

*This Pricing Supplement together with the short form base shelf prospectus dated June 11, 2012, to which it relates, as amended or supplemented (the "Prospectus"), and each document incorporated by reference in the Prospectus constitutes a public offering of securities only in the jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. The Notes to be issued hereunder have not been, and will not be, registered under the United States Securities Act of 1933, as amended and, subject to certain exemptions, may not be offered, sold or delivered, directly or indirectly, in the United States of America to or for the account or benefit of U.S. persons.*

**Pricing Supplement 3 dated June 27, 2012**  
(to the short form base shelf prospectus dated June 11, 2012)



**THE TORONTO-DOMINION BANK**

**TD Canadian Equity Index-Linked Barrier Fixed ROC Notes, Series 1**  
**Due July 13, 2015**  
**(non principal protected)**

Maximum of \$20,000,000 (200,000 Notes)

This Pricing Supplement qualifies the distribution of a maximum of \$20,000,000 of TD Canadian Equity Index-Linked Barrier Fixed ROC Notes, Series 1 (each, a "Note", and collectively, the "Notes") issued by The Toronto-Dominion Bank (the "Bank"). The Notes are Canadian dollar denominated notes linked to the price performance of the S&P/TSX 60™ Index (the "Index"). The Notes will mature approximately three years following the date of closing of the offering of the Notes (the "Issue Date"), being on or about July 11, 2012, but not later than August 11, 2012. The Notes provide a holder of Notes (a "Noteholder") with (i) semi-annual payments each of which is equal to 2.25% (the "Payment Rate") of the Principal Amount of the Notes, which will represent a partial repayment of the principal amount of each Note (each, a "Partial Principal Repayment"), and (ii) a payment at maturity based on the Principal Amount of each Note and the Index Return (the "Maturity Redemption Payment"), which together with the Partial Principal Repayments received may result in a gain or loss on the Notes. The Maturity Redemption Payment will vary depending on (i) the percentage change in the Closing Index Level from the Initial Valuation Date to the Final Valuation Date and (ii) whether the Closing Index Level on the Final Valuation Date is less than the Barrier Level.

**The Maturity Redemption Payment payable at maturity will be greater than the Principal Amount only if the Index Return is greater than 4.5%. The Notes are not principal protected and investors may lose substantially all of their investment in the Notes.**

The Index levels reflect only the applicable price appreciation or depreciation of the constituent stocks and do not reflect the payment of dividends thereon. Accordingly, Noteholders will not benefit from any dividends declared and paid on the constituent stocks. The dividend yield of the Index at May 31, 2012 was 3.04%.

An investment in the Notes is not equivalent to a direct investment in the Index or securities making up the Index. As such, a Noteholder will not be entitled to the rights and benefits of a holder of securities making up the Index.

---

**PRICE: \$100 per Note**  
**Minimum Subscription: \$5,000 (50 Notes)**

---

	<u>Price to the Investor</u>	<u>Selling Agent's Commission and Agent's Fees<sup>(1)</sup></u>	<u>Net Proceeds to the Bank</u>
Per Note.....	\$100	\$2.25	\$97.75
Total <sup>(2)</sup> .....	\$20,000,000	\$450,000	\$19,550,000

<sup>1</sup> The selling agent's commission is payable to representatives, including representatives employed by the Agents whose clients purchase Notes. In addition, the Bank will pay to Desjardins Securities Inc. a fee equal to 0.20% of the aggregate issue price of the Notes for acting as an independent agent. See "Plan of Distribution".

<sup>2</sup> Reflects the maximum offering size. Subject to the minimum subscription of \$5,000, there is no minimum offering size.

The Notes provide the Noteholders with the following payments:

- i. On each Semi-Annual Payment Date (as hereinafter defined), an amount per Note equal to 2.25% of the Principal Amount of the Note, which will represent a partial repayment of the Principal Amount of each Note.
- ii. On the Maturity Date (as hereinafter defined), an amount per Note calculated as follows: (i) if the Index Return is greater than 4.5%, the Maturity Redemption Payment will be equal to: the Principal Amount x [1+(Participation Rate x Net Index Return)]; (ii) if the Index Return is equal to or less than 4.5% and the Closing Index Level on the Final Valuation Date is equal to or greater than the Barrier Level, the Maturity Redemption Payment will be equal to: the Principal Amount; or (iii) if the Closing Index Level on the Final Valuation Date is less than the Barrier Level, the Maturity Redemption Payment will be equal to: the Principal Amount x (1 + Index Return), which together with the Partial Principal Repayments, will result in a negative return on the Notes. Notwithstanding the foregoing, the Maturity Redemption Payment will be subject to a minimum of \$1 per Note.

The Net Index Return will be an amount expressed as a percentage equal to the Index Return minus 4.5%.

Certain fees and expenses are associated with an investment in the Notes. See "FEES AND EXPENSES".

The payment obligations under the Notes constitute direct, unsecured and unsubordinated obligations of the Bank and, except for certain statutory priorities, will rank *pari passu* with all other present and future unsecured and unsubordinated indebtedness of the Bank. **The Notes will not constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act*.**

The Maturity Redemption Payment is only payable at maturity of the Notes. A Noteholder cannot elect to receive the Maturity Redemption Payment prior to the Maturity Date; however, a Noteholder may be able to resell the Notes prior to the Maturity Date. See "DESCRIPTION OF THE NOTES – Secondary Market and Early Trading Fee". The Notes are not redeemable prior to maturity except by the Bank upon the occurrence of a Special Circumstance (as hereinafter defined). See "DESCRIPTION OF THE NOTES – Redemption by the Bank Under Special Circumstances".

The Notes differ from conventional debt and fixed income investments because they may not provide Noteholders with a return and the return is not determinable prior to maturity. **The Notes are not principal protected.** The Maturity Redemption Payment on the Notes depends on the Index Return and whether or not the Closing Index Level on the Final Valuation Date is less than the Barrier Level, and the Notes may return substantially less than the amount originally invested by the Noteholder. Consequently, investors could lose substantially all of their investment in the Notes. The Maturity Redemption Payment payable at maturity will be greater than the Principal Amount only if the Index Return is greater than 4.5%. There can be no assurance that the Notes will generate a return (except for the Partial Principal Repayments and the minimum \$1 repayment per Note). Accordingly, the Notes are only suitable for investors who can withstand a total loss of their investment (except for the Partial Principal Repayments and the minimum \$1 repayment per Note). The Notes are designed for investors with a three year investment horizon who are prepared to hold the Notes to maturity and assume the risks of a return tied to the performance of the Index. See "RISK FACTORS – Suitability of the Notes for Investment". **Prospective purchasers should take into account additional risk factors associated with this offering of Notes. See "RISK FACTORS" in this Pricing Supplement and the Prospectus.**

The Notes will not be listed on any securities exchange or quotation system. TD Securities Inc. ("TDSI") intends in normal market conditions to maintain a daily secondary market for the Notes, but is under no obligation to do so. TDSI may stop maintaining a market for the Notes at any time without prior notice to Noteholders. There can be no assurance that a secondary market will develop or, if one develops, that it will be liquid. Noteholders wishing to sell their Notes prior to maturity may receive a price reflecting a substantial discount from the Principal Amount. See "RISK FACTORS". A sale of Notes originally purchased through FundSERV will be subject to certain additional procedures and limitations. Noteholders choosing to sell their Notes to TDSI prior to maturity may be subject to an Early Trading Fee of up to \$3.00 per Note. See "DESCRIPTION OF THE NOTES – Secondary Market and Early Trading Fee".

TDSI and Desjardins Securities Inc. (collectively, the "Agents"), as agents, conditionally offer the Notes subject to prior sale on a best efforts basis, if, as and when issued by the Bank and accepted by the Agents in accordance with the conditions contained

in the Dealer Agreement (as hereinafter defined) and subject to the approval of certain legal matters by McCarthy Tétrault LLP, on behalf of the Bank, and Fasken Martineau DuMoulin LLP, on behalf of the Agents. Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Notes may be purchased through the order entry system of FundSERV. The FundSERV order code for the Notes is TDN603. A purchaser of Notes through FundSERV will receive interest from the Bank on funds delivered prior to the Issue Date at a rate of 0.25% per annum on funds delivered from and including the first Business Day after such funds are received to but excluding the Issue Date, rounded to two decimal places. Closing of the offering of the Notes is expected to occur on or about July 11, 2012, but not later than August 11, 2012. The Notes will be issued in book-entry form and will be represented by a registered global note certificate held by CDS Clearing and Depository Services Inc. (“CDS”) or its nominee. Subject to limited exceptions, certificates evidencing the Notes will not be available to purchasers and registration of ownership of the Notes will be made only through CDS’s book-entry system.

TDSI is a wholly-owned subsidiary of the Bank. **As a result, the Bank is a “related issuer” and a “connected issuer” of TDSI within the meaning of the securities legislation of certain provinces of Canada.** See “PLAN OF DISTRIBUTION”.

## TABLE OF CONTENTS

ELIGIBILITY FOR INVESTMENT.....	5
DOCUMENTS INCORPORATED BY REFERENCE .....	5
ABOUT THIS PRICING SUPPLEMENT .....	5
PUBLIC INFORMATION .....	5
CAUTION REGARDING FORWARD LOOKING STATEMENTS .....	6
SUITABILITY FOR INVESTMENT .....	6
SUMMARY .....	7
FEES AND EXPENSES .....	14
DEFINITIONS .....	15
S&P/TSX 60™ INDEX.....	18
CALCULATION OF PAYMENTS UNDER THE NOTES .....	22
USE OF PROCEEDS AND HEDGING .....	26
DESCRIPTION OF THE NOTES.....	27
PLAN OF DISTRIBUTION.....	32
RELATED MATTERS .....	33
CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS.....	34
LEGAL MATTERS .....	36
RISK FACTORS .....	36

## **ELIGIBILITY FOR INVESTMENT**

In the opinion of McCarthy Tétrault LLP, counsel to the Bank, and Fasken Martineau DuMoulin LLP, counsel to the Agents, the Notes, if issued on the date hereof, would be, on such date, qualified investments under the Tax Act and the Regulations for trusts governed by registered retirement savings plans (“RRSPs”), registered retirement income funds (“RRIFs”), registered education savings plans, registered disability savings plans, deferred profit sharing plans (other than a trust governed by a deferred profit sharing plan or revoked plan to which contributions are made by the Bank or by an employer with which the Bank does not deal at arm’s length within the meaning of the Tax Act) and tax-free savings accounts (“TFSA”), each as defined in the Tax Act.

Notwithstanding that the Notes may be qualified investments, a holder of a TFSA or an annuitant of an RRSP or RRIF will be subject to a penalty tax if the Notes are “prohibited investments” (as defined in the Tax Act) for a trust governed by a TFSA, RRSP or RRIF. The Notes will generally be a prohibited investment for a trust governed by a TFSA, RRSP or RRIF if the holder of the TFSA or the annuitant of the RRSP or RRIF, as the case may be, does not deal at arm’s length with the Bank for purposes of the Tax Act or has a “significant interest” (within the meaning of the Tax Act) in the Bank or in any corporation, partnership or trust with which the Bank does not deal at arm’s length for purposes of the Tax Act.

Holders of TFSAs and annuitants of RRSPs or RRIFs should consult their own advisors in this regard.

## **DOCUMENTS INCORPORATED BY REFERENCE**

This Pricing Supplement is deemed to be incorporated by reference into the Prospectus solely for the purpose of the offering of the Notes. Other documents are also incorporated or deemed to be incorporated by reference into the Prospectus and reference should be made to the Prospectus for full particulars thereof.

Any management proxy circular, annual information form, consolidated audited financial statements, interim unaudited financial statements, material change reports (excluding confidential material change reports) or business acquisition reports, all as filed by the Bank with the various securities commissions or similar authorities in Canada pursuant to the requirements of applicable securities legislation after the date of this Pricing Supplement and prior to the termination of this offering shall be deemed to be incorporated by reference into this Pricing Supplement.

Any statement contained in the Prospectus, as supplemented by this Pricing Supplement, or in a document incorporated or deemed to be incorporated by reference therein or herein shall be deemed to be modified or superseded for the purposes of this Pricing Supplement to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement is not to be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that was required to be stated or that was necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Pricing Supplement.

## **ABOUT THIS PRICING SUPPLEMENT**

This Pricing Supplement supplements the Prospectus. If the information in this Pricing Supplement differs from the information contained in the Prospectus, you should rely on the information in this Pricing Supplement. Noteholders should carefully read this Pricing Supplement along with the accompanying Prospectus to fully understand the information relating to the terms of the Notes and other considerations that are important to Noteholders. Both documents contain information Noteholders should consider when making their investment decision. The information contained in this Pricing Supplement and the accompanying Prospectus is current only as of the date of each.

## **PUBLIC INFORMATION**

Additional information concerning the Bank may be found on the Canadian Securities Administrators’ System for Electronic Document Analysis and Retrieval (SEDAR) at [www.sedar.com](http://www.sedar.com).

All information included in this Pricing Supplement relating to the Index, including its composition, is based on publicly available information prepared by the sponsor of the Index. Neither the Bank nor the Agents take any responsibility for the accuracy or

completeness of such information. Neither the Bank nor the Calculation Agent accepts any responsibility for the calculation, maintenance or publication of the Index or any Successor Index.

## CAUTION REGARDING FORWARD LOOKING STATEMENTS

This Pricing Supplement and the accompanying Prospectus, including those documents incorporated by reference, may contain forward-looking statements. All such statements are made pursuant to the “safe harbour” provisions, and are intended to be forward-looking statements under, applicable Canadian and U.S. securities legislation, including the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements include, but are not limited to, statements made in the Bank’s Second Quarter 2012 Management’s Discussion & Analysis (the “Q2 MD&A”) in the “Business Outlook” section for each business segment in the “Performance Summary” and in other statements regarding the Bank’s objectives and priorities for 2012 and beyond and strategies to achieve them, and the Bank’s anticipated financial performance. Forward-looking statements are typically identified by words such as “will”, “should”, “believe”, “expect”, “anticipate”, “intend”, “estimate”, “plan”, “may” and “could”.

