



## **The South Financial Group Agrees to Merger with TD Bank Financial Group**

### **What is the deal that is being announced?**

TD Bank Financial Group's plan is to acquire Carolina First and Mercantile Bank by the purchase of The South Financial Group, Inc. (TSFG).

Following the completion of the acquisition, which is subject to regulatory and TSFG shareholder approval, Carolina First and Mercantile Bank will become part of TD Bank, America's Most Convenient Bank<sup>®</sup>. TD Bank is committed to delivering legendary service and unparalleled convenience to Customers. And with TD Bank Financial Group's proposed acquisition of Carolina First and Mercantile Bank, we can continue to grow and expand on that commitment to South Carolina, North Carolina and Florida.

### **Who is TD Bank, America's Most Convenient Bank?**

TD Bank is one of the 15 largest banks in the U.S., with more than 6.5 million Customers, \$152 billion in assets<sup>1</sup>, \$81 billion in deposits<sup>1</sup>, more than 23,000 Employees and over 1,100 retail locations and 2,660 ATMs from Maine to Florida. Providing Customers with unparalleled convenience and legendary service is central to their brand promise – and what TD Bank is all about.

TD Bank is part of TD Bank Financial Group, a top10 bank in North America, and one of the strongest financial institutions in the world. TD Bank Financial Group is one of the few banks rated Aaa by Moody's<sup>2</sup> and also one of the few banks in the world to avoid losses due to the U.S. sub-prime mortgage market. TD Bank Financial Group was recently ranked one of the safest banks in North America by Global Finance Magazine. As a Customer, you can feel safe and secure in your banking.

### **Why is TSFG being acquired by TD Bank Financial Group?**

This opportunity allows TD Bank, America's Most Convenient Bank to continue to grow and Build The Better Bank from Maine to Florida. TSFG and TD Bank share a relationship bank operating philosophy: straightforward banking services delivered by a team of knowledgeable professionals in a personal, service-oriented manner. TSFG's board and management have conducted a broad and extensive process over the last six months to seek the best outcome for our shareholders, as well as for our customers, employees and the communities we serve. TD Bank is a strongly capitalized financial institution with a prudent approach to risk management. It is committed to maintaining TSFG's tradition of customer service and community involvement. TD Bank Financial Group's Aaa-rated financial strength will help the combined company position itself for future success and long-term growth.



## **Will Carolina First and Mercantile Bank merge with TD Bank?**

Yes, subject to regulatory and TSFG shareholder approvals. For now, it is business as usual for all Customers and Employees of Carolina First and Mercantile Bank. Customers can continue to bank as they always have, with the same friendly and helpful staff.

## **How will this announcement affect Carolina First and Mercantile Employees?**

We will work with Employees to ensure they are notified of any changes in a timely manner after closing. All transition plans will be pending regulatory and shareholder approval of the transaction. As always, we are committed to treating all Employees fairly and equitably during this process.

## **How does being a part of TD Bank benefit Customers?**

At TD Bank, America's Most Convenient Bank, Customers can expect to receive unparalleled convenience, legendary service and outstanding choices to meet their financial needs. If the acquisition is approved, and as we transition to TD Bank, Customers can look forward to an expanded range of products and services through TD Bank as well as through TD Securities and TD Insurance.

Customers will also enjoy the convenience of banking in their neighborhood, with longer hours, legendary service and hassle-free banking. Additionally, Customers will have access to over 1,100 stores from Florida to Maine, Online Banking, 24/7 live Customer Service by phone, automated telephone banking and over 5,300 ATMs across the U.S. and Canada. Customers can bank anywhere, anytime.

## **How will TD Bank support our communities?**

TD Bank is committed to building stronger communities. We believe being part of a community carries with it a responsibility, especially during a time when charitable organizations and members of our communities need us most.

