11	0.10	0.11
Net charge-offs to average loans outstanding	0.19	0.10	0.11	0.15	0.19	0.16	0.18
Non-performing loans to period-end loans	0.58	0.31	0.32	0.27	0.35	0.29	0.24
Allowance for credit losses to total end of year loans	1.09	1.05	1.03	1.12	1.43	1.51	1.56
Allowance for credit losses to non-performing loans	189.56	341.17	316.72	406.85	412.88	515.39	640.18

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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 Commerce 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 Commerce incorporated by reference into this proxy statement/prospectus and listed in the section entitled *Where You Can Find More Information* beginning on page 108.*

Because the exchange ratio is fixed and the market price of TD common shares may fluctuate, you cannot be certain of the dollar value of the merger consideration that you will receive upon completion of the merger.

Upon completion of the merger, each Commerce shareholder of record will be entitled to receive, in exchange for each share of Commerce common stock owned by such shareholder (1) 0.4142 TD common shares, plus cash in lieu of any fractional share interests and (2) \$10.50 in cash. Because the exchange ratio of 0.4142 TD common shares is fixed, the value of the TD common shares issued 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 to be issued to you based upon changes in the market price of TD common shares or Commerce 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 Commerce, including the following:

changes in the business, operations or prospects of TD or Commerce;

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;

market assessment of the benefits of the merger and of the likelihood that the merger will be completed; and

the timing of the completion of the merger.

Certain institutional shareholders of Commerce may only be able to own shares of U.S. companies and therefore may not be permitted to hold TD common shares, and others may not wish to hold TD common shares for various reasons, including because TD is not a U.S. company. As a result, related sales are likely to occur prior to or following the

completion of the merger. If the supply of TD common shares is significantly greater than the associated demand, the market price of TD common shares may decline significantly, in which case there can be no assurance that the market price would thereafter recover.

In addition to the approval of Commerce'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 merger

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consideration you will 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 Commerce common stock 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 Commerce.

Upon completion of the merger, holders of Commerce common stock will become holders of TD common shares. TD's businesses differ from those of Commerce, and accordingly the results of operations of TD will be affected by some factors different from those currently affecting the results of operations of Commerce. For a discussion of the businesses of Commerce 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 108.

The rights of Commerce shareholders will change as a result of the merger.

Following the completion of the merger, Commerce shareholders will no longer be shareholders of Commerce, a New Jersey corporation, but will instead be shareholders of TD, a Canadian chartered bank. There will be important differences between your current rights as a shareholder of Commerce, 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 Commerce and TD, see "Comparison of Shareholder Rights" beginning on page 92.

We may fail to realize the anticipated benefits of the merger, and the integration process could adversely impact TD's and Commerce's ongoing operations.

Commerce and TD entered into the merger agreement with the expectation that the merger would result in various benefits, including, among other things, revenue growth, synergies, ongoing cost savings and operating efficiencies, an expanded footprint and client base, continuation of successful *de novo* branching, cross-selling opportunities and enhanced market share. The success of the merger will depend, in part, on our ability to realize such anticipated benefits from combining the businesses of Commerce and TD. The anticipated benefits and cost savings of the merger may not be realized fully or at all or may take longer to realize than expected. Failure to achieve anticipated benefits could result in increased costs and decreases in the amounts of expected revenues of the combined company.

Commerce and TD have operated independently and until the completion of the merger will continue to operate independently. It is possible that the integration process could result in the loss of key employees, the disruption of each company's ongoing businesses or inconsistencies in standards, controls, procedures and policies that adversely affect our ability to maintain relationships with clients, customers and employees or to achieve the anticipated benefits of the merger. Integration of the businesses entails information technology systems conversions, which involve operational risks and may result in customer dissatisfaction and defection. Integration efforts between the two companies will also divert management attention and resources. These integration matters could have an adverse effect on each of Commerce and TD during the transition period. The integration may take longer than anticipated and may have unanticipated adverse results relating to Commerce's or TD's existing business. Additionally, TD may not be able to effectively integrate services, technologies or Commerce's key personnel.

Some directors and executive officers of Commerce 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.

When considering the recommendation of Commerce's board of directors, you should be aware that some executive officers and directors of Commerce may have interests in the merger that are different from your interests. For example, some executive officers (some of whom are also directors) are parties to employment agreements with Commerce (which were amended and restated in contemplation of the merger) that provide, among other things, cash payments in the case of a change of control (such as the completion of the merger). In addition, upon completion of the merger, all outstanding unvested stock options, including those held by executive officers and

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directors, will become vested and exercisable, account balances under Commerce's Supplemental Executive Retirement Plan will vest, and benefits under Commerce's director retirement plan will become payable upon termination of the director, regardless of the director's length of service. These and some other additional interests of Commerce directors and executive officers may create potential conflicts of interest and cause some of these persons to view the proposed merger differently than you view it, as a shareholder. These interests are described in more detail in the section entitled "The Merger - Interests of Commerce's Executive Officers and Directors in the Merger" beginning on page 50.

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.

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 and other bank regulatory, antitrust and other authorities in the U.S. These authorities may impose conditions on the completion of the merger or require changes to the terms of the merger. While TD and Commerce 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 61 and "Proposal No. 1: The Merger Agreement - Conditions to the Merger" beginning on page 77. 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 Commerce or TD or, in certain circumstances, which would have an adverse impact on TD's status as a financial holding company under the BHC Act, TD may elect not to consummate the merger.

Commerce's shareholders may receive a lower return on their investment after the merger.

Although Commerce and TD believe that the merger will create financial, operational and strategic benefits for the combined company and its shareholders, these benefits may not be achieved. The combination of Commerce's and TD's businesses, even if conducted in an efficient, effective and timely manner, may not result in combined financial performance that is better than what each company would have achieved independently if the merger had not occurred.

Upon completion of the merger, TD may not be able to retain key employees or efficiently manage the larger and broader organization resulting from the merger, which could adversely affect the operation and financial condition of TD following the merger.

The success of TD following the completion of the merger will depend in part on the ability of TD to retain key employees of both TD and Commerce and successfully manage the broader organization resulting from the combination of TD and Commerce. Competition for qualified individuals may be intense and key individuals may depart because of issues relating to the uncertainty and difficulty of integration or a general desire not to remain with TD. Furthermore, TD will face challenges inherent in efficiently managing an increased number of employees over large, geographically diverse areas. Accordingly, no assurance can be given that TD will be able to retain key employees or successfully manage the larger and more diverse combined organization, which could result in disruption to the combined company's business and negatively impact the combined company's operations and financial condition.

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

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fluctuations could decrease TD's revenues earned in non-Canadian currencies and have a material adverse impact on its business.

TD may, subject to certain limitations, terminate the merger agreement or be entitled not to complete the merger due to events relating to certain regulatory orders to which Commerce and/or its subsidiaries are subject.

On June 28, 2007, Commerce announced that Commerce Bank, N.A. agreed to a Consent Order with the Office of the Comptroller of the Currency, or the OCC, relating to, among other things, corporate governance, related party transactions and policies and procedures for real estate-related transactions. On the same date, Commerce announced that it and the Federal Reserve Bank of Philadelphia entered into a Memorandum of Understanding, or an MOU, whereby the board of directors agreed, among other things, to take all actions necessary to ensure that Commerce complies fully with the Consent Order and to ensure that all corporate-wide policies and procedures that address related party real estate transactions and other related party transactions are consistent with the Consent Order. A material failure by Commerce to comply with these regulatory orders could, subject to certain limitations, give TD the right to terminate the merger agreement. In addition, if the existence of these regulatory orders has a material adverse effect on TD's status as a financial holding company, then, subject to certain limitations, TD may not be obligated to complete the merger.

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. Moreover, TD is not required to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act, nor is it generally required to comply with Regulation FD, which restricts the selective disclosure of material nonpublic information. Accordingly, there may be less information concerning TD publicly available than there is for U.S. public companies such as Commerce. In addition, TD is permitted, under a multi-jurisdictional disclosure system adopted by the United States and Canada, to prepare its disclosure documents in accordance with Canadian disclosure requirements, including preparing its financial statements in accordance with Canadian generally accepted accounting principles, which differ in some respects from U.S. generally accepted accounting principles.

Applicable laws restrict the purchase, sale and transfer of TD's securities.

The Bank Act of Canada contains restrictions on the purchase or other acquisition, issue, transfer and voting of TD shares. Under the terms of these restrictions, no person is permitted to acquire any shares of TD if the acquisition would cause the person to have a significant interest in any class of shares of TD, without obtaining the prior approval of the Minister of Finance of Canada. In addition, TD is not permitted to record any transfer or issue of shares of TD if the transfer or issue would cause the person to have a significant interest in TD, unless prior approval is obtained from the Minister of Finance. No person who has a significant interest in TD may exercise any voting rights attached to the shares held by that person, unless that prior approval of the Minister of Finance for the acquisition of the significant interest was obtained. For these purposes, a person is deemed to have a significant interest in a class of shares of TD where the aggregate of any shares of that class beneficially owned by that person, any entity controlled by that person and by any person acting jointly or in concert with that person exceeds 10% of all of the outstanding shares of that class of shares of TD. If a person contravenes any of these restrictions, the Minister of Finance may, by order, direct that person to dispose of all or any portion of those shares.

In addition, under the Bank Act of Canada, in respect of TD, the Minister of Finance may only approve the acquisition of up to 30% of the shares of any class of non-voting shares and up to 20% of the shares of any class of voting shares and provided, in each case, that the person acquiring those shares does not have any direct or indirect influence over TD that, if exercised, would result in that person having control in fact of TD. For these purposes, the

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shares beneficially owned by that person, any entity controlled by that person and by any person acting jointly or in concert with that person with respect to TD shares are aggregated. In addition, the Bank Act of Canada prohibits banks, including TD, from recording a transfer or issuing shares of any class to Her Majesty in right of Canada or of a province, an agent of Her Majesty, a foreign government or an agent of a foreign government.

The restrictions contained in the Bank Act of Canada and the Canadian government's policies may deter, delay or prevent a future acquisition of a significant interest in TD and will prevent the acquisition of control of TD, including transactions that could be perceived by TD's shareholders as advantageous to them. For further information, please see the section entitled "Description of TD Share Capital - Limitations Affecting Holders of TD Common Shares" beginning on page 91.

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 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.

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

The merger agreement contains provisions that may discourage a third party from submitting a business combination proposal to Commerce that might result in greater value to Commerce's shareholders than the proposed merger. These provisions include a general prohibition on Commerce from soliciting any acquisition proposal or offers for competing transactions and the requirement that Commerce pay a termination fee of up to \$332 million (or, if a final stipulation of settlement is entered into with respect to the litigation settlement described under "The Merger - Litigation Relating to the Merger", \$255 million) if the merger agreement is terminated in specified circumstances. For further information, please see the section entitled "Proposal No. 1: The Merger Agreement - Termination Fees and Expenses" beginning on page 79.

TD required Commerce to agree to these provisions as a condition to TD's willingness to enter into the merger agreement. These provisions, however, might discourage a third party that might have an interest in acquiring all or a significant part of Commerce from considering or proposing an acquisition, even if that party were prepared to pay consideration with a higher per share price than the current proposed merger consideration. Furthermore, the termination fee may result in a potential competing acquiror proposing to pay a lower per share price to acquire Commerce than it might otherwise have proposed to pay.

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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 Commerce'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, estimate, will, should, may or similar expressions, are forward-looking statements within the meaning of Section 21E of the Exchange Act and Section 27A of the U.S. Securities Act of 1933, as amended, or Securities Act. Without limiting the generality of the preceding sentence, statements contained in the sections The Merger, Commerce's Reasons for the Merger, Opinion of Commerce'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 Commerce's expectations, estimates and projections regarding future events.

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 Commerce 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 21, 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 Commerce 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, 2007, TD's reports on Form 6-K and Commerce's annual report on Form 10-K for the year ended December 31, 2006 and Commerce'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 Commerce 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.

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THE SPECIAL MEETING

This section contains information for Commerce shareholders about the special meeting that Commerce has called to allow its shareholders to consider and approve the plan of merger contained in the merger agreement. Commerce is mailing this proxy statement/prospectus to its shareholders on or about January 7, 2008. Together with this proxy statement/prospectus, Commerce is sending a notice of the special meeting and a form of proxy that Commerce'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 February 6, 2008, at 4:00 p.m. local time at Commerce University, 4140 Church Road, Mt. Laurel, New Jersey.

Matters to be Considered

At the special meeting, Commerce 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 Commerce proxies should be addressed to:

Commerce Bancorp, Inc.
Commerce Atrium
1701 Route 70 East
Cherry Hill, New Jersey 08034-5400
Attention: C. Edward Jordan, Jr., Secretary

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 Commerce 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. Commerce'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, Commerce 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.

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Solicitation of Proxies

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

Commerce has also made arrangements with Morrow & Co., LLC 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 \$10,000 plus disbursements for these services. Proxies may also be solicited by directors, officers and employees of Commerce in person or by telephone or other means, for which such persons will receive no special compensation.

Record Date and Quorum

Commerce's board of directors has fixed the close of business on December 14, 2007 as the record date for determining the Commerce shareholders entitled to receive notice of and to vote at the special meeting. At that time, 195,548,790 shares of Commerce common stock were outstanding, held by approximately 54,500 holders of record.

The presence, in person or by properly executed proxy, of the holders of a majority of the aggregate outstanding shares of Commerce common stock is necessary to constitute a quorum at the special meeting. Pursuant to the NJBCA, 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 and approval of the proposal relating to the adjournment or postponement of the special meeting, if necessary or appropriate, including to solicit additional proxies, require the affirmative vote of a majority of the votes cast by Commerce shareholders entitled to vote at the special meeting. Only Commerce shareholders are entitled to vote at the special meeting. You are entitled to one vote for each full share of Commerce common stock you held as of the record date.

As of the record date, directors and executive officers of Commerce and their affiliates owned (directly or indirectly) and had the right to vote approximately 16.4 million shares of Commerce common stock, representing approximately 8.4% of the shares of Commerce common stock entitled to be voted at the special meeting, and directors and executive officers of TD and their affiliates owned (directly or indirectly) and had the right to vote less than 1% of the shares of Commerce common stock entitled to be voted at the special meeting. Commerce currently expects that its directors and executive officers will vote such shares 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.

Commerce's board of directors urges Commerce 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.

Under the NJBCA, abstentions or broker non-votes are not counted as votes cast and, therefore, will have no effect on the vote to approve the plan of merger or on any proposal to be considered at the special meeting.