By their very nature, these statements require the Bank to make assumptions and are subject to inherent risks and uncertainties, general and specific. Especially in light of the uncertainty related to the financial, economic, political and regulatory environments, such risks and uncertainties – many of which are beyond the Bank’s control and the effects of which can be difficult to predict – may cause actual results to differ materially from the expectations expressed in the forward-looking statements. Risk factors that could cause such differences include: credit, market (including equity, commodity, foreign exchange and interest rate), liquidity, operational (including technology), reputational, insurance, strategic, regulatory, legal, environmental and other risks, all of which are discussed in the Bank’s 2011 Management’s Discussion & Analysis (the “Annual MD&A”). Additional risk factors include the impact of recent U.S. legislative developments, as discussed under “Significant Events in 2011” in the “Financial Results Overview” section of the Annual MD&A, as updated in the Q2 MD&A; changes to and new interpretations of capital and liquidity guidelines and reporting instructions; increased funding costs for credit due to market illiquidity and competition for funding; the failure of third parties to comply with their obligations to the Bank or its affiliates relating to the care and control of information; and the overall difficult litigation environment including in the United States. The preceding list is not exhaustive of all possible risk factors and other factors could also adversely affect the Bank’s results. For more detailed information, see the “Risk Factors and Management” section of the Annual MD&A. All such factors should be considered carefully, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements, when making decisions with respect to the Bank, and undue reliance should not be placed on the Bank’s forward-looking statements. Material economic assumptions underlying the forward-looking statements contained in this document are set out in the Annual MD&A under the headings “Economic Summary and Outlook”, as updated in the Q2 MD&A and for each business segment, “Business Outlook and Focus for 2012”, as updated in the Q2 MD&A under the heading “Business Outlook”; and for the corporate segment under the heading “Outlook” as further updated in subsequently filed quarterly reports to shareholders.

Any forward-looking statements contained in this Pricing Supplement and the accompanying Prospectus represent the views of management only as of the date of this Pricing Supplement and are presented for the purpose of assisting the Bank’s security holders in understanding the Bank’s financial position, objectives and priorities and anticipated financial performance as at and for the periods ended on the dates presented, and may not be appropriate for other purposes. The Bank does not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by or on its behalf, except as required under applicable securities legislation. See “RISK FACTORS”.

## SUITABILITY FOR INVESTMENT

The Notes differ from conventional debt and fixed income investments because they may not provide Noteholders with a return and the return is not determinable prior to maturity. **The Notes are not principal protected.** The Maturity Redemption Payment on the Notes depends on whether or not the Closing Index Level on the Final Valuation Date is less than the Barrier Level, and the Notes may return substantially less than the amount originally invested by the Noteholder. Consequently, investors could lose substantially all of their investment in the Notes. The Maturity Redemption Amount payable at maturity will be greater than the Principal Amount only if the Index Return is greater than 4.5%. There can be no assurance that the Notes will generate a return (except for the Partial Principal Repayments and the minimum \$1 repayment per Note). Accordingly, the Notes are only suitable for investors who can withstand a total loss of their investment (except for the Partial Principal Repayments and the minimum \$1 repayment per Note). The Notes are designed for investors with a three year investment horizon who are prepared to hold the Notes to maturity and assume the risks of a return tied to the performance of the Index. See “RISK FACTORS – Suitability of the Notes for Investment”. **Prospective purchasers should take into account additional risk factors associated with this offering of Notes. See “RISK FACTORS” in this Pricing Supplement and the Prospectus.**

## SUMMARY

The following summary should be read in conjunction with the more detailed information appearing elsewhere in this Pricing Supplement and the accompanying Prospectus. Capitalized terms which are not otherwise defined herein are defined in the Prospectus. Unless otherwise specifically noted, "\$" refers to Canadian dollars.

<b>Issuer:</b>	The Toronto-Dominion Bank
<b>Principal Amount:</b>	The original principal amount invested of \$100 per Note
<b>Issue Size:</b>	Maximum \$20,000,000 (200,000 Notes)
<b>Minimum Subscription:</b>	\$5,000 (50 Notes) and integral multiples of \$1,000 (10 Notes) in excess thereof
<b>Issue Date:</b>	On or about July 11, 2012, but not later than August 11, 2012
<b>Issue Price:</b>	100% of the Principal Amount
<b>Maturity Date:</b>	July 13, 2015
<b>Index:</b>	<p>The S&amp;P/TSX 60™ Index. See below for further information on the Index. The Notes do not represent an interest in the Index or in the securities that comprise the Index and Noteholders will have no right or entitlement to such Index or securities. References to the Index are to a notional, rather than an actual, group of securities. There is no requirement for the Bank to hold any interest in a portfolio of securities comprising the Index.</p> <p>The Index levels reflect only the applicable price appreciation or depreciation of the constituent stocks and do not reflect payment of dividends thereon (the dividend yield of the Index at May 31, 2012 was 3.04%).</p>
<b>Initial Valuation Date:</b>	The Issue Date
<b>Semi-Annual Payment Dates:</b>	January 11, 2013, July 11, 2013, January 13, 2014, July 11, 2014, January 12, 2015 and July 13, 2015 (which is also the Maturity Date)
<b>Final Valuation Date:</b>	The third Business Day prior to the Maturity Date.
<b>Partial Principal Repayment:</b>	On each Semi-Annual Payment Date, Noteholders will be paid a Partial Principal Repayment equal to the Payment Rate of 2.25% of the Principal Amount of the Notes, subject to a redemption by the Bank under Special Circumstances. If the Semi-Annual Payment Date is not a Business Day, then the Partial Principal Repayment will be paid on the first succeeding day that is a Business Day and no interest shall be paid in respect of such delay. A Noteholder may not elect to receive a Partial Principal Repayment prior to the applicable Semi-Annual Payment Date.

**Maturity Redemption Payment:** Noteholders will be paid the Maturity Redemption Payment on the Maturity Date, in addition to the Partial Principal Repayment payable on that date, subject to the occurrence of a Market Disruption Event or a redemption by the Bank under Special Circumstances. If the Maturity Date is not a Business Day, then the Maturity Redemption Payment will be paid on the first succeeding day that is a Business Day and no interest shall be paid in respect of such delay. A Noteholder may not elect to receive the Maturity Redemption Payment prior to the Maturity Date. The Maturity Redemption Payment will be calculated by the Calculation Agent in accordance with the applicable formula below:

- (i) if the Index Return is greater than 4.5%:

$$\text{Maturity Redemption Payment} = \text{Principal Amount} \times [1 + (\text{Participation Rate} \times \text{Net Index Return})]; \text{ or}$$

- (ii) if the Index Return is equal to or less than 4.5% and the Closing Index Level on the Final Valuation Date is equal to or greater than the Barrier Level:

$$\text{Maturity Redemption Payment} = \text{Principal Amount}; \text{ or}$$

- (iii) if the Closing Index Level on the Final Valuation Date is less than the Barrier Level:

$$\text{Maturity Redemption Payment} = \text{Principal Amount} \times (1 + \text{Index Return}).$$

**For the avoidance of doubt, if the Closing Index Level on the Final Valuation Date is less than the Barrier Level then the Maturity Redemption Payment will be less than the Principal Amount.**

Notwithstanding the foregoing, the Maturity Redemption Payment will be subject to a minimum of \$1 per Note.

The amount of the excess, if any, of the Maturity Redemption Payment over the remaining unpaid principal amount (i.e. after Partial Principal Repayments) generally will be included in the Noteholder's income as interest in the taxation year that includes the Final Valuation Date.

**Index Return:** The Index Return will be an amount expressed as a percentage calculated by the Calculation Agent in accordance with the following formula:

$$\frac{\text{Final Index Level} - \text{Opening Index Level}}{\text{Opening Index Level}}$$

See "CALCULATION OF PAYMENTS UNDER THE NOTES" for a description of the calculation of the Opening Index Level and Final Index Level.

The Index Return will not take into account any dividends paid on securities included in the Index.

**Net Index Return:** The Net Index Return will be an amount expressed as a percentage calculated by the Calculation Agent in accordance with the following formula:

$$\text{Index Return} - 4.5\%$$

**Payment Rate:** 2.25%

In each year, the effective annual Payment Rate will be 4.5%.



<b>Barrier Level:</b>	70% of the Opening Index Level
<b>Participation Rate:</b>	10%
<b>Calculation Agent:</b>	The Bank, or such other calculation agent as may be appointed by the Bank from time to time.
<b>Agents:</b>	TD Securities Inc. (“TDSI”) and Desjardins Securities Inc.
<b>Fees and Expenses:</b>	<p>The Bank will pay to representatives, including representatives employed by the Agents, whose clients purchase Notes a selling commission equal to 2.25% of the Principal Amount of each Note sold. In addition, the Bank will pay to Desjardins Securities Inc. a fee equal to 0.20% of the aggregate issue price of the Notes for acting as an independent agent. See “FEES AND EXPENSES”.</p> <p>Any sale of Notes to TDSI in the secondary market will be subject to the Early Trading Fee, which will be deducted from the sale proceeds of the Notes. See “DESCRIPTION OF THE NOTES - Secondary Market and Early Trading Fee”.</p> <p>The expenses of the offering will be borne by the Bank.</p>
<b>Index Adjustments:</b>	Upon the occurrence of certain events in respect of the Index, the Calculation Agent may be required to make certain calculations and adjustments pertaining to the determination of the value of the Index. See “DESCRIPTION OF THE NOTES – Index Adjustments”.
<b>Market Disruption Event:</b>	A Market Disruption Event may delay determination and payment of the Maturity Redemption Payment. See “DESCRIPTION OF THE NOTES – Market Disruption Event”.
<b>Redemption by the Bank Under Special Circumstances:</b>	The Bank may redeem the Notes upon the occurrence of a Special Circumstance. See “DESCRIPTION OF THE NOTES – Redemption by the Bank Under Special Circumstances”.
<b>Eligibility:</b>	<p>In the opinion of McCarthy Tétrault LLP, counsel to the Bank, and Fasken Martineau DuMoulin LLP, counsel to the Agents, the Notes, if issued on the date hereof, would be, on such date, qualified investments under the Tax Act and the Regulations for trusts governed by RRSPs, RRIFs, registered education savings plans, registered disability savings plans, deferred profit sharing plans (other than a trust governed by a deferred profit sharing plan or revoked plan to which contributions are made by the Bank or by an employer with which the Bank does not deal at arm’s length within the meaning of the Tax Act) and TFSAs, each as defined in the Tax Act.</p> <p>Notwithstanding that the Notes may be qualified investments, a holder of a TFSA or an annuitant of an RRSP or RRIF will be subject to a penalty tax if the Notes are “prohibited investments” (as defined in the Tax Act) for a trust governed by a TFSA, RRSP or RRIF. The Notes will generally be a prohibited investment for a trust governed by a TFSA, RRSP or RRIF if the holder of the TFSA or the annuitant of the RRSP or RRIF, as the case may be, does not deal at arm’s length with the Bank for purposes of the Tax Act or has a “significant interest” (within the meaning of the Tax Act) in the Bank or in any corporation, partnership or trust with which the Bank does not deal at arm’s length for purposes of the Tax Act.</p> <p>Holders of TFSAs and annuitants of RRSPs or RRIFs should consult their own advisors in this regard.</p>

**Secondary Market:**

The Notes will not be listed on any stock exchange. TDSI intends, in normal market conditions, to maintain a daily secondary market for the Notes, but is under no obligation to do so and if it does do so, reserves the right not to do so in the future at its sole discretion, without providing notice to Noteholders. Changes in laws and regulations may impact the ability of TDSI to maintain any secondary market that may develop. A Noteholder who sells a Note to TDSI prior to the Maturity Date will receive sale proceeds equal to the bid price for the Note posted by TDSI, if available, determined at the time of sale based on prevailing market conditions, minus any applicable Early Trading Fee. Any bid price for a Note may be affected by a number of interrelated factors, as set out under “DESCRIPTION OF THE NOTES – Secondary Market and Early Trading Fee”.

A sale of Notes originally purchased through FundSERV will be subject to certain additional procedures and limitations established by FundSERV. See “DESCRIPTION OF THE NOTES – Secondary Market and Early Trading Fee”.

The Bank reserves the right to purchase for cancellation at its discretion any amount of Notes in the secondary market, without notice to the Noteholders in general. See “RISK FACTORS – Potential Conflicts of Interest May Exist in Connection With the Notes”.

**CDIC:**

The Notes will not constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act* or any other deposit insurance regime designed to ensure the payment of all or a portion of a deposit upon insolvency of the deposit-taking institution.

**Book-Entry Registration:**

The Notes will be issued in book-entry form and will be represented by a registered global note certificate held by CDS. Subject to limited exceptions, certificates evidencing the Notes will not be available to purchasers and registration of ownership of the Notes will be made only through CDS’s book-entry system.

**Income Tax Considerations:**

This summary is subject to the limitations and qualifications set out under the heading “CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS” and applies only to an individual Noteholder (other than a trust) resident or deemed to be resident in Canada who purchases the Notes at the time of their issuance, deals at arm’s length with and is not affiliated with the Bank and holds the Notes as capital property.

Based in part on the CRA’s administrative practice, there should be no deemed accrual of the Partial Principal Repayments, the Maturity Redemption Payment or the Accelerated Value (as hereinafter defined) under the “prescribed debt obligation” rules of the Tax Act and the Regulations prior to such amounts becoming calculable.

Partial Principal Repayments received in respect of the Notes should not be included in the Noteholder’s income when received but rather should reduce the Noteholder’s adjusted cost base of the Notes. The amount of the excess, if any, of the Maturity Redemption Payment over the remaining unpaid principal amount (i.e. after Partial Principal Repayments) generally will be included in the Noteholder’s income as interest in the taxation year that includes the Final Valuation Date, to the extent that such amount was not otherwise included in income for the taxation year or a preceding taxation year.