The TD Charitable Foundation has donated more than \$58.2 million to charitable organizations in the United States since its inception in 2002, and \$13.9 million in 2009 alone. In 2009, an additional \$6.8 million was provided through community sponsorships and \$715 thousand through Employee contributions – a total of \$20.5 million to help improve the quality of life for the people in our communities.<sup>3</sup>

## **What do I do if I am a current shareholder of TSFG?**

At this point, TSFG shareholders are not being asked to do anything. However, in the near future the proposed merger will be submitted to TSFG's shareholders for their consideration via a proxy statement-prospectus.



**Shareholders are urged to read the final proxy statement-prospectus when it becomes available because it will describe the proposed merger and contain other important information.**

**When do you expect to complete the acquisition?**

We currently expect to complete the acquisition transaction in late 2010, pending the approvals of TSFG shareholders and the necessary regulatory approvals. We promise to keep you updated on the status of the acquisition and any other news we feel is important to you.

**I received an email that looked like it was from the bank [TD Bank, TD Bank Financial Group, Carolina First and Mercantile Bank] which asked me to provide account information. Is this real?**

No. TD Bank, TD Bank Financial Group, Carolina First and Mercantile Bank will not send you any email to ask or call you to ask for personal or account information at any time. Do not follow any links in these emails or provide any personal or account information to anyone.

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<sup>1</sup> Total assets, deposits and loans for U.S. Personal and Commercial Banking business segment of The Toronto-Dominion Bank. For the purpose of this document, Total Assets were shown in U.S. dollars based on an exchange rate of 1.069 as at January 31, 2010. Total Deposits and Total Loans reported are averages for the first quarter ended January 31, 2010. Total Loans include personal and business loans, but do not include debt securities classified as loans. Total Deposits include personal and business deposits. The average deposits amount excludes the impact related to the money market deposit account (MMDA) agreement with TD AMERITRADE.

<sup>2</sup> The long term debt (deposits) of The Toronto-Dominion Bank, the parent company of the TD Bank, N.A., was as of March 4, 2010, rated Aaa by Moody's Investor Services. For detailed credit ratings for The Toronto-Dominion Bank and TD Bank, N.A., visit <http://www.td.com/investor/credit.jsp>

<sup>3</sup> Contributions provided through the TD Charitable Foundation, the charitable giving arm of TD Bank, N.A.

## **FORWARD-LOOKING STATEMENTS**

The information presented contains forward-looking statements about TSFG and the proposed transaction between the TSFG and The Toronto-Dominion Bank (TD). There are several factors – many beyond TSFG's control – that could cause actual results to differ significantly from expectations described in the forward-looking statements. Among these factors are the receipt of necessary regulatory approvals and the approval of TSFG's shareholders. Forward-looking statements speak only as of the date they are made, and we do not undertake any obligation to update them to reflect changes that occur after that date. For a discussion of factors that may cause actual results to differ from expectations, refer to TSFG's Quarterly Report on Form 10-Q for the quarter ended March 31, 2010, and Annual Report on Form 10-K for the year ended December 31, 2009, including information incorporated into TSFG's 10-K from its 2009 annual report, filed with the Securities and Exchange Commission (SEC) and available on the SEC's website at [www.sec.gov](http://www.sec.gov).



## **MORE INFORMATION ABOUT THE MERGER AND WHERE TO FIND IT**

The proposed merger transaction involving The Toronto-Dominion Bank and The South Financial Group, Inc. will be submitted to The South Financial Group, Inc.'s shareholders for their consideration. **Shareholders are encouraged to read the proxy statement/prospectus regarding the proposed transaction when it becomes available because it will contain important information.** Shareholders will be able to obtain a free copy of the proxy statement/prospectus, as well as other filings containing information about The Toronto-Dominion Bank and The South Financial Group, Inc., without charge, at the SEC's Internet site (<http://www.sec.gov>). Copies of the proxy statement/prospectus and the filings with the SEC that will be incorporated by reference in the proxy statement/prospectus can also be obtained, when available, without charge, by directing a request to TD Bank Financial Group, 66 Wellington Street West, Toronto, ON M5K 1A2, Attention: Investor Relations, 1-866-756-8936, or to The South Financial Group, Inc., Investor Relations, PO Box 1029, Greenville, South Carolina 29602, 1-888-592-3001.

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