Participants in Commerce Employee Plans

If you own shares of Commerce common stock in the Commerce Bancorp, Inc. 401(k) Retirement 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 Commerce. If you own shares of Commerce common stock in such plan, you will be receiving a separate letter 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.

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Voting by Telephone or Through the Internet

Many shareholders of Commerce 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 there are separate arrangements for using the telephone and the Internet depending on whether your shares are registered in Commerce'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.

Commerce 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. Commerce 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 NJBCA.

Delivery of Proxy Materials

To reduce the expenses of delivering duplicate proxy materials to Commerce shareholders, Commerce 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 (856) 751-9000 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:

Commerce Bancorp, Inc.
Commerce Atrium
1701 Route 70 East
Cherry Hill, New Jersey 08034-5400
Attention: C. Edward Jordan, Jr., Secretary

Recommendations of Commerce's Board of Directors

Commerce'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 Commerce and its shareholders, and unanimously recommends that Commerce 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.

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INFORMATION ABOUT THE COMPANIES

The Toronto-Dominion Bank

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

TD is a Canadian chartered bank formed through the amalgamation of The Bank of Toronto (established 1855) and The Dominion Bank (established 1869). TD and its subsidiaries are collectively known as TD Bank Financial Group. In Canada and around the world, TD serves more than 14 million customers in four key businesses operating in a number of locations in key financial centers around the globe: Canadian Personal and Commercial Banking, including TD Canada Trust as well as TD's global insurance operations (excluding the U.S.); Wealth Management, including TD Waterhouse Canada, TD Waterhouse U.K. and TD's investment in TD Ameritrade; U.S. Personal and Commercial Banking through TD Banknorth; and Wholesale Banking, including TD Securities. TD also ranks among the world's leading online financial services firms, with more than 4.5 million online customers. TD had C\$422.1 billion (U.S. \$444.5 billion based on the noon buying rate as reported by the Federal Reserve Bank in the City of New York at October 31, 2007) in assets as at October 31, 2007 and is headquartered in Toronto, Canada.

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 108.

Cardinal Merger Co.

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

Cardinal Merger Co. is a New Jersey corporation and an indirect wholly-owned subsidiary of TD. Cardinal Merger Co. was organized solely for the purpose of effecting the merger with Commerce described in this proxy statement/prospectus. It has not and will not carry on any activities other than in connection with the merger agreement. Cardinal Merger Co. will not survive the merger.

Commerce Bancorp, Inc.

1701 Route 70 East
Cherry Hill, New Jersey 08034-5400
(856) 751-9000

Commerce Bancorp, Inc., a New Jersey business corporation, is a regional financial services leader, anchored by the financial strength of its banking subsidiaries, Commerce Bank, N.A. and Commerce Bank/North, and augmented by CBIS and Commerce Capital Markets, Inc. With assets of more than \$49 billion as of September 30, 2007, Commerce is the largest bank headquartered in New Jersey, serving Metropolitan Philadelphia, New Jersey, New York, Connecticut, Delaware, Washington, D.C., Virginia, Maryland and Southeast Florida. Commerce is a growth retailer selling convenience, and has successfully developed and implemented a unique retail strategy. This retail approach to

banking uses a chain concept and features standardized facilities, standardized hours, standardized service and aggressive marketing. Commerce is America's Most Convenient Bank with over 450 convenient branch locations which are open seven days a week.

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Commerce is a bank holding company registered with the Board of Governors of the Federal Reserve System under the BHC Act. As such, Commerce and its subsidiaries are subject to supervision, examination and reporting requirements of the BHC Act and the regulations of the Federal Reserve Board.

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

Additional information about Commerce 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 108.

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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 Commerce's boards of directors have approved the merger agreement. The merger agreement provides for the acquisition of Commerce by TD through the merger of Cardinal Merger Co., an indirect wholly-owned subsidiary of TD, with and into Commerce, with Commerce as the surviving corporation. Following the merger, Commerce will operate as an indirect wholly-owned subsidiary of TD.

In the merger, each share of Commerce common stock will be converted into the right to receive 0.4142 TD common shares, plus cash in lieu of any fractional share interests and \$10.50 in cash for each such share. 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 Toronto-Dominion Bank name with 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

For many years, Commerce's basic strategy has focused on an aggressive program of organic, deposit-focused growth based on de novo branch expansion. As a result, Commerce did not seek out or participate in significant merger and acquisition transactions.

In January 2007, Commerce reported that it was subject to an investigation by the OCC and the Federal Reserve Bank of Philadelphia regarding related-party transactions and various other matters. In June 2007, Commerce entered into a Consent Order with the OCC, and a Memorandum of Understanding with the Federal Reserve Bank of Philadelphia, regarding related-party transactions and various other matters. During the period of the investigation and prior to Commerce's entry into the Consent Order in June 2007, the OCC's process for approval of Commerce applications for de novo branches, which is at the heart of Commerce's strategic plan, had become far more prolonged as the OCC imposed various new requirements on the branch application and approval process. In connection with Commerce's entry into these enforcement orders, Vernon W. Hill, II, the founder and long-time Chief Executive Officer of Commerce, who was largely responsible for establishing Commerce's strategy, was terminated. Following the former chief executive officer's termination, the market price of Commerce's stock increased significantly and there were various news articles speculating about a possible sale of Commerce. Goldman Sachs made a presentation to the board of directors about the potential market reaction to the termination of Mr. Hill. In the weeks following Mr. Hill's termination, Commerce and its advisors were contacted by a number of financial institutions, including TD, about Commerce's status.

As a result of the impact of the regulatory actions, as well as other key business considerations, Commerce's board of directors began to review whether a strategic combination with a larger institution should be explored. Among the business challenges that the Commerce board of directors considered were Commerce's ability to sustain, over time, a price-to-earnings ratio that historically exceeded the ratio of almost all other banking institutions, its declining net interest margin due primarily to the flattening of the yield curve, its ability to improve its relatively low return on assets and equity, the absence of a strong lending presence in its markets, its low non-interest income relative to its

peers, its hampered ability to open branches expeditiously due to the regulatory actions, which reduced its rate of deposit growth, increased competition from larger banks that were attempting to follow Commerce's service model, which was potentially affecting the growth of low-cost deposits, a slowdown in core, low-cost deposit growth on a same store basis, the changes that would need to be made in its business and the ability of Commerce to sustain the business and implement these changes, particularly in view of concerns about the ability to retain senior management given, among other things, Commerce's regulatory issues and Mr. Hill's termination. The Commerce board of directors considered these factors in light of Commerce's strong historic

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record of de novo branch expansion, deposit growth and increases in market share. Although Commerce's board of directors believed that each of the business challenges, as well as the regulatory issues, could have been resolved, such resolutions would have required substantial investments of money and personnel and would have diverted management's attention from day-to-day operation of the business for a lengthy period of time.

Given these considerations, the board of directors held meetings on July 8, 2007 and July 17, 2007 to consider Commerce's prospects and challenges as a standalone company and the strategic options that might otherwise be available. Prior to the meeting on July 17, 2007, Commerce representatives approached Goldman Sachs and asked Goldman Sachs to make a presentation at the July 17 board meeting about Commerce's strategic alternatives. These meetings were attended by representatives of Sullivan & Cromwell LLP, which served as special counsel to Commerce's board of directors in reviewing its strategic options and had advised the board of directors on issues relating to the regulatory actions. At the July 17 meeting, among other things, Goldman Sachs assisted the board of directors in reviewing the strategic alternatives available to Commerce and potential strategic partners and advised the board of directors that the significant increase in Commerce's stock price that immediately followed the announcement of the chief executive officer's termination may have reflected market speculation of a potential sale of Commerce. After extensive discussion by the board of directors and the presentations by Commerce's advisors, on July 17 the board of directors determined to hire Goldman Sachs and directed Goldman Sachs to identify potential strategic partners for Commerce. Prior to being hired, Goldman Sachs advised the board of directors that it provides a number of investment banking services to many banking institutions on a regular basis, and had previously provided such services to TD, including advising TD on its two-stage acquisition of TD Banknorth.

In late July 2007, Mr. George Norcross, a member of the Commerce board of directors and Chairman and Chief Executive Officer of Commerce Banc Insurance Services, Inc., or CBIS, the insurance agency subsidiary of Commerce, requested consideration by Commerce management of a possible sale of CBIS to Mr. Norcross and others. On July 24, 2007, Mr. Norcross sent a letter to the Commerce board of directors offering to purchase CBIS, although no specific terms were mentioned. Mr. Norcross had discussed the possibility of such a transaction earlier in the year with Mr. Hill. Mr. Norcross retained outside counsel to advise him on any potential sale of CBIS and recused himself from board discussions regarding any such sale. The board of directors created a special committee of independent directors to consider Mr. Norcross's proposal, comprised of Mr. Morton N. Kerr, Mr. John K. Lloyd and Mr. Joseph S. Vassaluzzo. In addition, the board of directors retained Goldman Sachs to advise the board of directors on whether such a sale would adversely impact Commerce's strategic initiatives and determined to obtain a fairness opinion from Goldman Sachs in connection with any potential sale of CBIS. However, further consideration of Mr. Norcross's proposal was terminated upon the subsequent withdrawal of the proposal, orally on August 21, 2007 and in writing on August 27, 2007, as described below.

In late July and early August 2007, Goldman Sachs had initial conversations with 17 larger banking institutions (in terms of market capitalization). Goldman Sachs eventually identified four institutions, including TD, which it believed were most likely to be interested in a transaction involving paying a premium to Commerce's then-current market price. A number of the remaining 13 potential bidders indicated either that their business models were not compatible with Commerce's unique business model or that they would not be willing to pay a premium to Commerce's then-current market price given the current market environment. Between August 6 and August 10, 2007, one-on-one meetings were arranged between each of the four identified institutions and Goldman Sachs. At these meetings, the institutions were provided with an opportunity to ask questions regarding certain historical business model and financial information that was provided to the institutions prior to the meetings. Each of the four identified institutions signed a confidentiality agreement with Commerce prior to attending these meetings or receiving any information.

A one-on-one meeting with TD and Goldman Sachs took place on August 7, 2007. Representatives of TD attending that meeting included Mr. Bharat Masrani, President and Chief Executive Officer of TD Banknorth, Mr. Stephen Boyle, Chief Financial Officer of TD Banknorth, and Mr. Riaz Ahmed, TD's Senior Vice President Corporate

Development. During that meeting, the TD representatives expressed the view that Commerce's customer-service philosophy was similar to TD's own and would likely be considered a key part of TD's U.S. banking strategy after completion of a potential merger.

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Shortly after the meetings with the four identified institutions, one of the four informed Goldman Sachs of its conclusion that, although it was impressed with Commerce's deposit generation and continued growth, Commerce was not a good fit with the institution's current branch strategy. A second institution informed Goldman Sachs that it decided not to expand its operations into the mid-Atlantic region. The remaining two parties, one of which was TD, submitted preliminary written indications of interest shortly thereafter. TD's preliminary indication of interest stated that, subject to completion of due diligence and confirmation of various assumptions provided by Goldman Sachs, it would be willing to pay a price within a range that represented a premium to Commerce's then-current market price with a mix of TD common shares and cash. The other interested party indicated that it would be willing to pay a price approximately equivalent to Commerce's then-current market price, with the form of consideration to be determined.

On August 21, 2007, representatives from Goldman Sachs and Sullivan & Cromwell met with Commerce's board of directors to review the preliminary written indications of interest. The board of directors noted that the price range in TD's preliminary indication of interest of \$42 to \$46 per share with up to 30% in cash was materially greater than that indicated by the other institution and that the anticipated benefits to Commerce, its shareholders and its other constituencies, including its employees, customers and the communities that it serves, of a transaction with TD (including the opportunity to provide an expanded range of sophisticated products and services to customers over a broader footprint, as well as access to greater financial resources to support future growth) were in the aggregate significantly greater than the anticipated benefits of a transaction with the other institution. In addition, the board of directors concluded that the execution risk of pursuing a transaction with TD was less than with the other institution. Goldman Sachs also informed the board of directors that the other institution had advised Goldman Sachs that it was not willing to pay a meaningfully higher price than proposed in its preliminary indication of interest and that any higher price would appear to be significantly dilutive to the other institution. After the other institution was informed that its initial indication of interest was insufficient, it made no attempt to increase its proposal. Goldman Sachs updated the board of directors on the market environment, including the significant disruptions in the debt and housing markets and the general effects of those disruptions on financial institution stocks and the interest of other institutions in a business combination with Commerce. The board of directors also discussed with Goldman Sachs the fact that, notwithstanding the widespread speculation that Commerce would be sold, no other potential purchasers had approached Commerce to engage in substantive discussions about a potential business combination. After extensive discussion and deliberation, the board of directors instructed Commerce's management to focus its efforts on a strategic transaction with TD, and authorized further due diligence by TD. Up to this time, none of the discussions Commerce had with the various institutions proceeded beyond the exploratory stage and no understanding with respect to the definitive terms of a transaction was reached during these discussions.

At its August 21 meeting, the Commerce board of directors formed, upon the recommendation of Mr. Joseph Buckelew, Chairman of the Commerce board of directors, a special committee, or the Special Committee, to oversee the process for a possible strategic transaction. The Special Committee members also included Mr. Donald T. DiFrancesco, Mr. Lloyd and Mr. Joseph T. Tarquini, Jr., as well as Mr. Buckelew as a non-voting member. Mr. Norcross was chosen to chair the Special Committee by the board of directors based on his skill and experience in negotiating acquisition transactions. Thereafter, Mr. Norcross was the principal liaison of the Special Committee with Commerce's financial and legal advisors and TD. During the August 21 meeting and following his appointment to the Special Committee, Mr. Norcross voluntarily withdrew his request for consideration of a sale of CBIS to him and other members of CBIS management so he could focus his efforts and attention on the Commerce sale process and minimize any potential conflict of interest. Mr. Norcross formalized this withdrawal in writing on August 27, 2007. At the time of the withdrawal, no terms for a transaction had been proposed by Mr. Norcross or otherwise discussed by Mr. Norcross and Commerce, and prior Commerce board discussions were limited to preliminary consideration of a process for consideration of the proposal and whether or not a sale of CBIS would affect Commerce's strategic options. As part of its diligence process, TD learned of Mr. Norcross's indication of interest with respect to CBIS.

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On August 22, 2007, Commerce invited TD to conduct due diligence. From August 29 until September 20, 2007, TD conducted its due diligence investigation with respect to Commerce's business, legal, tax, regulatory and other matters. The process included meetings with Commerce management. Commerce, with the assistance of

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Goldman Sachs and Sullivan & Cromwell, conducted a due diligence investigation with respect to TD's business, legal, tax, regulatory and other matters.