If the Bank elects to redeem the Notes prior to the Maturity Date as a result of the occurrence of a Special Circumstance, the amount of the excess, if any, of the Accelerated Value over the remaining unpaid principal amount (i.e. after Partial Principal Repayments) generally will be included in the Noteholder’s income as

interest in the taxation year that includes the Special Redemption Notification Date, to the extent that such amount was not otherwise included in income for the taxation year or a preceding taxation year.

On a disposition of a Note to the Bank by a Noteholder on repayment or redemption of the Notes by the Bank on the Maturity Date or a Special Redemption Date, as the case may be, the Noteholder will realize a capital loss if the proceeds of disposition received from the Bank, net of any amount required to be included in the income of the Noteholder as interest and any reasonable costs of disposition, are less than the Noteholder's adjusted cost base of the Note, which generally should be equal to the cost of the Note to the Noteholder less the total amount of the Partial Principal Repayments previously received by the Noteholder.

On a disposition or deemed disposition of a Note by a Noteholder (including a sale through FundSERV or otherwise in the secondary market, if available, but not including a disposition resulting from a payment by or on behalf of the Bank) prior to the Maturity Redemption Payment or the Accelerated Value becoming calculable, while the matter is not free from doubt, the Noteholder should realize a capital gain (or a capital loss) to the extent that the Noteholder's proceeds of disposition, net of any amount required to be included in the income of the Noteholder as interest and any reasonable costs of disposition, exceed (or are less than) the Noteholder's adjusted cost base of the Note, which generally should be equal to the cost of the Note to the Noteholder less the total amount of the Partial Principal Repayments previously received by the Noteholder.

**Noteholders who dispose of Notes prior to the Maturity Date, particularly those who dispose of a Note shortly prior to the Maturity Date, should consult their tax advisor with respect to their particular circumstances.**

See "CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS".

**Status:**

The payment obligations under the Notes constitute direct, unsecured and unsubordinated obligations of the Bank and, except for certain statutory priorities, will rank *pari passu* with all other present and future unsecured and unsubordinated indebtedness of the Bank. **The Notes will not constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act*.**

The Notes have not been rated by any rating agencies. The long-term debt (deposits) of the Bank is, at the date of this Pricing Supplement, rated AA by DBRS, and AA- by S&P and Aaa by Moody's. There can be no assurance that, if the Notes were specifically rated by these agencies, they would have the same ratings as the long-term debt (deposits) of the Bank. A credit rating is not a recommendation to buy, sell or hold investments, and may be subject to revision or withdrawal at any time by the relevant rating agency.

**FundSERV:**

Notes may be purchased through the order entry system of FundSERV. The FundSERV order code for the Notes is TDN603. A purchaser of Notes through FundSERV will receive interest from the Bank on funds delivered prior to the Issue Date at a rate of 0.25% per annum on funds delivered from and including the first Business Day after such funds are received to but excluding the Issue Date, rounded to two decimal places. No interest will be paid on account of funds delivered through FundSERV if subscriptions are rejected or not fully allotted. See "PLAN OF DISTRIBUTION" in this Pricing Supplement and/or "FUNDSERV" in the Prospectus.

Where a Noteholder purchases Notes through dealers and other firms that place

and clear orders for Notes through FundSERV, such dealers or other firms may not be able to accommodate a purchase of Notes under certain registered plans. Noteholders should consult their financial advisors as to whether their orders for Notes will be made through FundSERV and any limitations on their ability to purchase Notes through registered plans. See “Eligibility” above.

**Risk Factors:**

A person should consider carefully all information set forth in this Pricing Supplement and the Prospectus and, in particular, the following risk factors set out below and in “RISK FACTORS” before reaching a decision to buy the Notes. See “RISK FACTORS” in this Pricing Supplement and the Prospectus.

- Notes are Not Principal Protected
- Notes May Not Yield Any Return
- Return on the Notes Will Be Substantially Different Than the Return on the Index
- Suitability of the Notes for Investment
- Notes Differ from Conventional Investments
- An Investment in the Notes is not an Investment in the Securities Comprising the Index
- Performance of the Index is Subject to Risk Factors Relating to the Equity Securities Comprising the Index
- Notes are Subject to the Credit Risk of the Bank
- There is No Assurance of a Secondary Market
- Notes Are Not CDIC Insured
- Calculation Agent May Make Adjustments in respect of the Index
- Potential Conflicts of Interest May Exist in Connection With the Notes
- Notes May Be Redeemed by the Bank Under Special Circumstances
- Hedging Transactions May Affect the Index
- Market Disruption Event May Delay Payment of the Maturity Redemption Payment
- There Are Tax Consequences Associated with an Investment in the Notes
- There May be Changes in Legislation or Administrative Practices that Adversely Affect the Noteholders

**Ongoing Information Relating to the Notes:**

Additional information about the Notes can be found on TDSI’s Structured Notes website ([www.tdstructurednotes.com](http://www.tdstructurednotes.com)). The Bank will seek to make certain additional information available on the website following the Issue Date, including: (i) TDSI’s most recently available secondary market bid price for the Notes (and the applicable Early Trading Fee), if any, (ii) the Closing Index Level on relevant dates, (iii) the performance of the Index since the Initial Valuation

Date, and/or (iv) any other relevant measure(s) that would be used in the determination of the Maturity Redemption Payment. The information therein is not incorporated by reference into this Pricing Supplement or the Prospectus.

## FEES AND EXPENSES

The following fees and expenses relate to the Notes.

**Selling Agent's Commission and Agent's Fee:** The Bank will pay to representatives, including representatives employed by the Agents, whose clients purchase Notes a selling commission equal to \$2.25 for each Note sold (equivalent to 2.25% of the Principal Amount). In addition, the Bank will pay to Desjardins Securities Inc. a fee equal to 0.20% of the aggregate issue price of the Notes for acting as an Agent.

**Early Trading Fee:** The Notes are designed for investors who are prepared to hold the Notes to maturity. Any sale of Notes to TDSI in the secondary market prior to the Maturity Date will be subject to an early trading fee ("Early Trading Fee"), deductible from the sale proceeds of the Notes and determined as follows:

If Sold Within	Early Trading Fee	
	Per Note	% of Principal Amount
1-90 days of Issue Date	\$3.00	3.00%
91-180 days of Issue Date	\$2.25	2.25%
181-270 days of Issue Date	\$1.50	1.50%
271-360 days of Issue Date	\$0.75	0.75%
Thereafter	Nil	Nil

The Early Trading Fee ensures that the Bank is able to recover a portion of the upfront costs that it has incurred in creating, distributing and issuing the Notes, including the upfront agent's fee and the selling commission paid to selling agents. See "DESCRIPTION OF THE NOTES - Secondary Market and Early Trading Fee".

**Hedging:** From time to time, the Bank and/or its affiliates may enter into hedging transactions or unwind those they have entered into. The Bank may benefit economically from the difference between the amount it is obligated to pay under the Notes and the returns it may generate in hedging such obligation. See "USE OF PROCEEDS AND HEDGING".

**Expenses of the Offering:** The expenses of the offering will be borne by the Bank.

## DEFINITIONS

In addition to the terms defined in the Prospectus, unless the context otherwise requires, terms not otherwise defined in this Pricing Supplement will have the meaning ascribed thereto hereunder:

“**Accelerated Value**” has the meaning ascribed thereto under “DESCRIPTION OF THE NOTES – Redemption by the Bank Under Special Circumstances”.

“**Agents**” means TDSI and Desjardins Securities Inc.

“**Bank**” means The Toronto-Dominion Bank.

“**Barrier Level**” means 70% of the Opening Index Level.

“**Business Day**” means a day, other than a Saturday or a Sunday, on which commercial banks are open for business in Toronto. If any date on which any action is otherwise required to be taken in respect of the Notes is not a Business Day, the date on which such action shall be taken shall, except as otherwise indicated, be the next following Business Day and, if the action involves payment of any amount, no interest or other compensation shall be paid as a result of any such delay.

“**Calculation Agent**” means the calculation agent for the Notes appointed by the Bank from time to time. The Calculation Agent initially will be the Bank.

“**CDIC**” means the *Canada Deposit Insurance Corporation Act*.

“**CDS**” means CDS Clearing and Depository Services Inc.

“**Closing Index Level**” means the official closing level of the Index as calculated and announced by the Index Sponsor on an Exchange Business Day.

“**CRA**” means the Canada Revenue Agency.

“**DBRS**” means DBRS Limited.

“**Dealer Agreement**” means the dealer agreement dated June 11, 2012 between the Bank and the Agents, as may be supplemented from time to time.

“**Early Closure**” has the meaning ascribed thereto under “DESCRIPTION OF THE NOTES – Market Disruption Event”.

“**Early Trading Fee**” has the meaning ascribed thereto under “FEES AND EXPENSES”.

“**Exchange**” means any exchange or trading system on which the securities comprising the Index are traded.

“**Exchange Business Day**” means any day on which each Exchange and each Related Exchange are scheduled to be open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

“**Final Index Level**” has the meaning ascribed thereto under “CALCULATION OF PAYMENTS UNDER THE NOTES”.

“**Final Valuation Date**” means the third Business Day prior to the Maturity Date.

“**FundSERV**” means the facility maintained and operated by FundSERV Inc. for electronic communication with participating companies, including the receiving of orders, order match, contracting, registrations, settlement of orders, transmission of confirmation of purchases, and the redemption of investments or instruments.

“**Global Note**” has the meaning ascribed thereto under “DESCRIPTION OF THE NOTES – Form and Registration”.

“**Index**” means the S&P/TSX 60™ Index.

“**Index Committee**” has the meaning ascribed thereto under “S&P/TSX 60™ INDEX”.

“**Index Return**” means an amount expressed as a percentage equal to (i) the Final Index Level minus the Opening Index Level, divided by (ii) the Opening Index Level. The Index Return will not take into account any dividends paid on securities included in the Index.

“**Index Sponsor**” means Standard & Poor’s (“S&P”).

“**Initial Valuation Date**” means the Issue Date.

“**Issue Date**” means the date of closing of the offering of the Notes, being on or about July 11, 2012 but not later than August 11, 2012.

“**Market Disruption Event**” has the meaning ascribed thereto under “DESCRIPTION OF THE NOTES – Market Disruption Event”.

“**Material Index Change**” means any of the events described in items (ii) and (iii) of “DESCRIPTION OF THE NOTES – Index Adjustments”.

“**Maturity Date**” means July 13, 2015.

“**Maturity Redemption Payment**” has the meaning ascribed thereto under “CALCULATION OF PAYMENTS UNDER THE NOTES”, subject to a minimum of \$1 per Note.

“**Moody’s**” means Moody’s Investors Service, Inc.

“**Net Index Return**” means an amount expressed as a percentage equal to the Index Return minus 4.5%.

“**Nominee**” has the meaning ascribed thereto under “DESCRIPTION OF THE NOTES – Form and Registration”.

“**Note**” means a TD Canadian Equity Index-Linked Barrier Fixed ROC Note, Series 1.

“**Noteholder**” means a holder of Notes.

“**Opening Index Level**” has the meaning ascribed thereto under “CALCULATION OF PAYMENTS UNDER THE NOTES”.

“**Partial Principal Repayment**” has the meaning ascribed thereto under “CALCULATION OF PAYMENTS UNDER THE NOTES”

“**Participation Rate**” means 10%.

“**Payment Rate**” means 2.25%

“**Principal Amount**” means the original principal amount invested of \$100 per Note.

“**Proposals**” has the meaning ascribed thereto under “CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS.”

“**Prospectus**” means the short form base shelf prospectus of the Bank dated June 11, 2012 relating to the offering of up to \$2,000,000,000 Senior Medium Term Notes of the Bank.

“**Regulations**” means the *Income Tax Regulations* (Canada).

“**Related Exchange**” means any exchange or quotation system on which futures, options or other similar instruments related to the Index are listed or traded from time to time.



“**Semi-Annual Payment Date**” means each of January 11, 2013, July 11, 2013, January 13, 2014, July 11, 2014, January 12, 2015 and July 13, 2015 (which is also the Maturity Date).

“**S&P**” means Standard & Poor’s.

“**Scheduled Closing Time**” means, in respect of an Exchange or Related Exchange and an Exchange Business Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Exchange Business Day, without regard to after hours or any other trading outside of the regular trading session hours.

“**Special Circumstances**” has the meaning ascribed thereto under “DESCRIPTION OF THE NOTES – Redemption by the Bank Under Special Circumstances”.

“**Special Redemption Date**” has the meaning ascribed thereto under “DESCRIPTION OF THE NOTES – Redemption by the Bank Under Special Circumstances”.

“**Special Redemption Notification Date**” has the meaning ascribed thereto under “DESCRIPTION OF THE NOTES – Redemption by the Bank Under Special Circumstances”.

“**Successor Index**” has the meaning ascribed thereto under “DESCRIPTION OF THE NOTES – Index Adjustments”.

“**Tax Act**” means the *Income Tax Act* (Canada).

“**TDSI**” means TD Securities Inc.

“**Valuation Date**” means the Initial Valuation Date or the Final Valuation Date.

“**\$**” means Canadian dollars, unless otherwise specified.

## S&P/TSX 60™ INDEX

All information contained in this Pricing Supplement regarding the Index, including its composition, is based on publicly available information. Neither the Bank nor the Agents take any responsibility for the accuracy or completeness of such information. Neither the Bank nor the Calculation Agent accepts any responsibility for the calculation, maintenance or publication of the Index or any Successor Index.

