TD Bank Group

Quarterly Highlights

Q3 2024

Financial Results (YoY)

- **Net loss** of $181MM primarily reflecting the impact of the AML investigations provision, higher non-interest expenses, higher PCL and higher insurance service expenses, partially offset by higher revenues and the prior year payment related to the termination of the First Horizon transaction (adj [1] net income of $3.6B, flat)
- **EPS[2]** of $(0.14) (adj.[1] $2.05, up 5%)
- **Canadian Personal & Commercial Banking earnings:** $1.9B, up 13%
- **U.S. Retail earnings (incl. Schwab):** US$(1,658)MM (adj.[1] US$942MM, down 8%) (C$(2,275)MM adj.[1] $1,291MM down 6%)
  - U.S. Retail Bank: US$(1,787)MM (adj.[1] US$813MM, down 8%) (C$(2,453)MM and adj.[1] $1,113MM down 5%)
- **Wealth Management & Insurance earnings:** $430MM, flat
- **Wholesale Banking earnings:** $317MM, up 17% (adj.[1] $377MM, flat)
- **Corporate:** Net loss $525MM; adj.[1] net loss $324MM

Revenue, Expenses, Credit, Capital

- **Revenue:** Reported revenue increased 10% primarily reflecting higher trading-related and lending revenue, and advisory and underwriting fees in Wholesale Banking, higher volumes and deposit margins in Canadian Personal & Commercial Banking, and the prior period impact of the terminated First Horizon acquisition-related capital hedging strategy; adjusted[1] revenue increased 8%
- **Expenses**: Up 50%, primarily reflecting the impact of the AML investigations provision, investments in risk and control infrastructure, higher employee-related expenses, and restructuring charges, partially offset by a prior year payment related to the termination of the First Horizon transaction. Adjusted[1] expenses increased 7%
  - Adjusted[1] expenses up 7.2% YoY excl. the impact of U.S. strategic card portfolio ("SCP") accounting and FX[3]
- **PCL**: Provision of $1,072MM
- **CET 1 12.8%**: Down 57 bps QoQ, reflecting internal capital generation (+25 bps), increase in RWA excluding impact of FX (-2 bps), repurchase of common shares (-19 bps), sale of First Horizon common shares (+6 bps), AML investigations provisions (-71 bps), and other (+4 bps)

Items of Interest

- **Restructuring Program** – In Q3'24, the Bank incurred restructuring charges of $110MM pre-tax. The restructuring program has concluded. The Bank expects savings of ~$450MM pre-tax in F'24 and fully realized annual cost savings of ~$800MM pre-tax beginning in F'25. (QRP slide 27, RTS p.6, ENR p.5)
- **Share repurchase** – TD repurchased approximately 13MM common shares in Q3'24. (RTS p.29)
- **Claims costs** – The Wealth Management & Insurance segment incurred $186MM in claims costs due to severe weather-related events in the Greater Toronto Area and the wildfires in Alberta in July. TD has added disclosure of current quarter claims costs, net of reinsurance to page 12 of the SFI. (QRP slide 14, SFI p.12)
- **Provision for Investigations Related to the Bank's AML Program** – (RTS p. 6 & p.79, ENR p. 5)
- **Sale of Schwab shares** – On August 21, TD sold 40.5 million common shares of Schwab, reducing TD's ownership interest in Schwab from 12.3% to 10.1% (RTS p.6 & p.71)

Financial Results (C$MM)		Q3/2024	QoQ	YoY
Diluted EPS	Reported	$ (0.14)	NM	NM
	Adjusted[1]	$ 2.05	0%	5%
Net Income/(Loss)	Reported	(181)	NM	NM
	Adjusted[1]	3,646	(4%)	0%
Revenue	Reported	14,176	3%	10%
	Adjusted[1]	14,238	3%	8%
PCL Ratio[4]		0.46%	-1 bps	+11 bps
PCL – Total		1,072	+$1	+$306
PCL – Impaired		920	+$50	+$257
PCL – Performing		152	-$49	+$49
Insurance Service Expenses		1,669	34%	20%
Expenses	Reported	11,012	31%	50%
	Adjusted[1]	7,208	2%	7%
CET 1 Ratio[5]		12.8%	-57 bps	-238 bps
Net Interest Margin (NIM)[1,2]	Reported	1.70%	-3 bps	+1 bps
	Adjusted[1]	1.71%	-4 bps	+1 bps