Throughout this process, the Special Committee was in frequent contact with representatives of Goldman Sachs and Sullivan & Cromwell. The Special Committee had frequent telephonic updates and kept Commerce's board of directors informed about developments through telephonic updates. Mr. William M. Tambussi, of Brown & Connery, LLP, and Mr. Richard Alexander, of Arnold & Porter LLP, each counsel to Commerce, and representatives of Goldman Sachs and Sullivan & Cromwell often participated in these updates.

Between September 21 and September 23, Commerce and TD, and their respective financial advisors, engaged in further discussions regarding the purchase price and form of consideration. These discussions focused on, among other things, potential losses in Commerce's securities portfolio as a result of recent sharp declines in the bond markets and slower low-cost deposit growth in Commerce's stores, and the potential adverse effect these events could have on Commerce's future earnings. As a result of these factors, TD indicated that it was now prepared to offer only \$35 to \$38 per share.

Following additional discussions, the parties and their advisors agreed to meet in Toronto to determine if an agreement on price could be reached. Mr. Norcross, as Chairman of the Special Committee, and representatives from Goldman Sachs and Sullivan & Cromwell attended these meetings on behalf of Commerce on September 24 and 25. At the conclusion of the meetings, TD expressed a willingness to offer \$42 per share, provided that this price could be supported by additional due diligence investigation, and that the transaction could be structured on terms that would be financially attractive to TD's shareholders. TD also indicated that the consideration for the transaction would consist entirely of securities of TD and that it was considering offering, for a small portion of the consideration, some form of security other than TD common shares. In connection with these meetings, TD was advised that Mr. Norcross remained interested in pursuing a possible purchase of CBIS and wanted to establish a process for the consideration of such a transaction following the announcement of the merger. However, no discussions of the economic terms of any potential transaction involving CBIS occurred at this time.

On September 26, 2007, after further discussions and information sharing among the parties, TD informed Commerce that it was prepared to pay Commerce \$42 per share with the consideration to consist entirely of TD common shares based on a fixed exchange ratio to be established shortly before announcement of a transaction. TD also informed Commerce that its ability to offer this price would be subject to the transaction being done on a taxable basis for U.S. federal income tax purposes and with TD being satisfied with the actions Commerce had determined to take to reduce the potential interest rate and other risk in its investment securities portfolio.

In September, Commerce's management had begun considering restructuring its investment securities portfolio before the issue was raised by TD, and management now accelerated that process. Goldman Sachs and its affiliates and other financial institutions later acted as counterparty as principal for their own account in hedging or trading transactions in connection with the restructuring.

On September 27, 2007, Simpson Thacher & Bartlett LLP, counsel to TD, provided a draft merger agreement to Sullivan & Cromwell, and the parties and their respective legal counsel negotiated the terms of the merger agreement through October 1, 2007 while due diligence investigations continued. The parties and their respective counsel negotiated, among other things, the scope of the representations and warranties made by Commerce, the scope of the covenants governing the operation of Commerce's business pending completion of the merger, the restrictions on Commerce's ability to engage in discussions of strategic transactions with third parties, the conditions to completion of the merger, the circumstances under which the merger agreement could be terminated or abandoned and the amount of and circumstances under which a termination fee would be payable by Commerce to TD.

Between September 27 and October 1, the parties and their advisors also engaged in extensive discussions regarding the basis for establishing the fixed exchange ratio, the form of consideration and other key terms. Commerce advised TD of the various actions that it had determined to take with respect to its balance sheet, with the intention of reducing the exposure to changes in interest rates. In addition, after extensive discussions, Commerce and TD agreed to a taxable structure for the transaction and further agreed that a portion of the consideration would be provided in cash so as to enable Commerce's shareholders to have the ability to pay taxes on the transaction

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without the necessity of selling TD shares that they acquired. In addition, the parties and their advisors worked to finalize amended, or in some cases new, employment agreements for certain Commerce executives (including all executive officers), the key terms of which had been approved by the Commerce board of directors in July 2007. In addition, the parties discussed a process for considering a sale of CBIS to Mr. Norcross and other members of CBIS's management following execution of the merger agreement, as well as terms related to the sale of CBIS in Mr. Norcross's amended and restated employment agreement. The Commerce board of directors was kept informed of the progress of the negotiations.

By the afternoon of October 1, 2007, TD and Commerce had reached agreement on the basic terms and conditions of the merger agreement, including per share consideration consisting of \$10.50 in cash (or approximately 25% of the total consideration) and a fixed exchange ratio of 0.4142 of a TD common share, which, based on TD's closing price on September 28, 2007, represented \$31.84 (or approximately 75% of the total consideration), for a total of \$42.34 per Commerce share.

A special meeting of Commerce's board of directors took place on the afternoon of October 1, 2007 to consider the terms and conditions of the proposed merger. At this meeting, the board members were updated on the proposed merger by representatives of the Special Committee, senior management of Commerce, Goldman Sachs and Sullivan & Cromwell. Senior management described their views of TD based on their meetings with TD, their view of the fit between the two organizations and the benefits and risks of remaining independent. Representatives of Sullivan & Cromwell discussed the legal framework for the transaction, explaining the fiduciary duties and responsibilities of the board of directors in considering the proposed transaction and describing the key terms of the proposed merger agreement, including the termination fee, the provisions relating to responses by Commerce to third-party acquisition proposals and the fact that the transaction was taxable. Representatives of Goldman Sachs reviewed with the board additional information, including financial information regarding the two companies and the results of the reverse due diligence on TD. Representatives of Goldman Sachs rendered to the board of directors its oral opinion (subsequently confirmed in writing) that, as of the date of the opinion, and based upon and subject to the factors and assumptions set forth in the opinion, the stock consideration and cash consideration to be received by the holders of Commerce common stock, taken in the aggregate, pursuant to the merger agreement was fair from a financial point of view to such holders. Mr. Tambussi described proposed employment arrangements for certain Commerce executives and Mr. Alexander discussed regulatory issues, including the potential that regulatory restrictions on branch expansion would be further reduced as a result of the merger. After further deliberation and numerous questions by members of the board of directors, including consideration of the impact of the taxable nature of the transaction on Commerce's shareholder base (which was largely institutional), the board unanimously approved the merger agreement and authorized the execution thereof, subject to satisfactory resolution of outstanding contractual issues related to the merger agreement. The directors also unanimously recommended that Commerce shareholders vote to approve the plan of merger.

On October 1, 2007, and through the early morning of October 2, 2007, senior management of Commerce and TD, along with their respective financial advisors and legal counsel, finalized the remaining terms of the merger agreement and of the employment agreements for 21 members of Commerce's senior management. In addition, the parties finalized the procedural terms regarding consideration of a possible sale of CBIS to Mr. Norcross and other members of CBIS's management following the announcement of the merger, including the requirement that TD consent to the CBIS sale.

Before the opening of business on October 2, 2007, Commerce and TD executed the merger agreement, issued a joint press release publicly announcing the merger and held a joint meeting, conference call and webcast to announce the merger.

On December 31, 2007, as described on page 52, Commerce completed the sale of CBIS to a group led by Mr. Norcross.

Commerce's Reasons for the Merger

In deciding to enter into the merger agreement and to recommend approval of the plan of merger to Commerce's shareholders, the board of directors considered a number of factors, including the factors listed below. In view of the number and wide variety of factors considered in connection with its evaluation of the merger,

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the board of directors did not attempt to quantify or otherwise assign weights to the information and specific factors it considered in reaching its determination, and individual directors may have given different weights to different information and factors. The board of directors viewed its approval and recommendation as being based on the totality of the information and factors presented to and considered by it. In reaching its decision, the board of directors consulted with the Special Committee and senior management of Commerce, with Goldman Sachs with respect to the financial aspects of the merger and with Commerce's legal advisors with respect to the merger agreement and related issues. The board of directors did not attempt to form any conclusions as to whether any particular line item analysis provided by Goldman Sachs did or did not by itself support the board of directors' determination.

Strategic Alternatives

The board of directors believed that the value to be received by Commerce shareholders in the merger was greater than the value inherent in Commerce remaining as an independent entity currently and for the foreseeable future after taking into account the investment required to successfully pursue a strategy of remaining independent and the related business, regulatory and market risks. As discussed above, prior to discussions with TD, the board of directors had considered Commerce's long-term prospects, including its long-term financial plan, as a stand-alone company and various strategic opportunities, including the sale of Commerce. The Commerce board of directors considered the challenges facing Commerce, including its ability to sustain its historically high price-to-earnings ratio given the market conditions, as well as Commerce's continued ability to grow aggressively through de novo branching after the regulatory actions. Accordingly, the board of directors determined that a sale of Commerce at the price offered by TD would be a better alternative than a continued strategy of independence.

Financial Terms of the Merger

Commerce's board of directors concluded that the per share merger consideration was fair to Commerce's shareholders based upon Commerce's current financial condition and future prospects, TD's current financial condition and future prospects and the board's assessment of the future prospects of the combined company. In arriving at this conclusion, the board of directors, together with Commerce's senior management and legal and financial advisors, evaluated the strategic alternative of independence and took note of the fact that no other potential purchaser had been willing to pay the same price as TD and that the special geographic and business fit between Commerce and TD may have enabled TD to pay a price that others could not. In addition, the board of directors took into account the fact that the merger consideration represented a significant premium over the historical average trading price of Commerce common stock during recent periods, including a premium of roughly 25% over Commerce's market price on June 28, 2007, the day prior to the announcement of the resignation of the former chief executive officer. In this regard, the board of directors considered the financial information presented by Goldman Sachs over the course of multiple meetings and Goldman Sachs' fairness opinion. Please see the section entitled "The Merger - Opinion of Commerce's Financial Advisor" beginning on page 40.

Commerce's board of directors also considered the form of the merger consideration to be received in the merger by the holders of Commerce common stock (the right to receive 0.4142 TD common shares and \$10.50 in cash for each share of Commerce common stock). The board of directors considered the certainty of the value of the cash component of the merger consideration and the relationship of the value of the stock component to the market price of TD common shares, as well as the ability of holders of Commerce common stock to become holders of TD common shares and participate in the future prospects of the combined businesses of Commerce and TD.

Commerce's board of directors also considered the taxable nature of the transaction in terms of its impact on shareholders and the inclusion of cash to enable those Commerce shareholders who are taxpaying entities or individuals to pay taxes resulting from the merger, as well as the nature of Commerce's shareholder base.

Effect on Customers and Communities Served

Commerce's board of directors considered the post-merger organizational structure and operation of Commerce, including the limited geographic overlap between TD's U.S. bank subsidiary and Commerce and the similarities between Commerce's customer service oriented model and that of TD's Canadian operations. The board

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of directors believed the merger presented a special opportunity to preserve Commerce's unique brand and business model after the merger. As a result, the board of directors anticipated that although changes following the merger are inevitable, the TD merger offered the opportunity to provide a similar high quality service model for Commerce's customers and communities.

The Banking Industry and Market Condition

Commerce's board of directors considered the current environment of the banking industry, including:

the regulatory uncertainty and challenges faced by the banking industry generally;

the current national and local market conditions including the significant problems in the debt and housing markets and the trend toward consolidation in the financial services industry in order to obtain the advantages of scale in developing and delivering financial products and services in a cost-effective manner; and

the likely impact of these factors on Commerce's potential growth, profitability and strategic options.

TD's Financial Condition, Prospects and Industry Reputation

Commerce's board of directors considered, among other things:

the financial condition and prospects of TD;

the results of Commerce's due diligence review of TD;

TD's access to capital;

TD's interest in increasing the quality and number of financial products and services offered to clients in the United States;

the recent stock market performance of TD; and

the financial resources that TD could offer Commerce, which could support the continued growth of Commerce's business.

Commerce's board of directors also took into consideration TD's worldwide reputation in the financial services industry and the breadth of TD's operations and resources as the second largest bank in Canada, as measured by deposits, and the eighth largest bank in North America, as measured by market capitalization. The board of directors took particular note of the complementary cultures of Commerce and TD, both of which emphasize the importance of high quality customer service and the similarity of their retail banking business models with their emphasis on growth. The board considered the opportunities these similarities provided to continue the Commerce model and tradition.

Expected Synergies

Commerce's board of directors considered the complementary strengths of the businesses of Commerce and TD, and the benefits to be provided by an increased scale of operations and expanded product offerings. Together, the combined business will operate more than 2,000 branches in North America, making it the seventh largest bank in North America as measured by branch locations, with approximately one-quarter of a trillion dollars in deposits. The board of directors believes the merger will enable the combined businesses to:

obtain greater market penetration and expand its footprint to provide greater convenience to customers;

deliver a broad range of sophisticated retail and commercial products to existing Commerce customers;

benefit from enhanced treasury, capital management and brokerage expertise and the additional resources represented by the businesses of TD Bank Financial Group;

achieve stronger financial performance as a combined business; and

enhance shareholder value.

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Treatment of Commerce Employees

Commerce's board of directors considered the treatment of Commerce employees as contemplated by the merger agreement, including the proposed conversion of options to acquire Commerce common stock into options to acquire TD common shares, the commitment to continue Commerce employee benefit plans (which, at least until December 31, 2008, will be as favorable, in the aggregate, as plans provided by Commerce as of October 2, 2007) until employees become eligible to participate in employee benefit plans maintained by TD Banknorth and with service credit for purposes of eligibility, participation, vesting and levels of benefits. The board of directors also considered the limited geographic overlap between Commerce and TD Banknorth and viewed a transaction with TD as an opportunity for Commerce's employees to work at a larger and more diversified organization with broader career opportunities.

Certain Terms of the Merger Agreement

Commerce's board of directors considered the terms of the merger agreement including the nature and scope of the closing conditions and the potential for incurring a termination fee in the event the merger agreement is terminated under certain circumstances. The board of directors also considered the fact that the termination fee and other provisions of the merger agreement might discourage third parties from seeking to acquire Commerce and otherwise increase the cost of such an acquisition but would not preclude the board of directors from evaluating a proposal for an alternative transaction. The board of directors took into account that the terms of the termination fee were the subject of negotiations between the parties and that the fee would generally be payable only in limited circumstances. The board of directors also considered that, as a percentage of the merger consideration, the termination fee was within the range of termination fees provided for in recent comparable acquisition transactions at the time the merger agreement was executed. The board of directors also considered the fact that each of the parties is entitled to seek equitable relief to prevent breaches and enforce the provisions of the merger agreement.