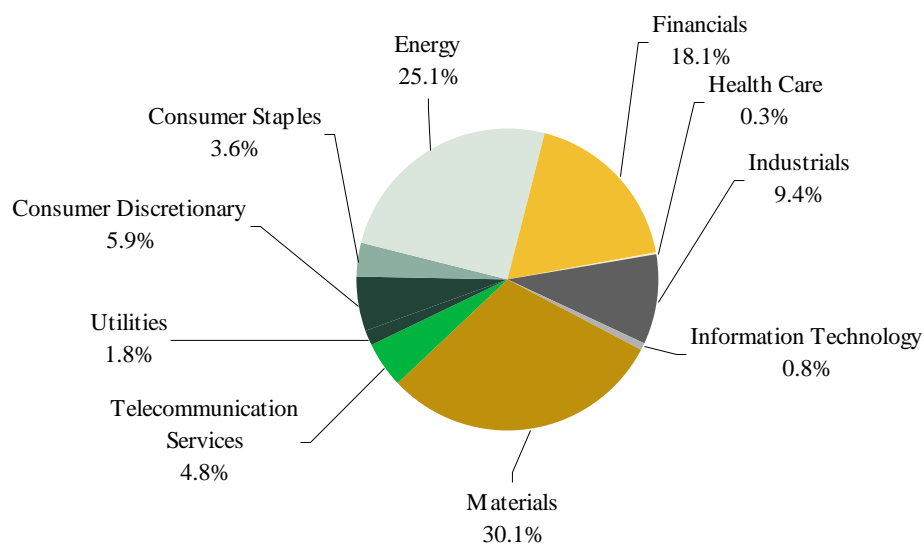
The Index is a large-cap index comprised of 60 actively traded Canadian companies. Launched in December 1998, the Index is market cap weighted, with weights adjusted for available share float, and covers 10 economic sectors, representing approximately 73% of Canada's equity market capitalization as of October 31, 2011. Each stock in the Index is evaluated for sector representation, liquidity, size, and positive company fundamentals. The Index is maintained by the S&P/TSX Canadian Index Committee (the "Index Committee"), whose members include representatives from both S&P and the Toronto Stock Exchange. The level of the Index is determined on any given day by multiplying the price of the individual components by their corresponding free-float share amount. The free-float share amount adjusts the outstanding float for control blocks. The market capitalization of all the individual components are summed and divided by the index divisor, which may be adjusted for corporate actions and significant restructurings. Criteria for removal from the Index include a violation of one or more requirements, as well as mergers or acquisitions involving companies in the Index.

**The Index level does not reflect the payment of dividends on constituent stocks. The dividend yield of the Index at May 31, 2012 was 3.04%.**

### Sector Composition

The Global Industry Classification Standard (GICS) sector composition of the Index by market capitalization as at May 31, 2012 is set out below and was obtained from Bloomberg Financial Services. **The historical composition of the Index does not necessarily reflect the composition of the Index in the future.**

**S&P/TSX 60™ Index GICS Sector Breakdown**



## Constituents of the Index

The following 60 companies represent the constituents of the Index as at May 31, 2012\*:

<u>Company</u>	<u>Weight</u>	<u>Company</u>	<u>Weight</u>
Royal Bank of Canada	7.36%	Magna International Inc.	0.97%
The Toronto-Dominion Bank	7.09%	Canadian Oil Sands Ltd.	0.96%
Bank of Nova Scotia	5.96%	Kinross Gold Corporation	0.93%
Suncor Energy Inc.	4.34%	Silver Wheaton Corporation	0.93%
Barrick Gold Corporation	4.02%	Shoppers Drug Mart Corporation	0.86%
Canadian National Railway Company	3.70%	Tim Hortons Inc.	0.86%
Bank of Montreal	3.50%	First Quantum Minerals Ltd.	0.85%
Potash Corporation of Saskatchewan Inc.	3.48%	Nexen Inc.	0.85%
Canadian Natural Resources Ltd.	3.23%	Eldorado Gold Corporation	0.81%
BCE Inc.	3.17%	Power Corporation of Canada	0.78%
Enbridge Inc.	3.16%	Cameco Corporation	0.78%
Goldcorp Inc.	3.03%	Shaw Communications Inc.	0.71%
TransCanada Corporation	2.95%	Husky Energy Inc.	0.69%
Canadian Imperial Bank of Commerce	2.88%	Agnico-Eagle Mines Ltd.	0.65%
Cenovus Energy Inc.	2.43%	Penn West Petroleum Ltd.	0.65%
Manulife Financial Corporation	1.99%	Fortis Inc.	0.62%
TELUS Corporation	1.93%	ARC Resources Ltd.	0.59%
Brookfield Asset Management Inc.	1.77%	SNC-Lavalin Group Inc.	0.57%
Valeant Pharmaceuticals International Inc.	1.53%	Bombardier Inc.	0.56%
Encana Corporation	1.51%	Saputo Inc.	0.56%
Rogers Communications Inc.	1.49%	Canadian Tire Corporation Ltd.	0.53%
Teck Resources Ltd.	1.47%	Metro Inc.	0.51%
Agrium Inc.	1.26%	Research In Motion Ltd.	0.50%
Sun Life Financial Inc.	1.24%	IAMGOLD Corporation	0.41%
National Bank of Canada	1.17%	TransAlta Corporation	0.38%
Yamana Gold Inc.	1.12%	Loblaw Cos Ltd.	0.32%
Talisman Energy Inc.	1.11%	Gildan Activewear Inc.	0.29%
Canadian Pacific Railway Ltd.	1.10%	Enerplus Corporation	0.28%
Thomson Reuters Corporation	1.05%	George Weston Ltd.	0.27%
Imperial Oil Ltd.	1.05%	Inmet Mining Corporation	0.22%

\*Source: Bloomberg Financial Services

The Index Committee regularly performs maintenance on the Index by adjusting for the effects of changes in the market value of a component stock that are determined by the Index Committee to be arbitrary or due to corporate actions, rather than regular market fluctuations. These changes may or may not require divisor adjustments, and may result from events including but not limited to:

- share repurchases;
- share issuances;
- rights offerings;
- special cash dividends; and

- consolidations, acquisitions, and spin-offs.

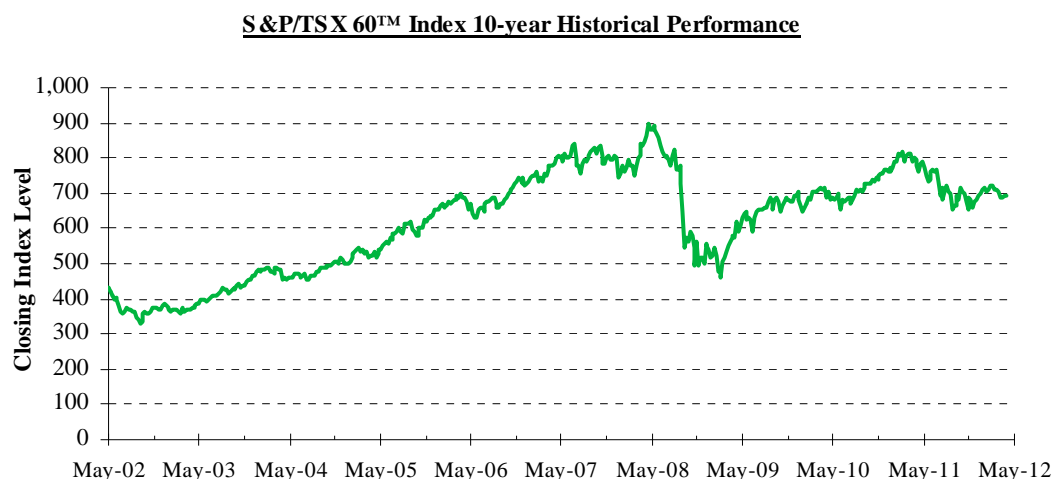
In the event that any of these events occur in respect of a particular component stock, the Index Committee recalculates the aggregate market value of all component stocks after taking into account the new market price per share and the new number of shares outstanding of the particular component stock, and then determines a new value for the base period divisor so that the Index level remains unchanged by such event.

It is standard practice of the Index Committee to remove all closely-held shares and shares held between corporations who are both in the Index from the calculation of a component stock's market value.

No assurance can be given that S&P and/or the Index Committee will not modify or change its calculation methodology in a manner that may affect the return, if any, payable to Noteholders upon maturity or otherwise.

### Historical Index Data

Closing Index Levels can be found on Bloomberg under the symbol "SPTSX60 <Index>". The following graph illustrates the weekly performance of the Index from May 31, 2002 through June 1, 2012 using weekly Closing Index Levels obtained from Bloomberg Financial Services. Past Index levels are not necessarily indicative of future Index levels.



### Historical 3-Year Index Returns

The following table shows the 3-year price returns of the Index on an annual basis, beginning May 30, 2003 and ending on May 31, 2012:

3-year Period Ending	3-year Price Return of the Index
May 30, 2003	-30.24%
May 31, 2004	-1.59%
May 31, 2005	25.10%
May 31, 2006	69.38%
May 31, 2007	73.52%
May 30, 2008	63.61%
May 29, 2009	-3.79%
May 31, 2010	-14.03%
May 31, 2011	-10.17%
May 31, 2012	3.80%

\*Source: Bloomberg Financial Services

Additional information about the Index can be found on the website [www.standardandpoors.com](http://www.standardandpoors.com).

The Notes are not sponsored, endorsed, sold or promoted by S&P. S&P makes no representation or warranty, express or implied, to the Noteholders or any member of the public regarding the advisability of investing in securities generally or in the Notes particularly or the ability of the Index to track general stock market performance. S&P's only relationship to the Bank or TDSI (other than transactions entered into in the ordinary course of business) is the licensing of certain service marks and trade names of S&P and of the Index, which is determined, composed and calculated by S&P without regard to the Bank, TDSI or the Notes. S&P has no obligation to take the needs of the Bank, TDSI or the Noteholders into consideration in determining, composing or calculating the Index. S&P is not responsible for and has not participated in the determination of the timing of the sale of the Notes, prices at which the Notes are to initially be sold, or quantities of the Notes to be issued or in the determination of any other terms of the Notes. S&P has no obligation or liability in connection with the administration, marketing or trading of the Notes.

S&P DOES NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE INDEX, OR ANY DATA INCLUDED THEREIN AND S&P SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN. S&P MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY THE BANK, NOTEHOLDERS OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL S&P HAVE ANY LIABILITY FOR ANY SPECIAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

“Standard & Poor’s®”, “S&P®” and “S&P/TSX 60™” are trademarks of S&P and have been licensed for use by the Bank. “TSX” is a trademark of the Toronto Stock Exchange and has been licensed for use by S&P. The Notes are not sponsored, endorsed, sold or promoted by S&P or the Toronto Stock Exchange and neither S&P nor the Toronto Stock Exchange makes any representation regarding the advisability of investing in the Notes.

## CALCULATION OF PAYMENTS UNDER THE NOTES

A “Partial Principal Repayment” means an amount representing a partial repayment of the Principal Amount of each Note which will be paid on each Semi-Annual Payment Date. The amount of each Partial Principal Repayment will be equal to the Payment Rate of 2.25% of the Principal Amount.

The “Maturity Redemption Payment” means an amount that will be calculated by the Calculation Agent on the Final Valuation Date in accordance with the applicable formula below:

- (i) if the Index Return is greater than 4.5%, the Maturity Redemption Payment will be equal to:

$$\text{Principal Amount} \times [1 + (\text{Participation Rate} \times \text{Net Index Return})]; \text{ or}$$

- (ii) if the Index Return is equal to or less than 4.5%, and the Closing Index Level on the Final Valuation Date is equal to or greater than the Barrier Level, the Maturity Redemption Payment will be equal to:

$$\text{Principal Amount}; \text{ or}$$

- (iii) if the Closing Index Level on the Final Valuation Date is less than the Barrier Level, the Maturity Redemption Payment will be equal to:

$$\text{Principal Amount} \times (1 + \text{Index Return}).$$

**There is no cap on the Maturity Redemption Payment and therefore the return that a Noteholder may receive on the Notes is not limited. For the avoidance of doubt, if the Closing Index Level on the Final Valuation Date is less than the Barrier Level then the Maturity Redemption Payment will be less than the Principal Amount.**

The amount of the excess, if any, of the Maturity Redemption Payment over the unpaid principal amount (i.e. after Partial Principal Repayments) generally will be included in the Noteholder’s income as interest in the taxation year that includes the Final Valuation Date.

Where:

“Index Return” means an amount expressed as a percentage calculated by the Calculation Agent in accordance with the following formula:

$$\frac{\text{Final Index Level} - \text{Opening Index Level}}{\text{Opening Index Level}}$$

“Opening Index Level” means the Closing Index Level as calculated and announced by the Index Sponsor on the Initial Valuation Date, provided that if the Initial Valuation Date is not an Exchange Business Day, the Opening Index Level will be determined as of the first succeeding day that is an Exchange Business Day;

“Final Index Level” means the Closing Index Level as calculated and announced by the Index Sponsor on the Final Valuation Date, provided that if such Final Valuation Date is not an Exchange Business Day, such Final Index Level will be determined as of the first preceding day that is an Exchange Business Day.

“Payment Rate” means 2.25%;

“Barrier Level” means 70% of the Opening Index Level;

“Participation Rate” means 10%; and

“Net Index Return” means an amount expressed as a percentage calculated by the Calculation Agent in accordance with the following formula:

$$\text{Index Return} - 4.5\%$$

If a Market Disruption Event has occurred or is continuing on a Valuation Date, the Closing Index Level for such Valuation Date will be determined in accordance with the Market Disruption Event provision below. See “DESCRIPTION OF THE NOTES – Market Disruption Event” for further detail.