Loans[6] (Average balances $B)	Q3/2024	QoQ	YoY
Canadian Personal & Commercial Banking (C$)	572	1%	6%
Personal	450	1%	6%
Commercial	122	1%	7%
U.S. Retail (US$)	193	0%	5%
Personal	96	1%	8%
Commercial	97	0%	3%
Wealth Management & Insurance (C$)	7	5%	5%
Wholesale Banking (Gross Lending) (C$)	97	1%	4%
Total (C$B)	940	1%	6%

Deposits[6] (Average balances $B)	Q3/2024	QoQ	YoY
Canadian Personal & Commercial Banking (C$)	464	2%	5%
Personal	303	1%	7%
Commercial	161	3%	2%
U.S. Retail (US$)	318	(2%)	(5%)
Personal	131	0%	3%
Commercial	101	(2%)	(3%)
Sweep Deposits	85	(6%)	(17%)
Wealth Management & Insurance (C$)	28	(1%)	(8%)
Total (C$B)	927	0%	1%

Except as noted, figures reflect year-over-year change. ENR: Q3 2024 Earnings News Release, RTS: Q3 2024 Report to Shareholders, SFI: Q3 2024 Supplemental Financial Information, SRD: Q3 2024 Supplementary Regulatory Disclosure, QRP: Q3 2024 Quarterly Results Presentation.

1. The Bank prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), the current generally accepted accounting principles (GAAP), and refers to results prepared in accordance with IFRS as the "reported" results. The Bank also uses non-GAAP financial measures referred to as "adjusted" results (i.e., reported results excluding "items of note") and non-GAAP ratios to assess each of its businesses and measure overall Bank performance. Non-GAAP financial measures and ratios used in this presentation are not defined terms under IFRS and, therefore, may not be comparable to similar terms used by other issuers. See "How We Performed" in the Q3 2024 RTS (available at www.td.com/investor and www.sedarplus.ca), which is incorporated by reference, for further explanation, reported basis results, a list of the items of note, and a reconciliation of adjusted to reported results.
2. For additional information about this metric, refer to the Glossary in the Q3 2024 RTS, which is incorporated by reference.
3. FX impact solely related to the U.S. Retail Bank. Adjusted expenses excluding the partners' share of net profits for the U.S. SCP and adjusted expenses excluding the partners' share of net profits and FX are non-GAAP financial measures. For further information on accounting for the partners' program, please see slides 25 and 26 in the QRP.
4. PCL Ratio: Provision for Credit Losses on a quarterly annualized basis/Average Net Loans & Acceptances.
5. This measure has been calculated in accordance with the Office of the Superintendent of Financial Institutions Canada's (OSFI's) Capital Adequacy Requirements guideline.
6. Numbers may not add due to rounding.

TD Bank Group Quarterly Highlights

Segments *(C$MM unless otherwise noted)*

Canadian P&C Banking	Q3/2024	QoQ	YoY
Revenue	5,003	3%	9%
Net Interest Margin (NIM)	2.81%	-3 bps	+7 bps
PCL	435	-$32	+$56
Impaired PCL	338	-$59	+$53
Performing PCL	97	+$27	+$3
PCL Ratio	0.30%	-4 bps	+2 bps
Expenses	1,967	1%	4%
Net Income	**1,872**	**8%**	**13%**

U.S. Retail (US$MM)		Q3/2024	QoQ	YoY
Revenue		2,594	2%	(1%)
Net Interest Margin (NIM)[7,10]		3.02%	+3 bps	+2 bps
PCL		276	-$4	+$91
Impaired PCL		242	+$13	+$49
Performing PCL		34	-$17	+$42
PCL Ratio (Net[11])		0.58%	-2 bps	+17 bps
Expenses	Rep. / Adj.[7]	4,011 / 1,411	110% / 2%	171% / 0%
Net Income/(Loss), U.S. Retail Bank	Rep. / Adj.[7]	(1,787) / 813	NM / 1%	NM / (8%)
Schwab contribution		129	(5%)	(9%)
Total Net Income/(Loss)	Rep. / Adj.[7]	**(1,658) / 942**	**NM / 0%**	**NM / (8%)**

Wealth Mgmt. & Ins.	Q3/2024	QoQ	YoY
Revenue	3,349	8%	13%
Insurance Service Expenses	1,669	34%	20%
Revenue net of Insurance Service Expenses	1,680	(10%)	7%
PCL	-	-	-
Expenses	1,104	7%	13%
Net Income	**430**	**(31%)**	**0%**
AUA[8,9] / AUM[9] (C$B)	632 / 523	6% / 7%	13% / 14%