Opinion of Commerce's Financial Advisor

Commerce's board of directors considered the opinion of Goldman Sachs, to the effect that, as of the date of the opinion, and based upon and subject to the factors and assumptions set forth in the opinion, the stock consideration and cash consideration to be received by the holders of Commerce common stock, taken in the aggregate, pursuant to the merger agreement was fair from a financial point of view to such holders. Goldman Sachs' opinion is further described in the section entitled "The Merger - Opinion of Commerce's Financial Advisor," beginning on page 40.

Interests of Commerce's Board of Directors and Management

Commerce's board of directors also considered the fact that members of the board of directors and of Commerce's management have interests in the merger that are different from those of Commerce shareholders generally. Please see the section entitled "The Merger - Interests of Commerce's Executive Officers and Directors in the Merger" beginning on page 50.

Closing and Integration Risks

Commerce's board of directors considered the risks and costs that the merger might not be completed, the potential impact of the restrictions under the merger agreement on Commerce's ability to take certain actions during the period prior to the closing of the merger, the potential for diversion of management and employee attention and for increased employee attrition during that period and the potential effect of these factors on Commerce's business and its relationships with customers. The board of directors also took into account the likelihood that the merger would be

approved by the appropriate banking and regulatory authorities and the shareholders of Commerce in a timely manner and without unacceptable conditions.

The board of directors weighed the foregoing advantages and opportunities against the challenges inherent in the combination of two significant business enterprises operating in a highly-regulated industry. The board of directors realized that there can be no assurance about future results, including results expected or considered in the factors listed above, such as assumptions regarding the long-term value of Commerce as an independent entity and of the combined company, the financial strength and future prospects of Commerce, TD and the combined company

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and any expected synergies. However, the board of directors concluded that the potential positive factors outweighed the negative factors, including the potential risks of completing the merger. This explanation of the board of directors reasons for the merger and all other information presented in this section is forward-looking in nature and, therefore, should be read in light of the factors discussed in the section entitled "Cautionary Statement Concerning Forward-Looking Statements" beginning on page 26.

Opinion of Commerce's Financial Advisor

Goldman Sachs rendered its oral opinion to the Commerce board of directors, which was subsequently confirmed in writing, that as of the date of the opinion, and based upon and subject to the factors and assumptions set forth in the opinion, the stock consideration and cash consideration to be received by the holders of Commerce common stock, taken in the aggregate, pursuant to the merger agreement was fair from a financial point of view to such holders.

The full text of the written opinion of Goldman Sachs, dated October 2, 2007, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is included as **Appendix B** to this proxy statement/prospectus. Goldman Sachs provided its opinion for the information and assistance of the Commerce board of directors in connection with its consideration of the merger. Goldman Sachs opinion is not a recommendation as to how any holder of Commerce common stock should vote with respect to the merger.

In connection with rendering the opinion described above and performing its related financial analyses, Goldman Sachs reviewed, among other things:

the merger agreement;

annual reports to shareholders and annual reports on Form 10-K of Commerce and TD Banknorth for the five fiscal years ended December 31, 2006;

annual reports to shareholders and supplemental financial information of TD for the five fiscal years ended October 31, 2006;

certain interim reports to shareholders and quarterly reports on Form 10-Q, as applicable, of Commerce, TD and TD Banknorth;

certain quarterly regulatory reports on Form FR Y-9C of Commerce and TD Banknorth;

certain other communications from Commerce, TD and TD Banknorth to their respective shareholders;

certain publicly available research analyst reports for Commerce and TD; and

certain internal financial analyses and forecasts for Commerce prepared by its management and certain internal financial analyses and forecasts for TD prepared by its management and approved for Goldman Sachs use by Commerce, including certain cost savings and operating synergies projected by the managements of Commerce and TD to result from the merger.

Goldman Sachs also held discussions with members of the senior management of each of Commerce and TD regarding their assessment of the strategic rationale for, and the potential benefits of, the merger, and the past and current business operations, financial condition and future prospects of Commerce and TD. In addition, Goldman Sachs reviewed the reported price and trading activity for Commerce common stock and TD common shares,

compared certain financial and stock market information for Commerce and TD with similar information for certain other companies the securities of which are publicly traded, reviewed the financial terms of certain recent business combinations in the banking industry and performed such other studies and analyses, and considered such other factors, as it considered appropriate.

Goldman Sachs relied upon and assumed, without assuming any responsibility for independent verification, the accuracy and completeness of all of the financial, legal, regulatory, tax, accounting and other information provided to, discussed with or reviewed by it. Goldman Sachs assumed, with the consent of Commerce, that the internal financial analyses and forecasts for Commerce and TD prepared by the managements of Commerce and TD

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were reasonably prepared on a basis reflecting the best currently available estimates and judgments of the managements of Commerce and TD. Goldman Sachs did not receive or review individual credit files, nor did it make an independent evaluation or appraisal of the assets and liabilities (including any contingent, derivative or off-balance-sheet assets and liabilities) of Commerce or TD or any of their respective subsidiaries, and Goldman Sachs was not furnished with any such evaluation or appraisal. Goldman Sachs is not an expert in the evaluation of loan and lease portfolios for purposes of assessing the adequacy of the allowances for losses with respect to such portfolios and, accordingly, Goldman Sachs assumed that the allowances for losses are, in the aggregate, adequate to cover those losses. It also assumed that all governmental, regulatory or other consents and approvals necessary for the consummation of the merger will be obtained without any adverse effect on Commerce or TD or on the expected benefits of the merger in any way meaningful to its analysis. Goldman Sachs' opinion does not address any legal, regulatory, tax or accounting matters. Goldman Sachs' opinion does not address the underlying business decision of Commerce to engage in the merger, or the relative merits of the merger as compared to any strategic alternatives that may be available to Commerce. In addition, Goldman Sachs did not express any opinion as to the prices at which the TD common shares will trade at any time. Goldman Sachs' opinion is necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to it as of, the date of the opinion and Goldman Sachs assumed no responsibility for updating, revising or reaffirming its opinion based on circumstances, developments or events occurring after the date of its opinion. Goldman Sachs' opinion was approved by a fairness committee of Goldman Sachs.

The following is a summary of the material financial analyses delivered by Goldman Sachs on October 1, 2007 to the Commerce board of directors in connection with rendering the opinion described above. The following summary, however, does not purport to be a complete description of the financial analyses performed by Goldman Sachs, nor does the order of analyses described represent relative importance or weight given to those analyses by Goldman Sachs. Some of the summaries of the financial analyses include information presented in tabular format. The tables must be read together with the full text of each summary and are alone not a complete description of Goldman Sachs financial analyses. Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data as it existed on or before September 28, 2007, and is not necessarily indicative of current market conditions.

Transaction Multiples Analysis

Based upon the 0.4142 TD common shares and \$10.50 in cash to be received in respect of each share of Commerce common stock, the C\$76.30 closing market price of the TD common shares on September 28, 2007 and a currency exchange ratio of 0.9923 Canadian dollars per U.S. dollar as of September 28, 2007, Goldman Sachs calculated that each share of Commerce common stock would be converted into TD common shares and cash with an implied transaction value of \$42.34.

Goldman Sachs calculated the following multiples and premiums resulting from the implied value of the merger consideration and compared those multiples and premiums with those derived based upon the \$33.81 closing price of the Commerce common stock on June 28, 2007, the last trading day prior to the announcement of the retirement of Vernon Hill, the former Chairman and Chief Executive Officer of Commerce, and the \$38.78 closing price of the Commerce common stock on September 28, 2007, the last trading day prior to the October 1, 2007 meeting of the Commerce board of directors:

the premium (discount) to the closing price of the Commerce common stock on June 28, 2007 and September 28, 2007, as well as the 52-week high closing price of the Commerce common stock on September 18, 2007 of \$39.51 and the all-time high closing price of the Commerce common stock on May 8, 2006 of \$40.96;

price as a multiple of Commerce's estimated 2007 and 2008 earnings per share based on median Institutional Brokerage Estimate Systems, or IBES, estimates;

price as a multiple of Commerce's stated book value and tangible book value, in each case as of June 30, 2007; and

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the premium to Commerce's deposits and core deposits (calculated exclusive of public time deposits), in each case as of June 30, 2007.

The results of these analyses are summarized as follows:

	6/28/2007 Close \$33.81	9/28/2007 Close \$38.78	Proposed Merger \$42.34
Premium to			
9/28/07 Close	(12.8)%		9.2%
6/28/07 Close		14.7%	25.2%
52-Week High Close (9/18/07)	(14.4)%	(1.8)%	7.2%
All-Time High Close (5/8/06)	(17.5)%	(5.3)%	3.4%
Price/IBES Earnings			
2007E	20.5x	23.9x	26.1x
2008E	17.6x	21.0x	22.9x
Price/Book			
Stated	2.2x	2.7x	3.0x
Tangible	2.4x	2.8x	3.1x
Deposit Premium			
Deposit Premium	9.1%	11.4%	13.2%
Core Deposit Premium	9.4%	11.8%	13.6%

Goldman Sachs also considered, based on discussions with Commerce management, certain of these ratios and premiums, taking into account certain sensitivities to the value of Commerce's securities portfolio, which was assumed for this purpose to be lower than its recorded value.

Historical Market Performance Analysis - Commerce

Goldman Sachs reviewed and compared the historical daily trading prices for the period from September 27, 2002 through September 28, 2007 of the Commerce common stock, the Standard & Poor's 500 Banks Index, and indices comprised of the following publicly traded regional banks comprising the Regional Bank Index and large cap banks comprising the Large Cap Bank Index :

Regional Banks

Comerica Incorporated
Hudson City Bancorp, Inc.
KeyCorp
M&T Bank Corporation
New York Community Bancorp, Inc.
Sovereign Bancorp, Inc.
UnionBanCal Corporation
Zions Bancorporation

Large Cap Banks

Bank of America Corporation
BB&T Corporation
Capital One Financial Corporation
Citigroup Inc.
Fifth Third Bancorp
JPMorgan Chase & Co.
National City Corporation
The PNC Financial Services Group, Inc.

Regions Financial Corporation
SunTrust Banks, Inc.
U.S. Bancorp
Wachovia Corporation
Washington Mutual, Inc.
Wells Fargo & Company

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This analysis indicated that the Commerce common stock outperformed all three indices over each of the last one-, three- and five-year periods.

Goldman Sachs also reviewed and compared the historical daily multiples of stock price to median IBES forward one year earnings per share estimates for the Commerce common stock, the Standard & Poor's 500 Banks Index and the Regional Bank Index and Large Cap Bank Index described above for the period from September 27, 2002 through September 28, 2007. This analysis indicated that the Commerce common stock traded at a higher multiple of earnings than did all three indices over each of the last one-, three- and five-year periods.

Goldman Sachs also reviewed and compared multiples of price as of September 28, 2007 to 2007 estimated earnings per share and stock price performance for the Commerce common stock, the TD common shares (based both on Canadian trading prices and an implied U.S. dollar value per share taking into account then-applicable daily exchange rates), the Standard & Poor's 500 Banks Index and the Regional Bank Index and Large Cap Bank Index described above for:

the period from June 28, 2007, the last trading day prior to the announcement of the retirement of Vernon Hill, the former Chairman and Chief Executive Officer of Commerce, through September 28, 2007;

the period from the July 17, 2007 meeting of the Commerce board of directors through September 28, 2007;

the period from the August 21, 2007 meeting of the Commerce board of directors through September 28, 2007; and

the period from January 1, 2007 through September 28, 2007.

For purposes of this analysis, the ratios of price to 2007 estimated earnings per share were based upon median IBES 2007 earnings per share estimates for Commerce, the Standard & Poor's 500 Bank Index, the Regional Bank Index and the Large Cap Bank Index and median calendarized IBES 2007 cash earnings per share estimates for TD.

The results of these analyses are summarized as follows:

	Price as of 9/28/07	2007E P/E	% Change in Market Price Since			
			2007YTD	8/21/07	7/17/07	6/28/07
S&P 500 Bank Index	\$ 360.63	11.9x	(12.0)%	(5.1)%	(8.3)%	(7.9)%
Commerce	\$ 38.78	23.9x	10.0%	4.7%	1.7%	14.7%
TD (in U.S. dollars)	\$ 76.89	13.2x	28.5%	19.0%	10.0%	12.0%
TD (in Canadian dollars)	\$ 76.30	13.2x	9.4%	11.5%	4.6%	4.6%
Regional Bank Index		12.7x	(8.5)%	(3.3)%	(4.7)%	(3.1)%
Large Cap Bank Index		11.7x	(12.9)%	(4.3)%	(9.4)%	(9.1)%

Selected Companies Analysis Commerce

Goldman Sachs reviewed and compared certain financial information for Commerce to corresponding financial information, ratios and public market multiples for the Regional Banks and Large Cap Banks described above under Historical Market Performance Analysis Commerce. Although none of the selected companies is directly comparable

to Commerce, the companies included were chosen because they are publicly traded companies with operations that, for purposes of analysis, may be considered similar to certain operations of Commerce.

The multiples and ratios of the selected companies were based on market data as of September 28, 2007, information obtained from SEC filings and estimates from IBES and SNL DataSource. The multiples and ratios of Commerce were calculated using the closing prices of Commerce common stock on September 28, 2007 and June 28, 2007, information obtained from SEC filings and estimates from IBES and SNL DataSource. With respect to the selected companies and Commerce, Goldman Sachs calculated:

share price as a percentage of the 52-week high share price;

share price as a multiple of estimated earnings per share calculated in accordance with GAAP for 2007 and 2008 (referred to as the 2007E GAAP P/E and 2008E GAAP P/E, respectively);

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share price as a multiple of stated book value divided by the number of fully diluted shares (referred to as Stated P/B);

share price as a multiple of the tangible book value divided by the number of fully diluted shares (referred to as Tangible P/B);

the core deposit premium;

the dividend yield;

the 5-year long term growth rate (referred to as 5-year LTG);

the ratio of price to 2007 IBES median estimated earnings per share, as a multiple of 5-year IBES LTG (referred to as 07 P/E to LTG); and

the 2008E/2007E EPS annual growth rate (referred to as 08/ 07 EPS Growth).

For purposes of this analysis, core deposit premium was defined as the excess of market value of common equity over tangible book value divided by core deposits. Core deposits for Commerce were calculated exclusive of public time deposits.