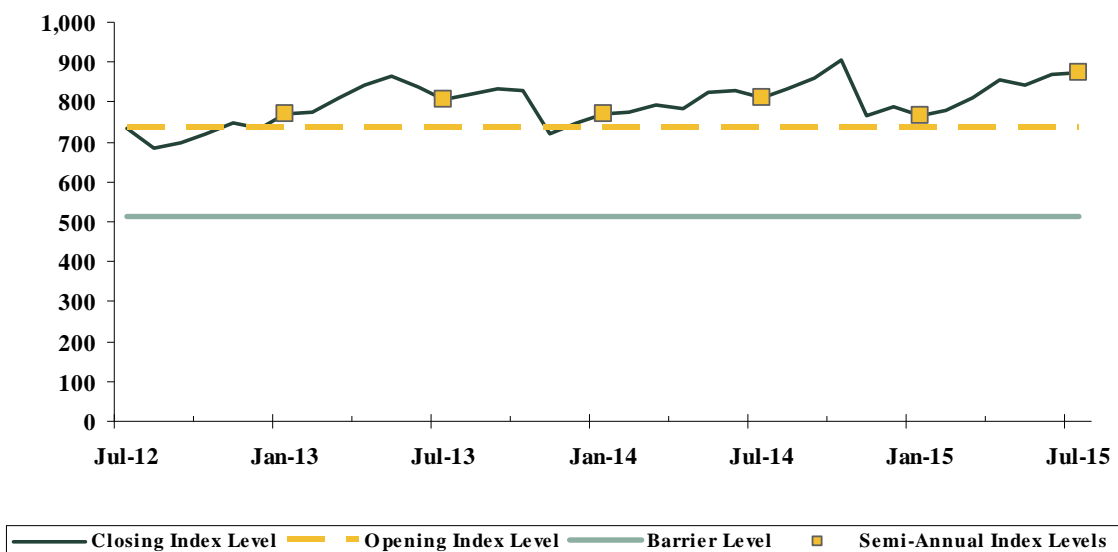
Notwithstanding the foregoing, the Maturity Redemption Payment will be subject to a minimum of \$1 per Note.

**A Noteholder should be aware that the Index Return will not take into account any dividends paid on securities included in the Index. Accordingly, Noteholders will not benefit from any dividends declared and paid on such securities. The dividend yield of the Index at May 31, 2012 was 3.04%, which would represent aggregate dividends of 9.12% over the term of the Notes, assuming that dividends paid on the constituent securities remain constant and the dividends are not reinvested.**

## Sample Calculations

The examples set out below are included for illustrative purposes only. The levels used in the examples are not estimates or forecasts of the Closing Index Level on the relevant dates. Neither the Bank nor either of the Agents is predicting or guaranteeing any gain or particular return on the Notes.

**Example #1 – Final Index Level is greater than the Opening Index Level.** Assume that a Noteholder has purchased \$100,000 principal amount of Notes and the Closing Index Levels follow the path shown in the chart below:



Semi-Annual Payment Date	Initial Index Level	Sem-Annual Index Level	Index Return	Payment Rate	Net Index Return	Initial Investment	Partial Principal Repayments	Maturity Redemption Amount
0	733.30					\$100,000		
1		769.85	4.98%	2.25%			\$2,250	
2		804.57	9.72%	2.25%			\$2,250	
3		768.98	4.87%	2.25%			\$2,250	
4		808.72	10.28%	2.25%			\$2,250	
5		764.80	4.30%	2.25%			\$2,250	
6		873.56	19.13%	2.25%	14.63%		\$2,250	\$101,463
							<b>Sum of Payments:</b>	<b>\$114,963</b>
							<b>Annual Compounded Rate of Return:</b>	<b>5.01%</b>

The Noteholder receives a Partial Principal Repayment on each Semi-Annual Payment Date equal to:

Partial Principal Repayment (Semi-Annual Payment Dates 1 to 6):  $Principal\ Amount \times Payment\ Rate = \$100,000 \times 2.25\% = \$2,250$

Since the Index Return is greater than 4.5% the Maturity Redemption Payment will be equal to:

Maturity Redemption Payment:  $Principal\ Amount \times [1 + (Participation\ Rate \times Net\ Index\ Return)]$   
 $= \$100,000 \times [1 + (10\% \times 14.63\%)] = \$101,463$

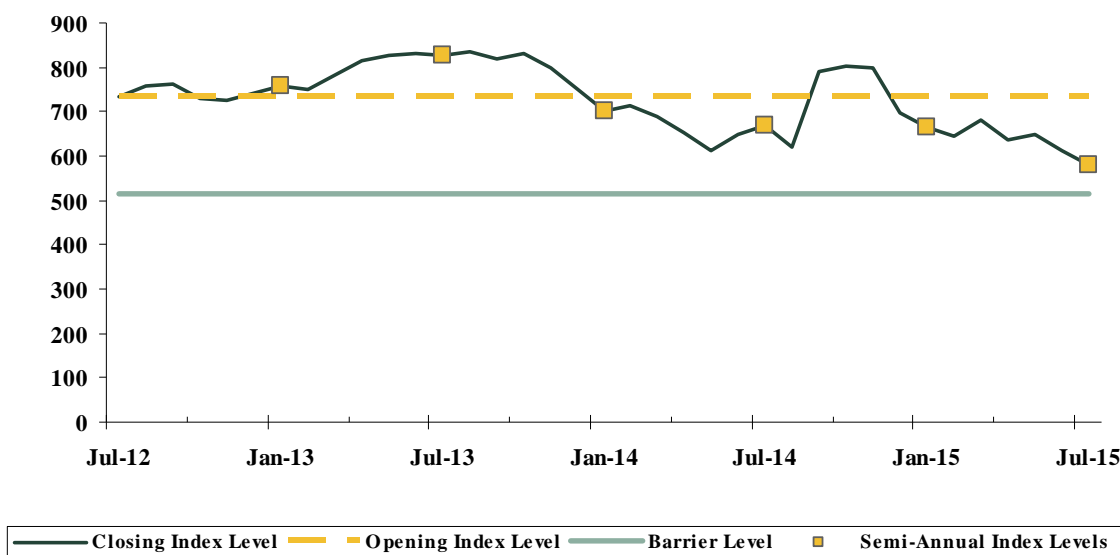
Where the Net Index Return will be equal to:

Net Index Return:  $Index\ Return - 4.5\% = 19.13\% - 4.5\% = 14.63\%$



In this example, the Noteholder would receive Partial Principal Repayments totalling \$13,500 on the relevant Semi-Annual Payment Dates and the Maturity Redemption Payment of \$101,463 on the Maturity Date. The Note in this example yields an annualized compound rate of return of approximately 5.01%, assuming that the Partial Principal Repayments paid are reinvested at such rate.

**Example #2 – Final Index Level is less than the Opening Index Level but greater than the Barrier Level. Assume that a Noteholder has purchased \$100,000 principal amount of Notes and the Closing Index Levels follow the path shown in the chart below:**



Semi-Annual Payment Date	Initial Index Level	Sem-Annual Index Level	Index Return	Payment Rate	Net Index Return	Initial Investment	Partial Principal Repayments	Maturity Redemption Amount
0	733.30					\$100,000		
1		758.82	3.48%	2.25%			\$2,250	
2		827.29	12.82%	2.25%			\$2,250	
3		700.93	-4.41%	2.25%			\$2,250	
4		670.33	-8.59%	2.25%			\$2,250	
5		663.37	-9.54%	2.25%			\$2,250	
6		579.09	-21.03%	2.25%	-		\$2,250	\$100,000
							<b>Sum of Payments:</b>	<b>\$113,500</b>
							<b>Annual Compounded Rate of Return:</b>	<b>4.54%</b>

The Noteholder receives a Partial Principal Repayment on each Semi-Annual Payment Date equal to:

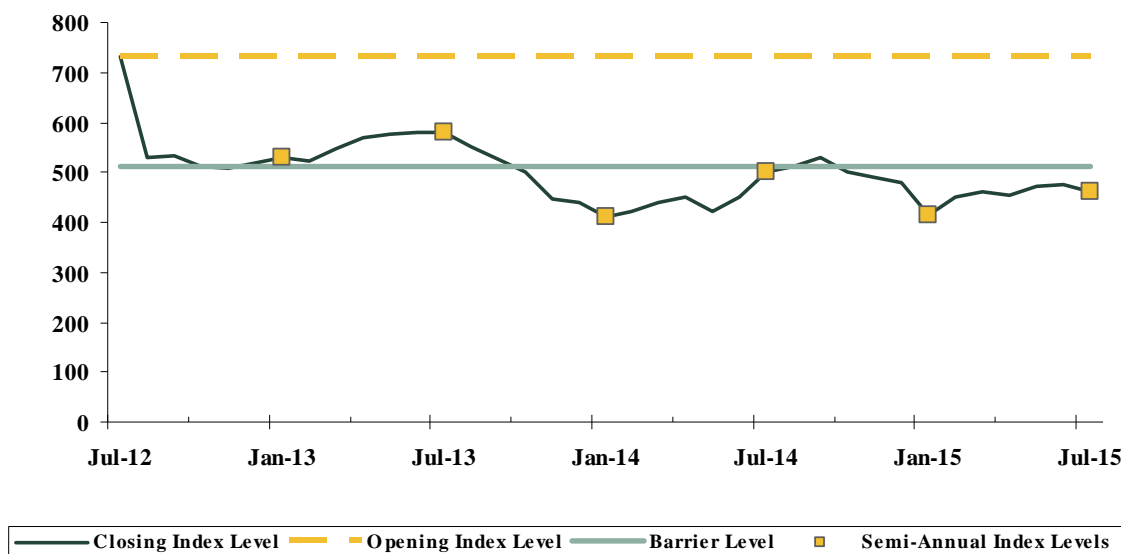
Partial Principal Repayment (Semi-Annual Payment Dates 1 to 6):  $Principal\ Amount \times Payment\ Rate = \$100,000 \times 2.25\% = \$2,250$

Since the Index Return is less than 4.5% and the Closing Index Level on the Final Valuation Date is greater than the Barrier Level, the Maturity Redemption Payment will be equal to:

Maturity Redemption Payment:  $Principal\ Amount = \$100,000$

In this example, the Noteholder would receive Partial Principal Repayments totalling \$13,500 on the relevant Semi-Annual Payment Dates and the Maturity Redemption Payment of \$100,000 on the Maturity Date. The Note in this example yields an annualized compound rate of return of approximately 4.54%, assuming that the Partial Principal Repayments paid are reinvested at such rate.

**Example #3 – Final Index Level is less than the Barrier Level. Assume that a Noteholder has purchased \$100,000 principal amount of Notes and the Closing Index Levels follow the path shown in the chart below:**



Semi-Annual Payment Date	Initial Index Level	Sem-Annual Index Level	Index Return	Payment Rate	Net Index Return	Initial Investment	Partial Principal Repayments	Maturity Redemption Amount
0	733.30					\$100,000		
1		531.17	-27.56%	2.25%			\$2,250	
2		579.10	-21.03%	2.25%			\$2,250	
3		410.87	-43.97%	2.25%			\$2,250	
4		500.84	-31.70%	2.25%			\$2,250	
5		415.88	-43.29%	2.25%			\$2,250	
6		463.03	-36.86%	2.25%	-		\$2,250	\$63,140
							<b>Sum of Payments:</b>	<b>\$76,640</b>
							<b>Annual Compounded Rate of Return:</b>	<b>-9.06%</b>

The Noteholder receives a Partial Principal Repayment on each such Semi-Annual Payment Date equal to:

Partial Principal Repayment (Semi-Annual Payment Dates 1 to 6):  $Principal\ Amount \times Payment\ Rate = \$100,000 \times 2.25\% = \$2,250$

Since the Index Return is less than 4.5% and the Closing Index Level on the Final Valuation Date is less than the Barrier Level, the Maturity Redemption Payment will be equal to:

Maturity Redemption Payment:  $Principal\ Amount \times (1 + Index\ Return) = \$100,000 \times (1 - 36.86\%) = \$63,140$

In this example, the Noteholder would receive Partial Principal Repayments totalling \$13,500 on the relevant Semi-Annual Payment Dates and the Maturity Redemption Payment of \$63,140 on the Maturity Date. The Note in this example yields an annualized compound rate of return of approximately -9.06%, assuming that the Partial Principal Repayments paid are reinvested at such rate. **In this example, the Noteholder would receive less than the amount originally invested in the Notes.**

### USE OF PROCEEDS AND HEDGING

Some or all of the net proceeds from the sale of Notes thereunder may be used by the Bank to directly or indirectly maintain positions in certain forward contracts, futures contracts, options, securities, swaps or other instruments in order to hedge the Bank's market risk associated with the Bank's payment obligations resulting from the issuance of the Notes. The balance of the proceeds will be used by the Bank for general corporate purposes.

In anticipation of the sale of the Notes, the Bank and/or its affiliates may enter into hedging transactions prior to or on or after the Initial Valuation Date. In this regard, the Bank and/or its affiliates may:

- acquire or dispose of securities comprising the Index;
- acquire or dispose of long or short positions in listed or over-the-counter options, futures, exchange-traded funds or other instruments based on the level of the Index or the price of the securities comprising or linked to the Index;
- acquire or dispose of long or short positions in listed or over-the-counter options, futures, or other instruments based on the level of other similar market indices or constituents;
- acquire or dispose of long or short positions in other derivative instruments with returns linked or related to changes in the performance of the Index or securities comprising the Index or indices designed to track the performance of the Index or other components of the equity markets;
- acquire or dispose of long or short positions in securities similar to the Notes; or
- any combination of the above.

From time to time, the Bank and/or its affiliates may enter into additional hedging transactions or unwind those they have entered into. The Bank and/or its affiliates may close out any hedge positions on or before the Final Valuation Date. Any of these hedging activities may, but are not expected to, impact the market price of the securities comprising the Index and/or the level of the Index, and consequently may adversely affect the market value of the Notes from time to time or the Maturity Redemption Payment payable on the Maturity Date. The Bank may benefit from the difference between the amount it is obligated to pay under the Notes, net of related expenses, and the returns it may generate in hedging such obligations.

## DESCRIPTION OF THE NOTES

The following is a summary of the material attributes and characteristics of the Notes and is qualified by and subject to the global certificate referred to below, which contains the full text of such attributes and characteristics.