Wholesale Banking		Q3/2024	QoQ	YoY
Revenue		1,795	(7%)	14%
Global Markets		1,046	(3%)	8%
Investment Banking		777	(11%)	20%
PCL		118	+$63	+$93
Impaired PCL		109	+$110	+$99
Performing PCL		9	-$47	-$6
Expenses	Rep. / Adj.[7]	1,310 / 1,232	(8%) / (7%)	5% / 12%
Net Income	Rep. / Adj.[7]	**317 / 377**	**(12%) / (15%)**	**17% / 0%**

Corporate		Q3/2024	Q2/2024	Q3/2023
Net Corporate Expenses[9]		(426)	(411)	(333)
Other		102	127	151
Net Income (Loss)	Rep. / Adj.[7]	**(525) / (324)**	**(737) / (284)**	**(782) / (182)**

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7. Refer to footnote 1 on page 1.
8. Includes assets under administration (AUA) administered by TD Investor Services, which is part of the Canadian Personal and Commercial Banking segment.
9. Refer to footnote 2 on page 1.

Q3 2024

Commentary (YoY)

Canadian P&C Banking – ENR Table 7 (page 10) and SFI (page 9)

- CAD P&C net income up 13%
- Revenue up 9%, reflecting volume growth and higher deposit margins
- NIM down 3 bps QoQ, primarily due to balance sheet mix, reflecting the transition of BAs to CORRA-based loans
- PCL of $435MM, down $32MM QoQ
- Expenses up 4%, reflecting higher spend supporting business growth, including employee-related expenses and technology costs
- Operating leverage[12] of +564 bps

U.S. Retail – ENR Table 8 (page 12) and SFI (page 11)

- U.S. Retail reported net loss of $1.7B (adj.[7] net income of $942MM)
- Revenue down 1%, driven by lower deposit volumes and loan margins, partially offset by higher loan volumes
- NIM up 3 bps QoQ, due to higher deposit margins
- PCL of US$276MM
- Reported expenses up 171%, reflecting the AML investigations provision, partially offset by the impact of acquisition and integration-related charges for the terminated First Horizon transaction in the third quarter last year (adj.[7] flat)
- Operating leverage[7,12] of -29 bps

Wealth Mgmt. & Ins. – ENR Table 9 (page 15) and SFI (page 12)

- WM&I net income relatively flat
- Revenue up 13%, reflecting higher insurance premiums, fee-based revenue, deposit margins and transaction revenue
- Insurance service expenses up 20%, primarily reflecting increased claims severity, less favourable prior years' claims development and larger impact of severe weather-related events
- Expenses up 13%, reflecting provisions related to ongoing litigation matters and higher variable compensation

Wholesale Banking – ENR Table 10 (page 16) and SFI (page 13)

- Wholesale reported net income up 17% (adj.[7] flat)
- Revenue up 14%, primarily reflecting higher trading-related revenue, lending revenue, advisory fees, and underwriting fees
- Reported expenses up 5%, primarily reflecting higher variable compensation commensurate with higher revenues, partially offset by lower acquisition and integration-related costs (adj.[7] up 12%)

Corporate – ENR Table 11 (page 17) and SFI (page 14)

- Corporate segment's reported net loss for the quarter was $525MM, compared with a reported net loss of $782MM in the third quarter last year. The lower net loss primarily reflects the prior year payment related to the termination of the First Horizon transaction and impact from the terminated First Horizon acquisition-related capital hedging strategy, partially offset by the current quarter's higher investments in risk and control infrastructure and restructuring charges
- Net corporate expenses increased $93MM compared to the prior year, primarily reflecting investments in risk and control infrastructure, partially offset by litigation expenses in the prior year

10. Net interest margin is calculated by dividing net interest income by average interest-earning assets. For the U.S. Retail segment, this calculation excludes the impact related to sweep deposits arrangements and intercompany deposits and cash collateral. The value of tax-exempt interest income is adjusted to its equivalent before-tax value. For investment securities, the adjustment to fair value is included in the calculation of average interest-earning assets. Management believes this calculation better reflects segment performance. Net interest income and average interest-earning assets used in the calculation are non-GAAP financial measures.
11. U.S. Retail PCL ratio including only the Bank's contractual portion of credit losses in the U.S. strategic cards portfolio as an annualized percentage of credit volume.
12. Operating leverage is a non-GAAP measure. At the total bank level, TD calculates operating leverage as the difference between the % change in adjusted revenue (U.S. Retail in source currency) net of insurance service expense, and adjusted expenses (U.S. Retail in $US) grossed up by the retailer program partners' share of PCL for the Bank's U.S. strategic card portfolio. Collectively, these adjustments provide a measure of operating leverage that management believes is more reflective of underlying business performance.