The results of these analyses are summarized as follows:

	Commerce		Regional Banks			Large Cap Banks		
	9/28/07 \$38.78	6/28/07 \$33.81	Range	Median	Mean	Range	Median	Mean
Price as % of								
52-Week High	98.2%	85.3%	64.5% - 98.8%	82.1%	84.3%	65.2% - 95.3%	84.4%	83.5%
2007E GAAP P/E	23.9x	20.5x	10.4x - 25.6x	12.7x	14.8x	9.4x - 13.0x	11.7x	11.4x
2008E GAAP P/E	21.0x	17.6x	10.0x - 18.1x	12.1x	13.0x	8.2x - 11.9x	10.2x	10.4x
Stated P/B	2.7x	2.2x	0.9x - 2.6x	1.6x	1.7x	1.0x - 2.8x	1.6x	1.6x
Tangible P/B	2.8x	2.4x	1.6x - 4.3x	2.5x	2.7x	2.0x - 5.2x	2.8x	3.1x
Core Deposit								
Premium	11.8%	9.4%	9.3% - 40.3%	15.7%	22.4%	10.3% - 46.0%	23.4%	24.4%
Dividend Yield	1.3%	1.5%	1.9% - 5.2%	3.3%	3.5%	0.2% - 6.5%	4.8%	4.4%
5-Year LTG	13.0%	15.0%	6.0% - 15.0%	8.6%	8.8%	7.1% - 11.2%	9.5%	9.2%
07 P/E to LTG	1.8x	1.4x	1.3x - 2.1x	1.7x	1.7x	0.8x - 1.5x	1.3x	1.3x
08/ 07 EPS Growth	14.2%	16.4%	0.7% - 12.9%	6.0%	6.5%	4.3% - 19.9%	8.8%	10.6%

Historical Market Performance Analysis TD

Goldman Sachs reviewed and compared the historical daily trading prices for the period from September 27, 2002 through September 28, 2007 of TD common shares (based both on Canadian trading prices and an implied U.S. dollar value per share taking into account then-applicable daily exchange rates), the Standard & Poor's 500 Banks Index, the Large Cap Bank Index and an index of the following Canadian Banks (comprising the Canadian Bank Index): Bank of Montreal, Canadian Imperial Bank of Commerce, Royal Bank of Canada and The Bank of Nova Scotia. This analysis

indicated that TD common shares outperformed all three indices over each of the last one-, three- and five-year periods.

Goldman Sachs also reviewed and compared the historical daily multiples of stock price in Canadian dollars to median IBES forward one year cash earnings per share estimates for the TD common shares and the Canadian Bank Index described above for the period from September 27, 2002 through September 28, 2007. This analysis indicated that TD common shares traded at a slightly higher multiple of earnings than did the Canadian Bank Index over each of the last one-, three- and five-year periods.

Historical Exchange Ratio Analysis

Goldman Sachs reviewed the implied historical exchange ratios determined by dividing the closing price of Commerce common stock by the closing price of TD common shares (based both on Canadian trading prices and an

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implied U.S. dollar value per share taking into account then-applicable daily exchange rates) over the period from September 27, 2004 through September 28, 2007. In addition, Goldman Sachs calculated the average of these historical daily exchange ratios for the 6-month, 18-month and 36-month periods ended September 28, 2007. The following table presents the results of these calculations:

	Historical Implied Exchange Ratios of Commerce Common Stock to TD Common Shares	
	U.S. dollars	Canadian dollars
September 28, 2007	0.504x	0.508x
6-Month Average	0.532x	0.497x
18-Month Average	0.594x	0.531x
36-Month Average	0.644x	0.555x
High	0.795x	0.675x
Low	0.482x	0.450x

Goldman Sachs noted that, as described under *Opinion of Commerce's Financial Advisor Contribution Analysis* below, if the merger consideration had consisted solely of TD common shares, the implied exchange ratio would have been 0.5522 TD common shares per share of Commerce common stock.

Selected Companies Analysis TD

Goldman Sachs reviewed and compared certain financial information for TD to corresponding financial information, ratios and public market multiples for the companies included in the Large Cap Bank Index and the Canadian Bank Index. Although none of the selected companies is directly comparable to TD, the companies included were chosen because they are publicly traded companies with operations that for purposes of analysis may be considered similar to certain operations of TD.

The multiples and ratios of the selected companies and TD were based on the most recent publicly available financial data and market data as of September 28, 2007. With respect to the selected companies and TD, Goldman Sachs calculated the following percentages and multiples:

share price as a percentage of the 52-week high share price;

share price as a multiple of calendarized IBES median estimated cash earnings per share for 2007 and 2008 (referred to as the 2007E Cash P/E and 2008E Cash P/E, respectively);

2007E GAAP P/E and 2008E GAAP P/E;

Stated P/B;

Tangible P/B;

the dividend yield;

the 5-year LTG;

07 P/E to LTG; and

08/ 07 EPS Growth.

The results of these analyses are summarized as follows:

	TD 9/28/07 \$76.89	Canadian Banks Range	Median	Mean	Large Cap Banks Range	Median	Mean
Price as % of							
52-Week High	100%	89.3% - 95.9%	91.9%	92.3%	65.2% -95.3%	84.4%	83.5%
2007E Cash P/E	13.2x	11.5x - 12.8x	12.1x	12.1x	8.9x - 12.9x	11.2x	11.0
2008E Cash P/E	12.3x	10.9x - 12.2x	11.5x	11.5x	7.8x - 11.8x	9.8x	10.0x
2007E GAAP P/E					9.4x - 13.0x	11.7x	11.4x
2008E GAAP P/E					8.2x - 11.9x	10.2x	10.4x
Stated P/B	2.7x	2.2x - 2.9x	2.6x	2.6x	1.0x - 2.8x	1.6x	1.6x
Tangible P/B	5.4x	2.4x - 3.8x	2.9x	3.0x	2.0x - 5.2x	2.8x	3.1x

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	TD 9/28/07 \$76.89	Canadian Banks			Large Cap Banks		
		Range	Median	Mean	Range	Median	Mean
Dividend Yield	3.0%	3.4% - 4.3%	3.6%	3.7%	0.2% - 6.5%	4.8%	4.4%
5-Year LTG	10.6%	7.1% - 9.1%	8.9%	8.5%	7.1% - 11.2%	9.5%	9.2%
07 P/E to LTG	1.2x	1.3x - 1.6x	1.4x	1.4x	1.0x - 1.5x	1.3x	1.3x
08/ 07 EPS Growth	7.3%	3.3% - 7.1%	5.4%	5.3%	4.3% - 19.9%	8.8%	10.6%

Selected Bank and Thrift Transactions Analysis

Goldman Sachs analyzed certain information relating to the following selected transactions in the banking industry since 2002 with values ranging from \$5 billion to \$15 billion.

Capital One Financial Corporation/North Fork Bancorporation Inc.

Wachovia Corporation/SouthTrust Corporation

The Royal Bank of Scotland Group plc/Charter One Financial, Inc.

Banco Bilbao Vizcaya Argentaria, S.A./Compass Bancshares, Inc.

Regions Financial Corporation/AmSouth Bancorporation

SunTrust Banks, Inc./National Commerce Financial Corporation

TD/TD Banknorth

North Fork Bancorporation Inc./GreenPoint Financial Corp.

The PNC Financial Services Group, Inc./Mercantile Bankshares Corporation

Regions Financial Corporation/Union Planters Corporation

Citigroup Inc./Golden State Bancorp Inc.

Capital One Financial Corporation/Hibernia Corporation

The following table compares information derived by Goldman Sachs with respect to the ranges and medians relating to the implied value received by stockholders of the second-named merger partner (target) for these transactions:

	Selected Transactions	
	Range	Median
Multiple of implied value of equity consideration received by target stockholders to stated book value	1.6x - 3.3x	2.6x
	2.8x - 4.9x	3.8x

Multiple of implied value of equity consideration received by target stockholders to tangible book value		
Multiple of implied value of equity consideration per share received by target stockholders to latest twelve months earnings per share	12.1x - 20.8x	17.8x
Multiple of implied value of equity consideration per share received by target stockholders to current-year estimated earnings per share based on SNL DataSource median estimates	11.7x - 19.9x	16.2x
Premium to core deposits	17.9% - 42.6%	31.2%
Premium (discount) of implied offer value to target stock price one day prior to announcement	(1.8)% -28.5%	18.1%
Premium (discount) of implied offer value to target stock price one month prior to announcement	0.3% -30.8%	23.3%

For comparable information with respect to the merger, see Opinion of Commerce s Financial Advisor Transaction Multiples Analysis above.

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Selected Deposit Transactions Analysis

Goldman Sachs analyzed certain information relating to the following selected branch acquisition transactions involving target branch deposits greater than \$500 million.

RBC Centura Banks, Inc./Regions Financial Corporation

Franklin Bank Corp./Washington Mutual, Inc.

BancIndependent Incorporated/Colonial BancGroup, Inc.

Olney Bancshares of Texas, Inc./Gold Banc Corporation, Inc.

R&G Financial Corporation/Wachovia Corporation

KeyCorp/Sterling Bancorp

UBT Bancshares Inc./Gold Banc Corporation, Inc.

Sun Bancorp, Inc./New York Community Bancorp, Inc.

Royal Bank of Canada/Provident Financial Group, Inc.

U.S. Bancorp/Bay View Capital Corporation

SunTrust Banks, Inc./Huntington Bancshares Incorporated

National Commerce Financial Corporation/First Union Corp.

The Royal Bank of Scotland Group plc/Mellon Financial Corporation

Goldman Sachs calculated the premiums of the purchase price to deposits acquired from the second-named transaction partners, respectively, based on information obtained from SEC filings and SNL DataSource. These premiums ranged from 10.0% to 20.0% with a median of 14.0% and mean of 13.7%.

For comparable information with respect to the merger, see *Opinion of Commerce's Financial Advisor Transaction Multiples Analysis* above.

Discounted Cash Flow Analysis

Goldman Sachs performed an illustrative discounted cash flow analysis to determine a range of implied present values per share of Commerce common stock. All cash flows were discounted to September 28, 2007, and illustrative terminal values were based upon multiples of share price to estimated 2013 adjusted net income. Goldman Sachs used discount rates ranging from 10.0% to 14.0%, reflecting estimates of Commerce's weighted average cost of equity, forecasts of Commerce earnings per share based on median IBES estimates through 2009, grown by the IBES median long-term growth rate of 13.0% thereafter, a ratio of tangible common equity to tangible assets of 5.5%, and terminal adjusted net income multiples ranging from 15.0x to 19.0x. Goldman Sachs also assumed that Commerce would increase quarterly dividends by \$0.01 every year consistent with Commerce's past practice. This analysis resulted in a range of implied present value of \$28.89 to \$42.15 per share of Commerce common stock.

Using the same set of projections, Goldman Sachs performed a sensitivity analysis to analyze the effect of increases or decreases in Commerce's long-term earnings per share growth rate from 11.0% to 15.0% assuming a constant discount rate of 12.0%. This analysis resulted in a range of implied present value of \$30.37 to \$40.34 per share of Commerce common stock.

Goldman Sachs also performed a sensitivity analysis to analyze the effect of increases or decreases in Commerce's ratio of tangible common equity to tangible assets from 5.0% to 6.0% assuming a constant discount rate of 12.0%. This analysis resulted in a range of implied present value of \$32.56 to \$37.60 per share of Commerce common stock.

Table of Contents***Contribution Analysis***

The 0.4142 TD common shares constituting the stock consideration exchange ratio was determined by applying a 75% stock allocation to an agreed-upon valuation of \$42.00 per share of Commerce common stock divided by the average of (1) \$76.06, the average closing price of the TD common shares for the five trading days ended September 28, 2007 and (2) \$76.89, the closing price of the TD common shares on September 28, 2007, in each case applying daily currency exchange ratios. This resulted in an implied exchange ratio of 0.5522 TD common shares per share of Commerce common stock if the merger consideration consisted of 100% TD common shares.

Based upon this implied exchange ratio, Goldman Sachs calculated that holders of Commerce common stock and holders of TD common shares would own 13% and 87%, respectively, of the outstanding TD common shares following the merger if the merger consideration had consisted solely of TD common shares. For purposes of this analysis, Goldman Sachs assumed that outstanding Commerce stock options would be converted into options to acquire TD common shares.

Goldman Sachs reviewed the relative contributions of each of Commerce and TD to the combined company on a pro forma basis in terms of estimated GAAP earnings for 2008 and 2009 (based on median calendarized IBES cash earnings per share estimates less intangible amortization for TD and median IBES GAAP earnings per share estimates for Commerce), net interest income, non-interest income, non-interest expense, assets, loans and deposits. The following table compares the pro forma ownership of Commerce and TD shareholders in the combined company with each company's respective contribution to each element of the analysis.

	Pro Forma Ownership of TD Shareholders	Pro Forma Ownership of Commerce Shareholders
	87%	13%
	TD Contribution	Commerce Contribution
2008E Earnings	92%	8%
2009E Earnings	92%	8%
Last 12 Months Net Interest Income	84%	16%
Last 12 Months Non-Interest Income	93%	7%
Last 12 Months Non-Interest Expense	86%	14%
Assets	89%	11%
Loans	91%	9%
Deposits	86%	14%

Pro Forma Merger Analysis

Goldman Sachs prepared illustrative pro forma analyses of the potential financial impact of the merger on TD using median IBES standalone earnings estimates for TD and TD's earnings estimates for Commerce, which were lower than median IBES estimates for Commerce, and transaction adjustments, including TD's estimates of synergies, purchase accounting adjustments and changes to the composition of the investment of Commerce's securities portfolio. This analysis indicated that the merger would be dilutive by 1.6% to TD in 2008 on a cash earnings per share basis and neither accretive nor dilutive to TD in 2009 on a cash earnings per share basis.

Goldman Sachs also performed a similar analysis with respect to Commerce shareholders based on information from SEC filings, median IBES estimates, and certain assumptions including an assumed return on cash, tax rates consistent

with Commerce's historical tax rates, growth of Commerce's standalone quarterly dividends by \$0.01 every year and a post-merger standalone dividend policy for TD consistent with historical practice, with TD standalone quarterly dividends increasing by C\$0.04 every year. This analysis indicated that the merger would be accretive to Commerce shareholders by 43.9% in 2008 and by 45.0% in 2009 on a GAAP earnings per share basis, and would be accretive by 72.9% in 2008 and by 69.0% in 2009 on a dividend per share basis.

The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Selecting portions of the analyses or of the summary set forth above, without considering

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the analyses as a whole, could create an incomplete view of the process underlying Goldman Sachs' opinion. In arriving at its fairness determination, Goldman Sachs considered the results of all the analyses and did not attribute any particular weight to any factor or analysis considered by it. Rather, Goldman Sachs made its determination as to fairness on the basis of its experience and professional judgment after considering the results of all the analyses. No company or transaction used in the above analyses as a comparison is directly comparable to Commerce, TD or the contemplated merger.