### General

This offering consists of Notes issued at a price of \$100.00 each, subject to a minimum subscription of \$5,000 (50 Notes) and integral multiples of \$1,000 (10 Notes) in excess thereof.

### Form and Registration

All Notes will be represented in the form of a fully-registered book-entry only global note (the “Global Note”) held by or on behalf of CDS as custodian of the Global Note (for its participants), and registered in the name of CDS or its nominee (the “Nominee”), initially CDS & CO. All references to the Notes and a Note contained in this Pricing Supplement will include the Global Note unless the context otherwise requires.

Except in the limited circumstances described below, purchasers of beneficial interests in the Global Note will not be entitled to receive Notes in definitive form. Rather, the Notes will be represented in book-entry form only. Beneficial interests in the Global Note, constituting ownership of Notes, will be represented through book-entry accounts of institutions acting on behalf of beneficial owners, as direct and indirect participants of CDS. CDS will be responsible for establishing and maintaining book-entry accounts for its participants having interests in the Global Note. Transfers of ownership of beneficial interests in the Global Note will be effected through records maintained by CDS for the Global Note or the Nominee (with respect to interests of participants) and on the records of participants (with respect to interests of persons other than participants). If CDS notifies the Bank that it is unwilling or unable to continue as depository in connection with the Global Note or ceases to be recognized as a self-regulatory organization under applicable Canadian securities legislation at a time when it is required to be and, if a successor depository is not appointed by the Bank within 90 days after receiving such notice or becoming aware that CDS is no longer recognized, the Bank will issue or cause to be issued Notes in definitive form upon registration of transfer of, or in exchange for, the Global Note. Notes in definitive form will be in fully registered form. The text of the definitive Notes will contain such provisions as the Bank may deem necessary or advisable provided that such provisions may not be incompatible with the provisions of the terms and conditions of the Notes as set out in the Global Note.

The Bank will keep or cause to be kept a register in which will be recorded registrations and transfers of Notes in definitive form if issued. Such register will be kept at the office of the Bank, or at such other office notified by the Bank to the Noteholders.

No transfer of the Global Note or, if issued, of Notes in definitive form will be valid unless registered in the aforesaid register upon surrender of the Global Note or Notes in definitive form for cancellation with a written instrument of transfer in form and as to execution satisfactory to the Bank, and upon compliance with such reasonable requirements as the Bank may prescribe.

The Global Note may not be transferred except as a whole by CDS to a nominee of CDS, or by a nominee of CDS to CDS or another nominee of CDS.

### **Payment Currency**

All amounts owing under the Notes will be payable in Canadian dollars.

### **Partial Principal Repayments**

Noteholders will be paid a Partial Principal Repayment on each Semi-Annual Payment Date, subject to the occurrence of a Special Circumstance and the determination of the Accelerated Value, in which case the Accelerated Value will be paid on the Special Redemption Date and a Noteholder's right to receipt of any further Partial Principal Repayments and the Maturity Redemption Payment will be extinguished. If the Semi-Annual Payment Date is not a Business Day, then the Partial Principal Repayment will be paid on the first succeeding day that is a Business Day and no interest shall be paid in respect of such delay. A Noteholder may not elect to receive a Partial Principal Repayments prior to the applicable Semi-Annual Payment Date. See "CALCULATION OF PAYMENTS UNDER THE NOTES".

### **Maturity Redemption Payment**

Noteholders will be paid the Maturity Redemption Payment on the Maturity Date, subject to the occurrence of a Market Disruption Event affecting the Final Valuation Date, in which case the Maturity Redemption Payment will be paid on the third Business Day following the determination of the Maturity Redemption Payment or the determination of the Accelerated Value, in which case the Accelerated Value will be paid on the Special Redemption Date and a Noteholder's right to receipt of the Maturity Redemption Payment will be extinguished. If the Maturity Date is not a Business Day, then the Maturity Redemption Payment will be paid on the first succeeding day that is a Business Day and no interest shall be paid in respect of such delay. A Noteholder may not elect to receive the Maturity Redemption Payment prior to the Maturity Date. See "CALCULATION OF PAYMENTS UNDER THE NOTES".

### **Index Adjustments**

- (i) If, during the term of the Notes, the Index: (a) ceases to be calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Calculation Agent, or (b) is replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the Index, then in each case such successor index (the "Successor Index") will be deemed to be the Index and such successor sponsor will be deemed to be the Index Sponsor.
- (ii) If, during the term of the Notes, the Index ceases to be calculated and announced by the Index Sponsor and the Calculation Agent determines that no Successor Index is available at such time, then in connection with its calculation of the Index Return, the Calculation Agent will determine all relevant values required for such calculation. The values to be used in such calculation will be computed by the Calculation Agent in accordance with the formula for and method of calculating the Index last in effect prior to such cessation, using the closing price (or, if trading in the relevant securities has been materially suspended or materially limited, its good faith estimate of the closing price that would have prevailed but for such suspension or limitation) on such date of each security most recently comprising the Index prior to the cessation.

Notwithstanding these alternative arrangements, cessation of the calculation and publication of the Index by the Index Sponsor may adversely affect the value of, and trading in, the Notes.

- (iii) If, during the term of the Notes, the method of calculating the Index or a Successor Index is changed or modified in any material respect, or if the Index or a Successor Index is in any other way modified such that the Index or Successor Index does not, in the opinion of the Calculation Agent, fairly represent the level of the Index or such Successor Index had such changes or modifications not been made, then, for purposes of calculating any relevant value hereunder or making any other determinations as of or after such time, the Calculation Agent, acting diligently, in good faith and in a commercially reasonable manner, will make such calculations and adjustments as may be necessary in order to arrive at a value of a stock index comparable to the Index or such Successor Index, as the case may be, as if such changes or modifications had not been made, and calculate all relevant values with reference to the Index or a Successor Index, as adjusted. If the method of calculating the Index or a Successor Index is modified such that the value of such Index is a fraction of what it would have been if it had not been modified (e.g., due to a split in the Index), then the Calculation

Agent will adjust such Index in order to arrive at a level of the Index or a Successor Index as if it had not been modified (e.g., as if such split had not occurred).

Each of the events described in (ii) and (iii) above constitutes a “Material Index Change”. If a Material Index Change has occurred, and the Calculation Agent has elected not to calculate the Partial Principal Repayments or the Maturity Redemption Payment pursuant to the index adjustments outlined above, the Notes may be subject to redemption by the Bank. See “– Redemption by the Bank Under Special Circumstances”.

### **Market Disruption Event**

If the Calculation Agent determines that a Market Disruption Event has occurred or is continuing on any Valuation Date, then the Index Return will be calculated (and the applicable Closing Index Level will be determined) on the basis that such Valuation Date will be postponed to the next Exchange Business Day on which there is no Market Disruption Event.

However, if on the fifth Exchange Business Day following the date originally scheduled as a Valuation Date, such Valuation Date has not occurred, then despite the occurrence of any Market Disruption Event:

- (i) such fifth Exchange Business Day shall be the Valuation Date, and
- (ii) the Closing Index Level for such Valuation Date used in the calculation of the Index Return will be equal to the estimate of the Calculation Agent for the Closing Index Level as at such Valuation Date reasonably taking into account all relevant market circumstances.

A Market Disruption Event may delay the determination of the Final Index Level and consequently the calculation of the Maturity Redemption Payment payable. Payment of the Maturity Redemption Payment is scheduled for the Maturity Date, but the Calculation Agent may delay such payment until the third Business Day following the determination of the Maturity Redemption Payment.

If a Market Disruption Event occurs and the Calculation Agent is the Bank or an affiliate thereof, the Bank may appoint a calculation expert to confirm the calculations of the Calculation Agent. See “– Calculation Expert” in the Prospectus.

“Market Disruption Event” means the occurrence or existence of any “bona fide” event, circumstance or cause beyond the reasonable control of the Bank or any person that does not deal at arm’s length with the Bank which, in the determination of the Calculation Agent acting diligently, in good faith and in a commercially reasonable manner, has or will have a material adverse effect on the ability of market participants generally to place, maintain or modify hedges of positions in respect of the Index. A Market Disruption Event may include, without limitation, any of the following events:

- (a) any suspension of or limitation imposed on trading by any Exchange(s) or Related Exchange(s) or otherwise and whether by reason of movements in price exceeding limits permitted by any Exchange(s) or Related Exchange(s) or otherwise (i) relating to securities that comprise 20% or more of the Index or Successor Index, or (ii) in futures or options contracts relating to the Index on any relevant Related Exchange(s);
- (b) any event (other than an Early Closure (as hereinafter defined)) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for securities that comprise 20% or more of the Index or Successor Index, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the Index on any relevant Related Exchange(s);
- (c) the closure (“Early Closure”) on any Exchange Business Day of any Exchange(s) or any Related Exchange(s) relating to securities that comprise 20% or more of the Index or Successor Index prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Scheduled Closing Time on such Exchange Business Day;
- (d) the failure on any Exchange Business Day of any Exchange(s) or Related Exchange(s) to open for trading during its regular trading session;
- (e) the Closing Index Level (or the information necessary for determining the Closing Index Level) is not calculated and announced by the Index Sponsor on an Exchange Business Day;

(f) the enactment, publication, decree or other promulgation of any statute, regulation, rule or order of any court or other governmental authority which would make it unlawful or impracticable for the Bank to perform its obligations under the Notes or for equity dealers generally to place, maintain or modify hedges of positions in respect of (i) securities that comprise 20% or more of the Index or Successor Index, or (ii) futures or options contracts relating to the Index on any relevant Related Exchange(s);

(g) the taking of any action by any governmental, administrative, legislative or judicial authority or power of any country, or any political subdivision thereof, which has a material adverse effect on the financial markets and has or will have a material adverse effect on the ability of the Bank or market participants generally to place, maintain or modify hedges of positions in respect of (i) securities that comprise 20% or more of the Index or Successor Index, or (ii) futures or options contracts relating to the Index on any relevant Related Exchange(s); or

(h) any occurrence of a natural or man-made disaster, armed conflict, act of terrorism, riot, labour disruption or any other circumstance beyond its control which has or would have a material adverse effect on the ability of the Bank to perform its obligations under the Notes or of equity dealers generally to place, maintain or modify hedges of positions in respect of (i) securities that comprise 20% or more of the Index or Successor Index, or (ii) futures or options contracts relating to the Index on any relevant Related Exchange(s), or a material and adverse effect on the global economy or the trading of securities generally on any relevant Exchange or Related Exchange(s).

### **Redemption by the Bank Under Special Circumstances**

Upon the occurrence of a Special Circumstance, the Bank may elect to redeem all, but not less than all, of the Notes.

“Special Circumstance” means any of:

- (i) in the opinion of the Bank acting reasonably and in good faith, there shall have been any change in regulation, taxation, regulatory or taxation practice or policy or administration, or there exists or has occurred any state of facts caused by circumstances not within the control of the Bank, including, without limitation, the failed performance of any third party hedge providers, as a result of which it would be illegal or financially disadvantageous, or disadvantageous from a regulatory perspective, to the Bank to allow the Notes to remain outstanding; or
- (ii) the Calculation Agent determines, acting reasonably and in good faith, that a Market Disruption Event has occurred and has continued for at least eight consecutive applicable Exchange Business Days; or
- (iii) a Material Index Change has occurred, and the Calculation Agent has elected not to calculate the Maturity Redemption Payment pursuant to the index adjustments outlined above under “Index Adjustments”.

If the Bank so elects, it will provide notice thereof in the manner set out under “RELATED MATTERS – Notification”, on a Business Day on or after which such Special Circumstance has occurred (the “Special Redemption Notification Date”) which notice will include a date for the redemption of the Notes (the “Special Redemption Date”) which will be not less than five nor more than 60 Business Days following delivery of such notice by the Bank. In such event, the Calculation Agent will determine the value of the Notes (the “Accelerated Value”) acting in good faith in accordance with industry-accepted methods taking into account all relevant market circumstances and will appoint a calculation expert to confirm the calculations of the Calculation Agent. See “Calculation Expert” in the Prospectus. The Bank will make available to Noteholders on the Special Redemption Date, the Accelerated Value payable pursuant to such redemption, through CDS or its nominee. Upon the determination of the Accelerated Value, the Noteholders’ right to receive any further Partial Principal Repayments and the Maturity Redemption Payment will be extinguished.

### **Payment**

A Partial Principal Repayment, the Maturity Redemption Payment or the Accelerated Value, as applicable, payable under the Global Note on any due date will be made available by the Bank, at the Bank’s option, through CDS or its Nominee in accordance with arrangements between the Bank and CDS. CDS or its Nominee (as the case may be) will, upon receipt of any such amount, facilitate payment to the applicable CDS participants, or credit to those participants’ CDS accounts, in amounts proportionate to their respective beneficial interests in the Global Note as shown on the records of CDS or its Nominee. The Bank expects that payments by participants to owners of beneficial interests in the Global Note held through such participants will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name”, and will be the responsibility of such participants. The responsibility and liability of the Bank in respect of Notes represented by the Global Note is limited to making payment of any amount due on the Global Note to CDS or its Nominee.

The Bank will have no responsibility or liability for any aspect of the records relating to or payments made on account of ownership of Notes represented by the Global Note or for maintaining, supervising or reviewing any records relating to such ownership.

Neither the Bank nor CDS will be bound to see to the execution of any trust affecting the ownership of any Note or be affected by notice of any equity that may be subsisting with respect to any Note.

### Status

The payment obligations under the Notes constitute direct, unsecured and unsubordinated obligations of the Bank and, except for certain statutory priorities, will rank *pari passu* with all other present and future unsecured and unsubordinated indebtedness of the Bank. **The Notes will not constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act*.**

### Ongoing Information Relating to the Notes

Additional information about the Notes can be found on the TDSI Structured Notes website ([www.tdstructurednotes.com](http://www.tdstructurednotes.com)). The Bank will seek to make certain additional information available on the website following the Issue Date including (i) TDSI's most recently available secondary market bid price for the Notes (and the applicable Early Trading Fee), if any, (ii) the Closing Index Level on relevant dates, (iii) the performance of the Index since the Initial Valuation Date, and/or (iv) any other relevant measure(s) that would be used in the determination of the Maturity Redemption Payment. The information therein is not incorporated by reference into this Pricing Supplement or the Prospectus.

### Credit Rating

The Notes have not been rated by any rating agencies. The long-term debt (deposits) of the Bank is, at the date of this Pricing Supplement, rated AA by DBRS, and AA- by S&P and Aaa by Moody's. There can be no assurance that, if the Notes were specifically rated by these agencies, they would have the same ratings as the long-term debt (deposits) of the Bank. A credit rating is not a recommendation to buy, sell or hold investments, and may be subject to revision or withdrawal at any time by the relevant rating agency.

### Secondary Market and Early Trading Fee

Partial Principal Repayments are only payable on the applicable Semi-Annual Payment Dates and the Maturity Redemption Payment is only payable at maturity. A Noteholder cannot elect to receive a Partial Principal Repayment prior to the applicable Semi-Annual Payment Date or the Maturity Redemption Payment prior to the Maturity Date; however a Noteholder may be able to sell the Notes prior to the Maturity Date in any available secondary market. Any selling agent may from time to time purchase and sell Notes in the secondary market but is not obligated to do so. There can be no assurance that there will be a secondary market for the Notes. The offering price and other selling terms for such sales in the secondary market may, from time to time, be varied by the relevant selling agent. The Notes will not be listed on any stock exchange or quotation system.

TDSI intends, in normal market conditions, to maintain a daily secondary market for the Notes, but is not obligated to do so. There can be no assurance that there will be such a market and TDSI is making no representation that there will be such a market. If a secondary market does develop, TDSI reserves the right not to maintain any secondary market in the future at its sole discretion without providing notice to Noteholders. Changes in laws and regulations may impact the ability of TDSI to maintain any secondary market that may develop.

To the extent that an available secondary market does exist, a Noteholder may be able to sell a Note, in whole or in part, subject to an Early Trading Fee. A Noteholder who sells a Note to TDSI prior to the Maturity Date will receive sales proceeds (which may be less than the Principal Amount of the Notes) equal to the bid price for the Note posted by TDSI, if available, determined at the time of the sale based on prevailing market conditions, minus any applicable Early Trading Fee, determined as follows:

If Sold Within	Early Trading Fee	
	Per Note	% of Principal Amount
1-90 days of Issue Date	\$3.00	3.00%
91-180 days of Issue Date	\$2.25	2.25%
181-270 days of Issue Date	\$1.50	1.50%
271-360 days of Issue Date	\$0.75	0.75%
Thereafter	Nil	Nil

The Early Trading Fees are specifically applicable only with respect to sales of the Notes to TDSI in the secondary market. The Early Trading Fee ensures that the Bank is able to recover a portion of the upfront costs that it has incurred in creating, distributing and issuing the Notes, including the upfront agent's fee and selling commission paid to the selling agents in connection with the sale of the Notes.

Noteholders should be aware that any valuation price for the Notes appearing on his or her investment account statement, as well as any bid price quoted to such Noteholder to sell his or her Notes, will be before the application of any applicable Early Trading Fee. A Noteholder wishing to sell Notes prior to the Maturity Date should consult with his or her investment adviser regarding any applicable Early Trading Fee.

Any bid price of the Notes in the secondary market (if available) may be affected by a number of interrelated factors including, among others, the level and performance of the Index since the Initial Valuation Date, volatility in the levels of the Index and/or securities comprising the Index, prevailing interest rates, the dividend yields on the securities comprising the Index, the time remaining to the Maturity Date, the number of Semi-Annual Payment Dates remaining, if any, the recognition over time by the Bank of its estimated revenue from the Notes (which may or may not be realized) net of the Bank's cost of hedging the Notes, the amortization by the Bank of the upfront costs incurred by the Bank in creating, distributing and issuing the Notes, the perceived creditworthiness of the Bank, and any market demand for the Notes. The relationship among these factors is complex and may also be influenced by various political, economic, financial, regulatory, judicial and other factors that can affect the bid price of the Notes.

Prospective purchasers should also review the terms and conditions applicable to the resale of Notes through FundSERV. Such sales will be subject to certain procedures, requirements and limitations relating to the FundSERV system. In particular, a sale of a Note through FundSERV to TDSI will be effected at a sale price equal to the bid price of the Note posted to FundSERV by TDSI on the applicable Business Day, less any applicable Early Trading Fee. Notes may in certain circumstances be transferable through CDS and not the FundSERV network. This may be the case in particular for Notes held by clients of the same brokerage firm. There is no guarantee that the bid price at any time will be the highest possible price available in any secondary market for the Notes. There is also no guarantee that TDSI will always quote a bid price for the Notes.

## **PLAN OF DISTRIBUTION**

Each Note will be issued at 100% of the Principal Amount thereof.

The Notes may be offered from time to time by the Bank through selling agents, who have agreed to use their best efforts to solicit purchases of the Notes.

The Bank will have the sole right to accept offers to purchase Notes and may reject any proposed purchase of Notes in whole or in part. A selling agent will have the right, in its discretion reasonably exercised, without notice to the Bank, to reject any offer to purchase Notes received by it in whole or in part.

The Notes may be offered at various times by the Agents, at prices and commissions to be agreed upon, for sale to the public at prices to be negotiated with purchasers. Sale prices may vary during the distribution period and as between purchasers. The Bank also reserves the right to sell Notes to investors directly on its own behalf in those jurisdictions where it is authorized to do so.

The Bank reserves the right to issue additional Notes of a series previously issued, and other debt securities which may have terms substantially similar to the terms of the Notes offered hereby, which may be offered by the Bank concurrently with the offering of Notes.

The Bank further reserves the right to purchase for cancellation at its discretion any amount of Notes in the secondary market, without notice to the Noteholders in general.

The Agents are conditionally offering the Notes subject to prior sale on a best efforts basis, if, as and when issued by the Bank and accepted by the Agents in accordance with the conditions contained in the Dealer Agreement and subject to the approval of certain legal matters by McCarthy Tétrault LLP, on behalf of the Bank, and Fasken Martineau DuMoulin LLP, on behalf of the Agents. Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The Bank will pay to representatives, including representatives employed by the Agents, whose clients purchase Notes a selling commission equal to 2.25% of the Principal Amount of each Note sold. Notes may be purchased through the order entry system of FundSERV. The FundSERV order code for the Notes is TDN603. A purchaser of Notes through FundSERV will receive interest from the Bank on funds delivered prior to the Issue Date at a rate of



0.25% per annum on funds delivered from and including the first Business Day after such funds are received to but excluding the Issue Date, rounded to two decimal places. The purchaser will be required to include (in accordance with the detailed rules of the Tax Act relating to the accrual and inclusion of interest), in computing its income for the purposes of the Tax Act, the amount of such interest. No interest will be paid on account of funds delivered through FundSERV if subscriptions are rejected or not fully allotted. Closing of the offering of the Notes is expected to occur on or about July 11, 2012, but not later than August 11, 2012. The Notes will be issued in book-entry form and will be represented by a registered global note certificate held by CDS or its nominee. Subject to limited exceptions, certificates evidencing the Notes will not be available to purchasers and registration of ownership of the Notes will be made only through CDS's book-entry system.

TDSI is a wholly-owned subsidiary of the Bank. As a result, the Bank is a "related issuer" and a "connected issuer" of TDSI within the meaning of the securities legislation of certain provinces of Canada. TDSI and Desjardins Securities Inc. have each performed due diligence in connection with the offering of the Notes. The Bank will pay to Desjardins Securities Inc. a fee equal to 0.20% of the aggregate issue price of the Notes for acting as an independent agent. Under applicable securities legislation, Desjardins Securities Inc. is an independent underwriter in connection with this offering and is not related or connected to the Bank or to TDSI. In that capacity, Desjardins Securities Inc. has participated with TDSI in due diligence meetings relating to this Pricing Supplement with the Bank and its representatives, has reviewed this Pricing Supplement and has had the opportunity to propose such changes to this Pricing Supplement as it considered appropriate, but has not participated in the structuring or pricing of this offering.

## **RELATED MATTERS**

### **Calculation Agent**

"Calculation Agent" means the calculation agent for the Notes appointed by the Bank from time to time. The Calculation Agent initially will be the Bank. Whenever the Calculation Agent is required to act, it will do so diligently, in good faith and in a commercially reasonable manner, and its determinations and calculations will be binding in the absence of manifest error. So long as the Bank is the Calculation Agent, the Calculation Agent may have economic interests adverse to those of the Noteholders, including with respect to certain determinations that the Calculation Agent must make in determining a Partial Principal Repayment and the Maturity Redemption Payment and in determining whether a Market Disruption Event has occurred and in making certain other determinations with regard to the Index. In certain circumstances, the Bank will appoint an independent calculation expert to confirm calculations, valuations or determinations made by the Calculation Agent. See "DESCRIPTION OF THE NOTES – Calculation Expert" in the Prospectus.

Nothing in the Notes shall create a fiduciary relationship between the Calculation Agent and any Noteholder and the Calculation Agent shall owe no fiduciary duties or obligations (each howsoever defined) to the Noteholder in connection with the performance of its duties and/or exercise of its discretion pursuant to the Notes.

### **Dealings With Companies Comprising an Index**

The Bank and the Calculation Agent, if not the Bank, may from time to time, in the course of their respective normal business operations, extend credit to or hold shares or other securities of or enter into other business dealings with one or more of the companies that comprise the Index. Each of the Bank and the Calculation Agent, if not the Bank, has agreed that all such actions taken by it shall be taken based on normal commercial criteria in the particular circumstances and shall not take into account the effect of such actions on the Index Return or the return, if any, that may be payable on the Notes.

## CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of McCarthy Tétrault LLP, counsel to the Bank, and Fasken Martineau DuMoulin LLP, counsel to the Agents, the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to the acquisition, holding and disposition of Notes by a Noteholder who purchases the Notes at the time of their issuance, who is an individual (other than a trust) and who, for the purposes of the Tax Act, and at all relevant times, is or is deemed to be a resident of Canada, deals at arm's length with and is not affiliated with the Bank and holds the Notes as capital property. This summary does not apply to a Noteholder that is a corporation, partnership or trust, including a "financial institution" within the meaning of section 142.2 of the Tax Act. **For greater certainty, this summary does not apply to a holder who acquires Notes on the secondary market, nor does it apply to the payment or credit of interest on the subscription price described under the heading "Plan of Distribution". Such holders should consult and rely on their own tax advisors as to the overall consequences of their acquisition, ownership and disposition of Notes having regard to their particular circumstances.**

This summary is based on the provisions of the Tax Act and the Regulations as in force on the date of this Pricing Supplement, all specific proposals (the "Proposals") to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date of this Pricing Supplement and counsel's understanding of the current administrative policies and assessing practices of the CRA published in writing by the CRA prior to the date of this Pricing Supplement. Except for the Proposals, this summary does not take into account or anticipate any changes in law or the CRA's administrative policies and assessing practices, whether by legislative, governmental or judicial decision or action, and there can be no assurance that the Tax Act or the Regulations will not be amended or CRA's administrative policies and assessing practices changed in a manner that could materially adversely affect the Canadian federal income tax considerations described herein. See "CRA REVIEW" below. This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Notes and does not take into account other federal or any provincial, territorial or foreign income tax legislation or considerations. While this summary assumes that the Proposals will be enacted in the form proposed, there can be no assurance that the Proposals will be enacted as proposed or at all.

**This summary is of a general nature only and is not intended to be, nor should it be relied upon as, legal or tax advice to any Noteholder. Noteholders should consult their own tax advisors for advice with respect to the income tax consequences of an investment in Notes, based on their particular circumstances.** In particular, Noteholders should consult their tax advisors as to whether they will hold the Notes as capital property for purposes of the Tax Act, which determination should take into account, among other factors, whether the Notes are acquired with the intention or secondary intention of selling them prior to the Maturity Date, and as to whether the Noteholder is eligible for and should file an irrevocable election under subsection 39(4) of the Tax Act to treat every "Canadian security" owned by the Noteholder, including the Notes, as capital property.

### **Partial Principal Repayments**

Partial Principal Repayments received in respect of the Notes should not be included in the Noteholder's income when received but rather should reduce the Noteholder's adjusted cost base of the Notes.

### **Maturity Redemption Payment and Accelerated Value**

In certain circumstances, provisions of the Tax Act can deem interest to accrue on a "prescribed debt obligation" (as defined for purposes of the Tax Act). The CRA takes the position that instruments similar to the Notes constitute "prescribed debt obligations". The rules in the Tax Act and the Regulations applicable to a prescribed debt obligation generally require a taxpayer to accrue the amount of any interest, bonus or premium receivable in respect of the obligation over the term of the obligation, based on the maximum amount of interest, bonus or premium that could be payable on the obligation. Based in part on the CRA's administrative practice with regard to prescribed debt obligations, there should be no deemed accrual of the Partial Principal Repayments, the Maturity Redemption Payment or the Accelerated Value prior to such amounts becoming calculable.

The amount of the excess, if any, of the Maturity Redemption Payment over the remaining unpaid principal amount (i.e. after Partial Principal Repayments) generally will be included in the Noteholder's income as interest in the taxation year that includes the Final Valuation Date, to the extent that such amount was not otherwise included in income for the taxation year or a preceding taxation year.

If the Bank elects to redeem the Notes prior to the Maturity Date as a result of the occurrence of a Special Circumstance, the amount of the excess, if any, of the Accelerated Value over the remaining unpaid principal amount of the Notes (i.e. after Partial Principal Repayments) generally will be included in the Noteholder's income as interest in the taxation year that includes the Special Redemption Notification Date, to the extent that such amount was not otherwise included in income for the taxation year or a preceding taxation year.