Goldman Sachs prepared these analyses for the purposes of Goldman Sachs providing its opinion to the Commerce board of directors as to the fairness from a financial point of view of the stock consideration and cash consideration to be received by the holders of Commerce common stock, taken in the aggregate, pursuant to the merger agreement. These analyses do not purport to be appraisals or necessarily reflect the prices at which businesses or securities actually may be sold. Analyses based upon forecasts of future results are not necessarily indicative of actual future results, which may be significantly more or less favorable than suggested by these analyses. Because these analyses are inherently subject to uncertainty, being based upon numerous factors or events beyond the control of the parties or their respective advisors, none of Commerce, TD, Goldman Sachs or any other person assumes responsibility if future results are materially different from those forecast.

As described above, Goldman Sachs' opinion to the Commerce board of directors was one of many factors taken into consideration by the Commerce board of directors in making its determination to approve the merger agreement. The foregoing summary does not purport to be a complete description of the analyses performed by Goldman Sachs in connection with the opinion and is qualified in its entirety by reference to the written opinion of Goldman Sachs included as **Appendix B** to this proxy statement/prospectus.

The merger consideration was determined through arms-length negotiations between Commerce and TD and was approved by the Commerce board of directors. Goldman Sachs provided advice to Commerce during these negotiations. Goldman Sachs did not, however, recommend any specific amount of consideration to Commerce or its board of directors or that any specific amount of consideration constituted the only appropriate consideration for the merger.

Goldman Sachs and its affiliates are engaged in investment banking and financial advisory services, securities trading, investment management, principal investment, financial planning, benefits counseling, risk management, hedging, financing, brokerage activities and other financial and non-financial activities and services for various persons and entities. In the ordinary course of these activities and services, Goldman Sachs and its affiliates may at any time make or hold long or short positions and investments, as well as actively trade or effect transactions, in the equity, debt and other securities (or related derivative securities) and financial instruments (including bank loans and other obligations) of Commerce, TD and any of their respective affiliates or any currency or commodity that may be involved in the merger for their own account and for the accounts of their customers. In that regard, with the consent of Commerce, Goldman Sachs and its affiliates are acting, and may act, as counterparty as principal for their own account in hedging or trading transactions that each of Commerce and TD has entered into, and may enter into, in connection with the merger.

Goldman Sachs is acting as financial advisor to Commerce in connection with, and has participated in certain of the negotiations leading to, the merger. In addition, Goldman Sachs also acted as financial advisor to Commerce in connection with the sale of CBIS, a subsidiary of Commerce, as contemplated by the merger agreement. Goldman Sachs also has provided, and is currently providing, certain investment banking and other financial services to TD and its affiliates, including having acted as financial advisor to TD in connection with its acquisition of Hudson United Bancorp in July 2005; as financial advisor to TD in connection with the sale of TD Waterhouse Group, Inc., a former subsidiary of TD, in January 2006; as financial advisor to TD in connection with its initial purchase of a controlling interest in Banknorth Group, Inc. (now TD Banknorth) in March 2005; and as financial advisor to TD in connection

with its purchase of all of the outstanding shares of TD Banknorth it did not already own in April 2007. Goldman Sachs also may provide investment banking and other financial services to Commerce, TD and their respective affiliates in the future. In connection with the above-described services, Goldman Sachs has received, and may receive, compensation.

Commerce selected Goldman Sachs as its financial advisor because it is an internationally recognized investment banking firm that has substantial experience in transactions similar to the merger. Pursuant to a letter agreement, dated August 21, 2007, Commerce engaged Goldman Sachs to act as its financial advisor in connection

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with the possible sale of Commerce. Pursuant to this letter agreement, Goldman Sachs is entitled to receive a transaction fee of 0.30% of the aggregate consideration to be paid in the merger, based upon the average closing price of the TD common shares on the five trading days ending five trading days prior to the date of the consummation of the transaction, all of which are contingent on the consummation of the transaction. Commerce has also agreed to reimburse Goldman Sachs for its reasonable expenses, including attorneys' fees and disbursements, and to indemnify Goldman Sachs against various liabilities, including certain liabilities under the federal securities laws.

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 Commerce will complement TD's U.S. growth strategy, footprint and retail banking model. In particular, TD believes the transaction will provide the opportunity to integrate key operations of TD's existing U.S. consumer businesses and accelerate TD's organic growth strategy in the U.S. In addition, TD believes that acquiring a bank with a loan-to-deposit ratio such as that of Commerce is an attractive opportunity to support its continued U.S. asset growth.

The board of directors of TD believes that the merger is in the best interests of TD and its shareholders and approved the merger agreement after TD's senior management and J.P. Morgan Securities Inc. and Keefe, Bruyette & Woods, Inc. discussed with the board of directors a number of factors, including the business, assets, liabilities, results of operations, financial performance, strategic direction and prospects of Commerce, Commerce's history of growth and the experience of Commerce's management team. In view of the wide variety of factors considered in connection with its evaluation of the merger, 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 and recommendations as being based on all of 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.

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

In considering the recommendation of Commerce's board of directors to vote FOR the approval of the plan of merger, Commerce shareholders should be aware that members of Commerce's board of directors and Commerce's executive officers have interests in the transaction that are different from, and/or in addition to, the interests of Commerce shareholders generally. The independent members of Commerce's board of directors were aware of these differing interests and potential conflicts and considered them, among other matters, in evaluating and negotiating the merger agreement and the merger and in recommending to the shareholders that the plan of merger be approved.

References in this section to executive officers refer to the following individuals who are currently classified by Commerce as executive officers, as well as Joseph Buckelew (President Commerce Bank/Shore Market and a member of Commerce's board of directors): Dennis M. DiFlorio (Chairman of Commerce Bank, N.A.); Douglas J. Pauls (Chief Financial Officer); George E. Norcross, III (Chairman and Chief Executive Officer of CBIS and a member of Commerce's board of directors); Robert D. Falese, Jr. (Chief Executive Officer of Commerce Bank, N.A.); Fred Graziano (President Regional Banking); and Peter M. Musumeci, Jr. (Executive Vice President Chief Credit Officer). Mr. Norcross is a member of Commerce's board of directors and the special committee of the Commerce board of directors that was formed to assist the board in considering strategic alternatives.

Employment Agreements

In July 2007, Commerce's board of directors approved a multi-tier framework for employment agreements to be offered to 21 Commerce executives, including all of the executive officers. These actions were taken because of

concerns about the stability of management following the announcement of the regulatory actions leading to the termination of Mr. Hill as chief executive officer and widespread speculation that Commerce would be sold, as well as the fact that certain of their stock options had little current value. On October 1, 2007, Commerce's board of directors approved and, on October 2, 2007, prior to entering into the merger agreement, Commerce entered into separate employment agreements between itself and the 21 executives, including amended and restated employment agreements with each of Messrs. Buckelew, DiFlorio, Falese, Graziano, Musumeci, Norcross and Pauls.

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References in this section to the Executive Group refer to Messrs. Buckelew, DiFlorio, Falese, Norcross and Pauls.

The employment agreements with the executive officers each became effective immediately and each has a three-year term commencing on October 2, 2007 or, in the event of a Commerce change in control (which includes the completion of the merger) within the first 18 months of the term, the term is automatically extended until the third anniversary of the consummation of such change in control.

Subject to the provisions of each of the applicable employment agreements, Commerce agreed to provide the executive officers with the following payments or benefits:

A minimum annual base salary (reflected in the table below) during the term of employment unless the executive officer (i) resigns voluntarily (as defined in the applicable employment agreement), (ii) is terminated for cause (as defined in the applicable employment agreement) or (iii) dies while employed under the agreement. Any increase in base salary for each of the executive officers will be made at the discretion of Commerce's board of directors (or its designee).

For the Executive Group and Mr. Graziano, an annual target bonus (reflected in the table below) based on the achievement of objective and reasonable performance metrics with respect to both corporate and personal performance.

A change in control payment (reflected in the table below) if a change in control (as defined in the applicable employment agreement, which includes the completion of the merger) occurs during the term of the employment agreements. Payments are made to each of the members of the Executive Group and Mr. Graziano in four equal installments (25% on the later of (i) the closing date of the change in control or (ii) January 1, 2008, and an additional 25% on each of the first three anniversaries of the closing date) and to Mr. Musumeci in three equal installments on each of the first three anniversaries of the closing date of the change in control. Unpaid installments of the change in control payment are forfeited if the executive officer terminates employment voluntarily or if Commerce terminates the executive officer's employment for cause prior to the third anniversary of the closing date.

A lump-sum death benefit equal to a specified multiple of annual base salary (three times annual base salary for the members of the Executive Group and Mr. Graziano and two times annual base salary for Mr. Musumeci) if an executive officer dies while employed during the term of the employment agreement, in lieu of any continued base salary payments and in addition to any benefit under any group life insurance plan benefit.

Continued participation, at no cost, in all Commerce medical, disability and hospitalization benefits for a specified period of time (three years for the members of the Executive Group and Mr. Graziano and two years for Mr. Musumeci) if an executive officer becomes disabled (as defined in the applicable employment agreement) or terminates or resigns while employed during the term of the employment agreement (other than a termination by Commerce for cause or a voluntary resignation by the executive officer). Continued coverage is offset by any coverage provided by a subsequent employer in the case of Mr. Musumeci.

For the Executive Group and Mr. Graziano, an extension of the period of time to exercise outstanding stock options following any termination of employment after a change in control (other than a termination by Commerce for cause, or for Messrs. Buckelew, DiFlorio, Pauls, Falese and Graziano, a voluntary resignation by the executive officer) so that all of the executive officers' stock options will remain outstanding and exercisable for two years following such termination (or for the remainder of their entire term in the case of Mr. Norcross).

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The following table sets forth the minimum annual base salary, annual target bonus and aggregate change in control payment provided for in the employment agreements with Commerce's executive officers.

Executive Officer	Minimum Base		Aggregate Change	
	Salary	Target Bonus	in	
			Control Payment	
Joseph Buckelew	\$ 325,000	\$ 50,000	\$ 1,750,500	
Dennis DiFlorio	1,000,000	500,000	7,627,500	
Robert Falese	900,000	500,000	7,327,500	
Fred Graziano	600,000	150,000	4,000,000	
Peter Musumeci, Jr.	700,000	N/A	2,267,199	
George Norcross, III	988,000	500,000	7,591,500*	
Douglas Pauls	600,000	250,000	4,000,000	

* In connection with the sale of CBIS, (i) on December 28, 2007, the Commerce board of directors approved, and on December 31, 2007, Commerce entered into, an amendment to the employment agreement with Mr. Norcross that modified Mr. Norcross's change in control payment and (ii) Commerce Bank/North and Mr. Norcross entered into a non-competition agreement. See *Sale of CBIS* for a description of Mr. Norcross's amended employment agreement and the non-competition agreement.

The employment agreements also provide that if Commerce determines that any payments to the executive officers would result in the imposition of an excise tax under Section 4999 of the Internal Revenue Code, which we refer to as the Code, then the amount of such payments will be reduced to the maximum level payable to the executive officer so that no excise tax is imposed on the executive officer.

The employment agreements provide that the executive officers are eligible to participate in any bonus programs, incentive compensation plans, stock option plans, stock purchase plans, 401(k) or similar retirement plans, or similar benefit or compensation programs generally made available to salaried officers of Commerce. The executive officers are also eligible to participate in all fringe benefits generally made available to salaried officers of Commerce including, without limitation, personal or family medical, dental and hospitalization coverage, personal life insurance coverage and disability coverage and paid holidays. In addition, the executive officers are entitled to the use of a car or receipt of a car allowance and reimbursement for a country club membership and reasonable and necessary expenses, including membership fees and dues.

The employment agreements each include an indefinite confidentiality provision, as well as non-competition and non-solicitation restrictions that apply during the period when the executive officers are employed by Commerce and extend for a period of 12 months (or six months in the case of Mr. Norcross, unless reduced as discussed below) following a termination of such employment for any reason.

Sale of CBIS

The employment agreement with Mr. Norcross includes the following additional terms regarding the possible sale of CBIS to Mr. Norcross or a group organized by him. As described below, the sale was completed on December 31, 2007.

Mr. Norcross's employment agreement provides that Commerce was to (i) negotiate fairly and in good faith with him to effect the sale of CBIS to him or a group organized by him, (ii) use its best efforts to cause the negotiation to be completed within 60 days after October 2, 2007 (subsequently extended to 90 days), (iii) use all commercially reasonable efforts to cause any negotiated sale to be approved by TD, and (iv) cause any approved sale to be completed as promptly as practicable.

When such sale is completed, Mr. Norcross will cease to be a Commerce employee, and such termination will be deemed involuntary for purposes of his employment agreement (other than for purposes of payment of base salary, which will cease as of the date of such sale).

If the agreement to effectuate the sale were not entered into within 60 days after October 2, 2007 (subsequently extended to 90 days), or such agreement was disapproved by TD pursuant to TD's rights described below or otherwise terminated without the sale being consummated (a non-sale condition), Mr. Norcross could have terminated his employment at any time by giving 30 days' notice and such termination would have been deemed involuntary for purposes of his employment agreement, such that

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Mr. Norcross would continue to be eligible for all payments, rights and benefits under the employment agreement until the end of the term of the employment agreement.

Mr. Norcross's six month post-employment non-competition and non-solicitation restrictions apply in all cases, except that they are affected by the sale of CBIS (or the occurrence of a non-sale condition) in the following ways: (i) the termination of Mr. Norcross's employment due to the sale of CBIS would cause the applicable non-competition and non-solicitation restrictions to be immediately inapplicable; and (ii) the termination of Mr. Norcross's employment pursuant to a non-sale condition would make the applicable restrictions inapplicable on the later of (x) three months after the occurrence of a non-sale condition or (y) 30 days after the date of the closing of a change in control of Commerce.

In the event of the termination of Mr. Norcross's employment pursuant to a non-sale condition, the term of any non-compete, non-solicitation or other similar restrictions contained in any document or agreement purporting to restrict, relating to, or otherwise applying to any direct or indirect employee of CBIS would similarly be reduced to the later of (x) three months after the occurrence of a non-sale condition or (y) 30 days after the closing of a change in control of Commerce, in either case, if such employee becomes an employee of Mr. Norcross or any entity with which he is associated.

Mr. Norcross is also entitled to be reimbursed for all costs and expenses incurred to enforce his right to certain payments and benefits under his employment agreement.

On December 28, 2007, the Commerce board of directors approved, and on December 31, 2007, Commerce entered into, an amendment to the employment agreement with Mr. Norcross which provided for the modification of the amount of the change in control payment payable to Mr. Norcross to \$3,591,500 and the payment of such change in control payment in a lump sum payment on the later of (i) the consummation of a sale of CBIS to Mr. Norcross or a group organized by him or (ii) January 2, 2008. The amended employment agreement provides that this amount is payable in partial consideration of Mr. Norcross entering into the non-competition agreement summarized below.