On a disposition of a Note to the Bank by a Noteholder on repayment or redemption of the Notes by the Bank on the Maturity Date or a Special Redemption Date, as the case may be, the Noteholder will realize a capital loss to the extent that the Noteholder's proceeds of disposition received from the Bank, net of any amount required to be included in the income of the Noteholder as interest and any reasonable costs of disposition, are less than the Noteholder's adjusted cost base of the Note, which generally should be equal to the cost of the Note to the Noteholder less the total amount of the Partial Principal Repayments previously received by the Noteholder.

### **Disposition of Notes**

In certain circumstances, where an investor assigns or otherwise transfers a debt obligation, the amount of interest accrued on the debt obligation to that time, but unpaid, will be excluded from the proceeds of disposition of the obligation for purposes of computing any capital gain (or capital loss) on the disposition of the obligation and will be required to be included as interest in computing the investor's income for the taxation year in which the disposition occurs, except to the extent that such amount has been otherwise included in income for the taxation year or a preceding taxation year.

Under the terms of the Notes, and based in part on the CRA's administrative practice with regard to prescribed debt obligations, there should be no amount in respect of the Partial Principal Repayments, the Maturity Redemption Payment or the Accelerated Value that will be treated as accrued interest on an assignment or transfer of a Note prior to such amounts becoming calculable.

On a disposition or deemed disposition of a Note by a Noteholder (including a sale through FundSERV or otherwise in the secondary market, if available, but not including a disposition resulting from a payment by or on behalf of the Bank) prior to the Maturity Redemption Payment or the Accelerated Value becoming calculable, while the matter is not free from doubt, the Noteholder should realize a capital gain (or a capital loss) to the extent that the Noteholder's proceeds of disposition, net of any amount required to be included in the income of the Noteholder as interest and any reasonable costs of disposition, exceed (or are less than) the Noteholder's adjusted cost base of the Note, which generally should be equal to the cost of the Note to the Noteholder less the total amount of the Partial Principal Repayments previously received by the Noteholder.

**Noteholders who dispose of Notes prior to the Maturity Date, particularly Noteholders who dispose of Notes shortly prior to the Maturity Date, should consult their tax advisor with respect to their particular circumstances.**

### **Treatment of Capital Gains and Losses**

One-half of a capital gain realized by a Noteholder is required to be included in the income of the Noteholder. One-half of a capital loss realized by a Noteholder is deductible against the taxable portion of capital gains realized in the taxation year, in the three preceding taxation years or in subsequent taxation years, subject to the rules in the Tax Act. Capital gains realized by an individual may give rise to a liability for alternative minimum tax.

### **CRA Review**

There can be no assurance that the CRA's administrative practice with regard to "prescribed debt obligations" as described above will not be subject to change or qualification relevant to the Notes. Counsel to the Bank and counsel to the Agents understand that the CRA is reviewing whether the existence of a secondary market for a "prescribed debt obligation," such as the Notes, should be taken into consideration in determining whether interest is deemed to accrue on the prescribed debt obligation. The outcome of such review is uncertain and any change in the CRA's administrative practice could adversely affect Noteholders, including the CRA revising its administrative position to require an accrual of the Partial Principal Repayments, the Maturity Redemption Payment or the Accelerated Value differently than as set out above. See "RISK FACTORS – Tax Considerations".

## LEGAL MATTERS

Certain legal matters in connection with the offering will be passed upon on behalf of the Bank by McCarthy Tétrault LLP and on behalf of the Agents by Fasken Martineau DuMoulin LLP. Partners and associates of each of McCarthy Tétrault LLP and Fasken Martineau DuMoulin LLP, as a group, own beneficially, directly and indirectly, less than 1% of securities of the Bank and its affiliates and associates.

## RISK FACTORS

This section, in addition to the risks described under “RISK FACTORS” in the Prospectus, describes some of the most significant risks relating to an investment in the Notes. Purchasers are urged to read and consider, in consultation with their own financial and legal advisers, the following information about these risks, together with the other information in this Pricing Supplement and the Prospectus, before investing in the Notes. **Noteholders who are not prepared to accept the following risk factors should not invest in the Notes.**

**Notes are Not Principal Protected.** The Notes are not principal protected. The Maturity Redemption Payment on the Notes depends on the Index Return determined on the Final Valuation Date and whether or not the Closing Index Level on the Final Valuation Date is less than the Barrier Level such that the Notes may return substantially less than the amount originally invested by the Noteholder. The value of the Notes and the Maturity Redemption Payment, will be dependent upon the Closing Index Level on the Final Valuation Date. The Maturity Redemption Payment together with the Partial Principal Repayments received by the Noteholder over the term of the Notes may be less than the Principal Amount of the Notes. Consequently, investors could lose substantially all of their investment in the Notes. Accordingly, the Notes are only suitable for investors who can withstand a total loss of their investment (except for the Partial Principal Repayments and the minimum \$1 repayment on each Note).

**Notes May Not Yield a Return.** The amount, if any, of a return on the Notes is linked to the price performance of the Index. The level of the Index has in the past experienced significant movements and it is impossible to know its future direction. The Notes will not yield a return unless the Maturity Redemption Payment together with the Partial Principal Repayments received by the Noteholder over the term of the Notes is greater than the Principal Amount of the Notes. There is no guarantee that a return will be payable on the Notes.

**Return on the Notes Will Be Materially Different Than Return on the Index.** The return on the Notes will be provided through the Partial Principal Repayments and the Maturity Redemption Payment. While the Maturity Redemption Payment will be determined with respect to the performance of the Index, the return on the Notes is likely to be materially different than the actual return on the Index.

**Suitability of the Notes for Investment.** A person should reach a decision to invest in the Notes after carefully considering, with his or her advisors, the suitability of the Notes in light of their investment objectives and the information set out in the Prospectus and this Pricing Supplement. An investment in the Notes is suitable only for investors prepared to assume risks with respect to a return linked to the price performance of the Index, and are prepared to lose substantially all of their investment in the Notes. The Notes are designed for investors with a three year investment horizon who are prepared to hold the Notes to maturity. An investment in the Notes is not suitable for an investor who may require liquidity prior to the Maturity Date. An investment in the Notes is not suitable for an investor looking for a guaranteed return.

**Notes Differ from Conventional Investments.** The Notes are not conventional notes or debt instruments. The Notes may not provide investors with a return and any such return, is not determinable prior to the Maturity Date. Noteholders will not be able to determine the amount of the Maturity Redemption Payment that they will receive on the Notes prior to the Final Valuation Date.

**An Investment in the Notes is not an Investment in the Securities Comprising the Index.** An investment in the Notes is not equivalent to a direct investment in the Index or securities making up the Index. As such a Noteholder will not be entitled to the rights and benefits of a shareholder, including any right to receive distributions or dividends or to vote at or attend meetings of shareholders. The Notes are subject to different risks than such a direct investment and any return payable on the Notes will not be identical to the return associated with the Index or the securities making up the Index. The performance of the Index will be measured on a price return basis and will not take into account any dividends paid on securities comprising any part of the Index. The dividend yield of the Index at May 31, 2012 was 3.04%. Accordingly, Noteholders will not benefit from any dividends declared and paid on the securities comprising the Index.

**Performance of the Index is Subject to Risk Factors Relating to the Equity Securities Comprising the Index.** The value of most investments, in particular equity securities, is affected by changes in general market conditions. These changes may be

caused by corporate developments, changes in interest rates, changes in the level of inflation, and other political and economic developments. These changes can affect the price of equity securities which can move up or down, without any predictability. A decrease in the price of the equity securities comprising the Index may adversely affect the level of the Index. The equity markets are subject to temporary distortions or other disruptions due to various factors, including the lack of liquidity in the markets, the participation of speculators and government regulation and intervention. These circumstances could adversely affect the market price of the relevant futures and forward contracts, options, securities, swaps or other instruments and, therefore, the value of the Notes. Market prices of the equity securities comprising the Index may fluctuate rapidly based on numerous factors, including: changes in supply and demand relationships; trade; fiscal, monetary and exchange control programs; domestic and foreign political and economic events and policies; disease; pestilence; weather; technological developments and changes in interest rates. These factors may affect the value of the Notes in varying ways, and different factors may cause the value of different equity securities, and the volatilities of their prices, to move in inconsistent directions at inconsistent rates.

**Credit Risk.** The obligation to make payments under the Notes is an obligation of the Bank. The likelihood that Noteholders will receive payments owing to them under the Notes will depend on the financial health and creditworthiness of the Bank. The Notes have not been assigned a credit rating.

**There is No Assurance of a Secondary Market.** The Maturity Redemption Payment is only payable at maturity. There is no assurance that a secondary market through which the Notes may be sold will develop or, if such market develops, whether such market will be liquid. A sale of Notes originally purchased through FundSERV will be subject to certain additional procedures and limitations. The Notes will not be listed on any stock exchange or quotation system. A Noteholder who sells a Note prior to the Maturity Date may have to pay an Early Trading Fee of up to \$3.00 per Note. The Noteholder may have to sell the Notes at a substantial discount from the Principal Amount of the Notes, and the Noteholder may as a result suffer a substantial loss. The Notes are generally not suitable for an investor who requires liquidity prior to the Maturity Date. A Noteholder should consider consulting with his or her advisors concerning whether it would be more favourable to the Noteholder to sell the Note or hold the Note.

**Notes Are Not CDIC Insured.** The Notes will not constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act* or any other deposit insurance regime designed to ensure the payment of all or a portion of a deposit upon insolvency of the deposit-taking institution.

**Calculation Agent May Make Adjustments.** Upon the occurrence of certain events, such as the cessation of the calculation and announcement of the Index or Successor Index by the Index Sponsor, the Calculation Agent may make certain calculations and adjustments in respect of the Index. See “DESCRIPTION OF THE NOTES – Index Adjustments”.

**Potential Conflicts of Interest May Exist in Connection With the Notes.** The Bank is the issuer of the Notes and is initially the Calculation Agent. As the Calculation Agent, the Bank may have to exercise judgment and discretion from time to time to make certain calculations, adjustments and determinations in relation to the Notes. Since these calculations, adjustments and determinations may affect the return or market value of the Notes, potential conflicts of interest between the Bank and Noteholders may arise. The common shares of the Bank are included in the Index and the decisions and actions of the board of directors and management of the Bank will not take into account the effect, if any, of such decisions and actions on the Index or Noteholders’ interests generally. The Bank or one or more of its affiliates may, at present or in the future, publish research reports with respect to the companies whose securities are included in the Index. This research may be modified from time to time without notice and may express opinions or provide recommendations inconsistent with purchasing or holding the Notes. The Bank or one or more of its affiliates may be, or have dealings with one or more of the companies whose securities are, included in the Index and such dealings will not take into account the effect, if any, on the securities included in the Index or Noteholders’ interests generally. Upon the occurrence of certain events, such as the cessation of the calculation and announcement of the Index or Successor Index by the Index Sponsor, the Calculation Agent may make certain calculations and adjustments in respect of the Index. Any of these decisions or actions may affect the return or market value of the Notes. TDSI, an affiliate of the Bank, will endeavour to maintain a secondary market for the Notes, but is under no obligation to do so. Since TDSI is a related and connected issuer of the Bank, TDSI may have interests that are adverse to those of Noteholders in facilitating sales of Notes as described under “DESCRIPTION OF THE NOTES – Secondary Market and Early Trading Fee”.

**Notes May Be Redeemed by the Bank Under Special Circumstances.** Upon the occurrence of a Special Circumstance, the Bank may redeem the Notes prior to maturity. In that case, a Noteholder will be entitled to receive the Accelerated Value on the Special Redemption Date and a Noteholder’s right to receive any further Partial Principal Repayments on the Semi-Annual Payment Dates or the Maturity Redemption Payment on the Maturity Date will be extinguished. Under such circumstances, the investor will not be able to participate fully in the appreciation of the Index that might have occurred had the Notes not been so redeemed.

**Hedging Transactions May Affect the Index.** The Bank and/or its affiliates may hedge its obligations under the Notes. Any of these hedging activities may, but are not expected to, decrease the market price of the securities comprising the Index and/or the level of the Index, and, therefore, decrease the market value of the Notes. It is possible that the Bank and/or its affiliates could receive substantial returns from these hedging activities while the market value of the Notes declines. The Bank may benefit from the difference between the amount it is obligated to pay under the Notes, net of related expenses, and the returns it may generate in hedging such obligation.

**Market Disruption Event May Delay Payment of the Maturity Redemption Payment.** If a Market Disruption Event has occurred or is continuing on a day on which the Final Index Level is to be determined for purposes of calculating the Maturity Redemption Payment, the determination of that level (and the payment of the Maturity Redemption Payment) may be delayed. Fluctuations in the Index level may occur in the interim.

**Tax Considerations.** A Noteholder should consider the income tax considerations of an investment in the Notes. A Noteholder should also consider the income tax consequences of a disposition of the Notes prior to the Maturity Date. See “CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS” for a summary of certain Canadian federal income tax considerations generally applicable to an individual Noteholder (other than a trust) resident or deemed to be resident in Canada who purchases the Notes at the time of their issuance, deals at arm’s length with and is not affiliated with the Bank and holds the Notes as capital property.

There can be no assurance that the CRA’s administrative practice with regard to “prescribed debt obligations” as reflected above under “CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS” will not be subject to change or qualification relevant to the Notes. Counsel to the Bank and counsel to the Agents understand that the CRA is reviewing whether the existence of a secondary market for a “prescribed debt obligation” such as the Notes should be taken into consideration in determining whether interest is deemed to accrue on any such obligation. The outcome of such review is uncertain and any change in the CRA’s administrative practice could adversely affect Noteholders, including the CRA revising its administrative position to require an accrual of any amount differently than as set out above under “CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS”.

There can be no assurance that the CRA will agree with and not take a contrary view with respect to the income tax considerations discussed under “CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS”.

**Changes in Legislation or Administrative Practices.** There can be no assurance that income tax, securities and other laws or the administrative practices of any government agency will not be amended or changed in a manner which adversely affects Noteholders.