On December 28, 2007, the Commerce board of directors approved a sale of CBIS to a group headed by Mr. Norcross and, following the receipt of TD's consent, the transaction closed on December 31, 2007. Commerce received aggregate proceeds from the transaction of approximately \$121 million, which was approximately \$37 million greater than the adjusted net asset value of CBIS. The sale did not include CBIS's personal lines insurance business and certain other assets of CBIS (including eMoney Advisors, Inc. and an office building in New Jersey), which were retained by Commerce. Among other factors, the Commerce board of directors took into account the fact that Mr. Norcross produced, by a wide margin, more revenue for CBIS than any of its other employees.

In connection with the sale of CBIS to the group headed by Mr. Norcross, Mr. Norcross entered into a non-competition agreement with Commerce Bank/North. Under the non-competition agreement, Mr. Norcross is subject to certain restrictive covenants in favor of Commerce Bank/North and its affiliates, including indefinite confidentiality restrictions and certain non-competition and non-solicitation restrictions that apply for the five-year period following the completion of the CBIS sale with respect to certain activities engaged in by Commerce (excluding the activities of CBIS). In consideration of Mr. Norcross's obligations under the non-competition agreement, Commerce Bank/North agreed to pay Mr. Norcross a lump sum cash payment of \$4 million, in addition to Commerce's agreement to pay Mr. Norcross his change in control payment under his amended employment agreement as described above. Both lump sum payments became payable on January 2, 2008.

Stock Option Awards

Commerce executive officers and directors participate in Commerce's equity-based compensation plans under which stock options have been granted. Pursuant to the terms of Commerce's stock option plans, all outstanding unvested stock options to purchase shares of Commerce common stock awarded thereunder will become vested and exercisable upon completion of the merger. As of the record date, the executive officers and directors of Commerce as a group held stock options to acquire an aggregate of 6,038,857 shares of Commerce common stock, including unvested stock options to purchase an aggregate of 1,044,375 shares of Commerce common stock.

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As of December 7, 2007, the executive officers and directors held stock options to purchase shares of Commerce common stock as follows:

Executive Officer and/or Director	Total Outstanding Stock Options	Vested Stock Options	Unvested Stock Options
Jack R. Bershad	146,000	132,875	13,125
Joseph Buckelew	355,000	311,250	43,750
Dennis M. DiFlorio	1,284,037	1,046,537	237,500
Donald T. DiFrancesco	52,500	39,375	13,125
Robert D. Falese	810,672	573,172	237,500
Nicholas A. Giordano	7,500		7,500
Fred Graziano	280,000	210,000	70,000
Morton N. Kerr	40,000	26,875	13,125
Steven M. Lewis	143,240	130,115	13,125
John K. Lloyd	31,500	18,375	13,125
Peter M. Musumeci, Jr.	480,000	402,500	77,500
George E. Norcross, III	1,758,068	1,558,068	200,000
Douglas J. Pauls	230,000	177,500	52,500
Daniel J. Ragone	64,500	51,375	13,125
William A. Schwartz, Jr.	118,436	105,311	13,125
Joseph T. Tarquini, Jr.	214,904	201,779	13,125
Joseph S. Vassalluzzo	22,500	9,375	13,125

The merger agreement provides that upon completion of the merger, each outstanding and unexercised stock option to acquire Commerce common stock will become a right to acquire TD common shares. The number of shares and the exercise price subject to the converted stock options will be adjusted for the stock option exchange ratio, 0.5522, and the duration and the other terms of the new TD stock options will be the same as the prior Commerce stock options (other than as modified by the amended and restated employment agreements of the executive officers, as described above). For a more detailed explanation of the treatment of Commerce stock options, see *The Merger Treatment of Commerce Stock Options* beginning on page 64.

As described in *Proposal No. 1: The Merger Agreement Covenants and Agreements Employee Benefit Plans Covenant* beginning on page 76, the merger agreement provides that with respect to the 2007 calendar year, TD will make grants to Commerce employees of equity-based awards on TD common shares equal to, in the aggregate, up to \$30 million in value based on a Black-Scholes or equivalent equity compensation calculation methodology. However, because CBIS was sold prior to making such grants, this amount will be reduced by the value of the aggregate amount of equity-based awards granted on Commerce common stock to employees employed by CBIS in 2007 (except that Mr. Norcross is entitled to receive a grant of 125,000 options to purchase Commerce common stock in 2008 in respect of 2007).

Supplemental Executive Retirement Plan

Commerce maintains a Supplemental Executive Retirement Plan, or SERP, an unfunded nonqualified deferred compensation plan. Under the terms of the SERP, participants with unvested account balances will become fully

vested upon completion of the merger. Vested SERP account balances are payable upon termination of employment, except in the case of termination of employment for good cause or under circumstances related to good cause, as defined in the SERP, which results in a participant forfeiting his or her account balance. The SERP also provides that if Commerce determines that a participant breaches a non-competition agreement with Commerce, whether before or after termination of employment, the participant will forfeit his or her account balance. Notwithstanding these provisions, Mr. Norcross's amended and restated employment agreement provides that his SERP account balance and accrued benefit is not subject to forfeiture or reduction for any reason or any termination.

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As of the date of this document, the executive officers that participate in the SERP had account balances and are scheduled to be credited with an additional earnings credit for the six-month period beginning on July 1, 2007 and ending on December 31, 2007 as follows:

Executive Officer	Account Balance	12/31/07 Earnings Credit	Currently Vested in SERP Benefit
Dennis M. DiFlorio	\$ 1,041,289	\$ 26,032	Yes
Robert D. Falese	877,250	21,931	Yes
Fred Graziano	41,604	1,040	No
Peter M. Musumeci, Jr.	685,872	17,147	Yes
George E. Norcross, III	1,101,912	27,548	Yes
Douglas J. Pauls	29,717	743	No

Non-Employee Director Retirement Plan

Commerce maintains an unfunded retirement plan for non-employee directors. Under the retirement plan, any non-employee director who has completed five or more years of service as a Commerce director, attains age 65 and retires from Commerce's board of directors is eligible for a retirement benefit. The monthly retirement benefit payable to a non-employee director is the amount equal to the director's highest Form 1099 compensation (including the annual retainer, committee or committee Chairman's retainers and any other fees paid for attendance at any Commerce board of directors or committee meetings but specifically excluding compensation relating to exercising stock options) for any 12-month period during the five-year period immediately preceding the director's retirement, divided by twelve. Retirement benefits commence as of the first day of the month after the director attains his 65th birthday or, if later, the director's retirement or death while serving as a director and continue for 10 years (or, if less, the number of years served as a director) or until the death of both the director and his spouse. Retirement benefits may also be payable to directors who become disabled.

Upon a change in control, a non-employee director immediately becomes entitled to receive monthly benefits, notwithstanding the director's length of service. The monthly retirement benefit payable to a non-employee director following a change in control is the amount equal to the director's highest Form 1099 compensation (including the annual retainer, committee or committee Chairman's retainers and any other fees paid for attendance at any Commerce board of directors or committee meetings but specifically excluding compensation relating to exercising stock options) for any 12-month period during the five-year period immediately preceding the change in control (instead of the director's retirement), divided by twelve. Retirement benefits commence as of the first day of the month after the non-employee director's termination and continue for a period of 10 years (or, if less, two times the number of years of completed board service); provided, however, that if two times the number of years served by a director is greater than five years but less than 10 years, the director will be deemed to have 10 years of service for purposes of calculating payments upon a change in control.

Indemnification of Directors and Officers; Directors and Officers Insurance

Following completion of the merger, TD will cause Commerce to indemnify and hold harmless the current directors and officers of Commerce for acts or omissions occurring at or prior to the merger to the same extent that they are indemnified under the certificate of incorporation, bylaws or other organizational documents of Commerce as of October 2, 2007. In addition, for a period of six years after completion of the merger, TD will cause the persons serving as officers and directors of Commerce immediately prior to the merger (and to the extent reasonably

practicable, those serving as officers and directors of Commerce as of October 2, 2007 who cease to serve in such capacity prior to the merger) to be covered by directors' and officers' liability insurance policies maintained by TD with respect to claims arising from facts or events that existed or occurred at or prior to the completion of the merger. TD will not, however, be required to make annual premium payments for such insurance to the extent such premiums exceed 250% of Commerce's current premium for such insurance.

Material United States Federal Income Tax Consequences

The following discussion, insofar as it relates to matters of United States federal income tax law and regulations or legal conclusions with respect thereto, constitutes the opinion of Simpson Thacher & Bartlett LLP, U.S. counsel to TD, as of the date of this proxy statement/prospectus, as to the material United States federal income

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tax consequences of the merger to holders of Commerce 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.

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 Commerce 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 Commerce common stock, you should consult your tax advisors.

This discussion assumes that you hold your TD common shares or Commerce 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. Further, this discussion does not address 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 Commerce shareholder who received Commerce 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 Commerce benefit plan;

a Commerce or TD shareholder who holds Commerce 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.

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Merger

U.S. Holders

The merger will be treated for United States federal income tax purposes as a taxable sale by a U.S. holder of Commerce common stock of the shares of Commerce common stock that such holder surrenders in the merger. The material United States federal income tax consequences of the merger are as follows:

A U.S. holder will recognize gain or loss equal to the difference between (1) the sum of the cash consideration (including any cash received in lieu of fractional shares) and the fair market value of the TD common shares received in the merger and (2) such holder's adjusted tax basis in the shares of Commerce common stock surrendered in the merger for TD common shares and cash;

A U.S. holder's aggregate tax basis in the TD common shares 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 that such holder receives in the merger should generally begin on the day after the completion of the merger.

Because the merger consideration consists of TD common shares in addition to cash, U.S. holders of Commerce 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 Commerce common stock at different times and at different prices, any gain or loss will be determined separately with respect to each such block of Commerce common stock surrendered, and the cash and TD common shares that such holder receives will be allocated pro rata to each such block of Commerce common stock.

Taxation of Capital Gain or Loss. 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 Commerce 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.

Backup Withholding and Information Reporting. Non-corporate U.S. holders of Commerce 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:

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 be allowed as a refund or credit against a U.S. holder's United States federal income tax liability, provided such holder furnishes the required information to the Internal Revenue Service.

Non-U.S. Holders

Any gain realized on the receipt of TD common shares and 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

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Commerce 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 Commerce'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, in addition, may be subject to the 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.

Commerce 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 (currently at a rate of 28%) will apply to the TD common shares and 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 Internal Revenue Service 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 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

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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 61, 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 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 individuals derived with respect to capital assets held for more than one year are eligible for reduced rates of taxation if recognized in a taxable year

beginning before January 1, 2011. 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 such as a corporation.

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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 Internal Revenue Service.

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

In the opinion of Osler, Hoskin & Harcourt LLP, Canadian counsel to TD, the following summary describes the principal Canadian federal income tax considerations generally applicable to a person who acquires TD common shares and cash in exchange for Commerce 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 TD common shares or Commerce 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 counsel's 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 (the Proposed 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 prevailing exchange rates at the relevant times. 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 Commerce common stock for TD common shares in the merger.

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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.

Anticipated Accounting Treatment

TD intends to account for the merger as a purchase of Commerce 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 Commerce's assets based on their fair values as of the completion of the merger, and the results of operations of Commerce 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

TD has filed an application with the Federal Reserve Board under the BHC Act requesting approval of the merger. The application describes the terms of the merger and the parties involved and includes other financial and managerial information. In evaluating the application, the Federal Reserve Board will consider the financial and managerial resources and prospects of the existing institutions both currently and after giving effect to the merger, and the convenience and needs of the communities to be served by both companies' insured depository institution subsidiaries, as well as the parties' effectiveness in combating money-laundering activities and their regulatory status, including legal and regulatory compliance. Among other things, the Federal Reserve Board will also evaluate the capital adequacy of TD after the merger.

The Federal Reserve Board must deny an application if it determines that the merger would result in a monopoly or be in furtherance of any combination or conspiracy to monopolize or attempt to monopolize a given business activity in any part of the United States. The Federal Reserve Board must also deny an application if it determines that the merger would substantially lessen competition or would tend to create a monopoly in any section of the country, or would in any other manner result in a restraint of trade, unless the Federal Reserve Board finds that the anticompetitive effects of the merger are clearly outweighed by the probable effects of the merger in providing benefits to the public.

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Under the Community Reinvestment Act of 1977, as amended, or CRA, the Federal Reserve Board must take into account the record of performance of each of Commerce and TD in meeting the credit needs of the entire community, including low and moderate income neighborhoods, served by their depository institution subsidiaries. As part of the review process in merger transactions, the Federal Reserve Board frequently receives protests from community groups and others. All of the insured depository institution subsidiaries of Commerce and TD required to have ratings under the CRA have received either an outstanding or satisfactory CRA rating in their most recent CRA examinations by their respective federal regulators. Applicable federal law provides for the publication of notice and public comment on applications filed with the Federal Reserve Board.

Under current law, the merger may not be completed until the Federal Reserve Board has approved the merger and a period of 30 days, which may be reduced to not less than 15 days by the Federal Reserve Board with the concurrence of the Attorney General of the United States, following the date of approval by the Federal Reserve Board, has expired (during which time the U.S. Department of Justice, or Justice Department, may challenge the merger on antitrust grounds). The commencement of an antitrust action would stay the effectiveness of such approval unless a court specifically ordered otherwise. In reviewing the merger, the Justice Department could analyze the merger's effect on competition differently from the Federal Reserve Board, and thus it is possible that the Justice Department will reach a different conclusion than the Federal Reserve Board regarding the merger's effect on competition. A determination by the Justice Department not to object to the merger may not prevent the filing of antitrust actions by private persons or state attorneys general.

Other Antitrust Authorities

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, Commerce 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.

In addition, the merger may be reviewed by the state attorneys general in the various states in which Commerce and TD operate. While we believe there are substantial arguments to the contrary, these authorities may claim that there is authority under the applicable state and federal antitrust laws and regulations to investigate and/or disapprove the merger under the circumstances and based upon the review set forth in the particular state laws and regulations. There can be no assurance that one or more state attorneys general will not attempt to file an antitrust action to challenge the merger.

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 complete the indirect acquisition of control, as a result of the merger, of Commerce Bank, N.A. and Commerce Bank/North, Commerce's banking subsidiaries, for TD to issue its common shares for non-cash consideration as part of the consideration to be distributed to Commerce shareholders and in respect of Commerce's existing ownership interest in Pennsylvania Commerce Bancorp, Inc. TD has filed the necessary applications with the Superintendent of Financial Institutions of Canada.

Stock Exchange Listings

TD is obligated under the merger agreement to use its reasonable best efforts to cause the TD common shares issued 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. Commerce common stock will be delisted from the New York Stock Exchange promptly following consummation of the merger.

Other Approvals

TD and Commerce are also required to file and have filed applications with, and obtain the approval of the merger by, banking authorities in the State of New Jersey and the Commonwealth of Pennsylvania. Applications

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and notifications may be filed with various other state regulatory authorities, including self-regulatory organizations, including the Financial Industry Regulatory Authority, in connection with changes in control of the broker-dealer subsidiaries of Commerce.

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 Commerce 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 Commerce or TD). See Proposal No. 1: The Merger Agreement Conditions to the Merger beginning on page 77.

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 Commerce 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 Commerce 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 79.

Exchange of Commerce 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 Commerce, which shall not be unreasonably withheld, an estimated amount of cash sufficient to pay the cash portion of the merger consideration and the cash in lieu of any fractional shares that would otherwise 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 Commerce common stock a form of letter of transmittal and instructions for use in effecting the surrender of the Commerce stock certificates in exchange for the merger consideration. Upon proper surrender of a Commerce 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 Commerce stock certificate will be entitled to receive the merger consideration. With respect to the portion of the merger consideration consisting of TD common shares, holders of Commerce stock certificates will receive evidence of such shares in book-entry form.

Commerce 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 Commerce 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 Commerce stock certificates for merger consideration, you will not receive any dividends or other distributions in respect of any TD common shares which you are entitled to receive in connection with that exchange. Once you exchange your Commerce 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 you receive.

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If your Commerce 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 Commerce stock certificate.

Commerce stock certificates should not be sent to Commerce or TD at this time. Commerce shareholders will receive instructions for surrendering their stock certificates with their letter of transmittal.

Treatment of Commerce Stock Options

Upon completion of the merger, each option to purchase shares of Commerce common stock outstanding under any of Commerce's stock incentive plans will be fully vested and will automatically convert into an option to purchase TD common shares, and each stock option plan thereof will be assumed and honored by TD in accordance with its terms. From and after the completion of the merger, each such option to purchase shares of Commerce common stock will be deemed to constitute an option to acquire, on the same terms and conditions as were applicable under such Commerce option, a number of TD common shares equal to the product of (a) the number of shares of Commerce common stock otherwise purchasable pursuant to such Commerce option and (b) 0.5522, rounded down, if necessary, to the nearest whole share, at a price per share equal to (x) the exercise price per share of the Commerce option, divided by (y) 0.5522, rounded up to the nearest cent.

As soon as practicable after completion of the merger (but in no event later than five business days), TD will file one or more appropriate registration statements with respect to the TD common shares underlying the TD options into which Commerce options will be converted upon completion of the merger.

Following the completion of the merger, solely for purposes of the TD options resulting from the conversion described above, TD will maintain the 1989 Stock Option Plan for Non-Employee Directors, the 1997 Employee Stock Option Plan, the 1998 Stock Option Plan for Non-Employee Directors, and the 2004 Employee Stock Option Plan. Any other Commerce stock incentive plan will terminate and Commerce will ensure that no one has any right to acquire equity securities of Commerce.

Treatment of Other Commerce Equity-Based Plans

Commerce's Dividend Reinvestment and Stock Purchase Plan will be terminated immediately prior to the completion of the merger. All Commerce common stock held in the Commerce tax-qualified defined contribution plan will be converted into the merger consideration in the same manner as all other shares of Commerce common stock.

No Dissenters' Rights of Appraisal

The NJBCA provides that in some mergers and other similar transactions, shareholders of a New Jersey corporation who comply with statutory requirements have the right to receive, instead of the merger consideration, cash for each of the shareholder's shares in an amount equal to the fair value of each voting share as of the day prior to the control transaction date, taking into account all relevant factors, including an increment representing a proportion of any value payable for acquisition of control of the corporation. If the parties are unable to agree upon the fair value of their shares, then the fair value will be appraised by the Superior Court of the county in New Jersey where the registered office of Commerce is located. However, this right to appraisal is not available under the NJBCA to holders of Commerce common stock in connection with the merger. New Jersey law provides that shareholders do not have a right to dissent from any plan of merger or consolidation with respect to shares (1) of a class or series which is listed on a national securities exchange or is held of record by not less than 1,000 holders or (2) for which, pursuant to the plan of merger or consolidation, such shareholder will receive (a) cash, (b) shares, obligations or other securities which, upon consummation of the merger or consolidation, will either be listed on a national securities exchange or

held of record by not less than 1,000 holders or (c) cash and such securities. As a result of the foregoing, Commerce shareholders will not be entitled to exercise any dissenters' rights of appraisal in connection with the transactions contemplated by the merger agreement.

Litigation Relating to the Merger

Since the announcement on October 2, 2007 of the signing of the merger agreement, ten putative shareholder class action lawsuits related to the merger have been filed in the Superior Court of New Jersey in Camden and Essex

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Counties. All of the complaints name as defendants Commerce and certain Commerce directors and officers, and seven of the ten complaints name a TD entity as a defendant. The complaints have been consolidated before the Honorable John A. Fratto of the New Jersey Superior Court, Law Division, Camden County. The lawsuits allege, among other things, that the consideration agreed to in the merger agreement is inadequate and unfair to Commerce shareholders and that the individual defendants (and in some complaints, Commerce) breached their fiduciary duties in approving the merger agreement and pursuing the merger as described therein by failing to maximize shareholder value, by creating deterrents to other offers and shareholder dissent (including by agreeing to pay a termination fee to TD under certain circumstances), by being motivated in part by the potential extinguishment of the derivative claims referenced below upon consummation of the merger, and by otherwise putting the personal interests of certain Commerce directors ahead of the interests of the shareholders. The complaints further allege that Commerce and/or a TD entity aided and abetted the alleged breaches of fiduciary duties. Defendants moved for a stay of the state court litigation so that the claims could proceed instead as part of a pending federal litigation described below. An order granting a stay of the state court litigation was entered on December 11, 2007.

In addition to the state court actions, the plaintiffs in a federal derivative action involving Commerce pending in the United States District Court for the District of New Jersey, Camden Vicinage, filed a motion to amend the complaint on October 19, 2007 and to add claims on behalf of a putative class of shareholders relating to the merger substantially similar to those asserted in the state court actions described above. An order permitting amendment was entered on November 21, 2007, and an amended complaint was filed the same day. On December 4, 2007, the federal plaintiffs moved for a preliminary injunction alleging inadequate disclosures in connection with the merger and seeking to enjoin the shareholder vote unless and until additional disclosures are made. On December 7, 2007, the federal plaintiffs sought leave to file a proposed Second Amended Complaint that would add a claim for aiding and abetting breach of fiduciary duty against TD, which was filed on December 21, 2007. On December 11, 2007, subsequent to the entry of the stay order in the state court litigation, the plaintiffs in the state court action refiled their claims in federal court in New Jersey and all federal cases were consolidated for purposes of discovery. Court-ordered, expedited discovery proceeded in the consolidated federal actions.

The lawsuits seek injunctive, declaratory and other equitable relief as well as monetary damages. Although Commerce and TD believe that these lawsuits are without merit, they sought a settlement in order to avoid the burdens and expenses of further litigation. On December 28, 2007, the parties to the federal action participated in a mediation overseen by retired Magistrate Judge Joel Rosen of the United States District Court for the District of New Jersey. The parties continued negotiations, with the assistance of Judge Rosen, throughout December 29, 30 and 31, 2007. On December 31, 2007, the parties reached an agreement-in-principle to settle both the federal actions and the state court litigation described above, which was communicated to Judge Rosen and is subject to the approval of the Commerce board of directors. Pursuant to the terms of the settlement reported to the court on January 2, 2008, the parties agreed, among other things, that this proxy statement/prospectus would include certain additional disclosures and that, conditioned upon the execution of a final stipulation of settlement, the merger agreement would be modified to provide that the termination fee described under Proposal No. 1: The Merger Agreement Termination Fees and Expenses would be reduced from \$332 million to \$255 million and that the 15-month period following termination in certain events during which the termination fee will be payable in the event that Commerce or any of its subsidiaries enters into a definitive agreement with respect to, or consummates, an acquisition proposal, will be reduced to a 12-month period. The parties also agreed that, if the settlement is finally approved, the plaintiffs' claims in the federal action will be dismissed with prejudice as to all defendants other than Mr. Hill and will be dismissed without prejudice as to Mr. Hill. The proposed settlement is subject to a number of conditions, including negotiation of definitive settlement documentation, consummation of the merger and final approval by the United States District Court for the District of New Jersey, Camden Vicinage.

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, except for shares issued to any Commerce shareholder who may be deemed to be an affiliate of Commerce for purposes of Rule 144 or Rule 145 under the Securities Act. Persons

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who may be deemed affiliates of Commerce for such purposes include individuals or entities that control, are controlled by, or are under common control with Commerce and may include directors and executive officers of Commerce. The merger agreement provides that Commerce will use its reasonable best efforts to cause each affiliate of Commerce to enter into an agreement with TD providing that the affiliate will not transfer any TD common shares received in the merger except in compliance with the Securities Act.

This document does not constitute a registration statement covering resales of shares by persons who are otherwise restricted from selling their shares under Rules 144 and 145 of 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. Applicable Canadian securities laws, however, require the first trade in the TD common shares issued under the terms of the merger agreement to 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 respect of the trade. In addition, when selling the TD shares, holders resident in a province or territory of Canada must use a dealer appropriately registered in such province or territory or rely on exemption from the registration requirements of such province or territory. If a holder requires advice on any applicable prospectus or registration exemption, the holder should consult its own legal advisor.

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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 Commerce 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 New Jersey law, Cardinal Merger Co., a newly-formed subsidiary of TD, will merge with and into Commerce. Commerce 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 New Jersey. Upon completion of the merger, the separate corporate existence of Cardinal Merger Co. will terminate.

Merger Consideration

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

0.4142 TD common shares, plus cash in lieu of any fractional share interest; and

\$10.50 in cash.

TD intends to pay the cash portion of the merger consideration (including any amounts paid for fractional Commerce common shares) from funds on hand and/or funds obtained through ordinary course debt financings by TD and its affiliates.

Cancellation of Treasury Stock. All shares of Commerce common stock directly owned by Commerce or TD (other than, in the case of TD, shares in trust accounts, managed accounts and the like for the benefit of customers) immediately prior to 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 Commerce common stock owned by any wholly-owned subsidiary of TD or Commerce (other than shares in trust accounts, managed accounts and the like for the benefit of customers) will remain outstanding, and no consideration will be delivered in exchange for these shares.

Conversion of Cardinal Merger Co. Common Stock. Upon completion of the merger, each share of Cardinal Merger Co. common stock outstanding immediately prior to the effective time of the merger will be converted into one share of redeemable preferred stock of Commerce.

Treatment of Commerce Stock Options. Upon completion of the merger, each option to purchase shares of Commerce common stock outstanding under any of Commerce's stock incentive plans will be fully vested and will automatically convert into an option to purchase TD common shares, and each stock option plan thereof will be assumed and honored by TD in accordance with its terms. From and after the completion of the merger, each such option to purchase shares of Commerce common stock will be deemed to constitute an option to acquire, on the same terms and conditions as were applicable under such Commerce option, a number of TD common shares equal to the product of (a) the number of shares of Commerce common stock otherwise purchasable pursuant to such option and (b) 0.5522,

rounded down, if necessary, to the nearest whole share, at a price per share equal to (x) the exercise price per share of the Commerce option, divided by (y) 0.5522, rounded up to the nearest cent. Following the completion of the merger, solely for purposes of the TD options resulting from the conversion described above, TD will maintain the 1989 Stock Option Plan for Non-Employee Directors, the 1997 Employee Stock Option Plan, the 1998 Stock Option Plan for Non-Employee Directors, and the 2004 Employee Stock Option Plan.

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Fractional Shares. TD will not issue any fractional TD common shares in the merger. Instead, a Commerce shareholder will receive cash 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 spot exchange rate for each day as reported by *The Wall Street Journal*.

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, the exchange ratios for the TD common shares to be issued as merger consideration and issuable upon exercise of assumed Commerce options will be appropriately adjusted to provide Commerce'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 certificate of incorporation and bylaws of Commerce, as in effect immediately prior to the effective time of the merger, will be amended so as to read as that of Cardinal Merger Co., respectively, and will be the certificate of incorporation and bylaws of Commerce as the surviving corporation of the merger.

At the effective time of the merger, the board of directors of Cardinal Merger Co. immediately prior to the effective time of the merger will be the directors of Commerce as the surviving corporation of the merger.

Closing

Unless the parties agree otherwise, the completion of the merger will occur on the third 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 *Conditions to the Merger* beginning on page 77. The parties currently expect to complete the merger in February or March 2008.

Effective Time of the Merger

The merger will become effective at the time the certificate of merger is filed with the New Jersey Department of Treasury, Division of Commercial Recording, or at such other time as agreed to by the parties and specified in the certificate of merger. We will file this certificate as soon as practicable after the satisfaction or waiver of the closing conditions in the merger agreement.

Representations and Warranties

The merger agreement contains representations and warranties made by Commerce to TD and Cardinal Merger Co. relating to a number of matters, including the following:

corporate or other organizational and similar matters of Commerce and its subsidiaries;

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

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the conformity with U.S. GAAP and SEC requirements of Commerce'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 certain material changes or events since the date of Commerce's last audited financial statements;

the absence of litigation, investigations, injunctions and similar proceedings affecting Commerce and claims or submissions by related parties of Commerce for indemnification, advancement of expenses or other reimbursements with respect to certain specified regulatory matters;

tax matters;

employees and employee benefit plans;

the unanimous approval by Commerce's board of directors of the merger agreement, the merger and the other transactions contemplated thereby, and the recommendation of the merger agreement to the shareholders of Commerce, and the inapplicability of takeover statutes to Commerce, the merger agreement or the merger;

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

information to be provided by Commerce 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 Goldman Sachs, Commerce's financial advisor, as to the fairness, from a financial point of view, of the stock consideration and cash consideration, taken in the aggregate, to Commerce's shareholders;

ownership and validity of intellectual property rights;

loan and extension of credit matters;

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

compliance by certain of Commerce's subsidiaries with the CRA and the regulations promulgated thereunder;

labor matters;

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

knowledge by Commerce as to any potential delay in the receipt of regulatory approvals, or impositions of a condition or restrictions in relation thereto.

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

corporate or other organizational and similar matters;