TD Bank Group Reports First Quarter 2025 Results

Earnings News Release • *Three months ended January 31, 2025*

This quarterly Earnings News Release should be read in conjunction with the Bank's unaudited first quarter 2025 Report to Shareholders for the three months ended January 31, 2025, prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), which is available on our website at http://www.td.com/investor/. This analysis is dated February 26, 2025. Unless otherwise indicated, all amounts are expressed in Canadian dollars, and have been primarily derived from the Bank's Annual or Interim Consolidated Financial Statements prepared in accordance with IFRS. Certain comparative amounts have been revised to conform with the presentation adopted in the current period. Additional information relating to the Bank is available on the Bank's website at http://www.td.com, as well as on SEDAR+ at http://www.sedarplus.ca and on the U.S. Securities and Exchange Commission's (SEC) website at http://www.sec.gov (EDGAR filers section).

Reported results conform with generally accepted accounting principles (GAAP), in accordance with IFRS. Adjusted results are non-GAAP financial measures. For additional information about the Bank's use of non-GAAP financial measures, refer to "Significant and Subsequent Events" and "Non-GAAP and Other Financial Measures" in the "How We Performed" section of this document.

FIRST QUARTER FINANCIAL HIGHLIGHTS, compared with the first quarter last year:
- **Reported diluted earnings per share were $1.55, compared with $1.55.**
- **Adjusted diluted earnings per share were $2.02, compared with $2.00.**
- **Reported net income was $2,793 million, compared with $2,824 million.**
- **Adjusted net income was $3,623 million, compared with $3,637 million.**

FIRST QUARTER ADJUSTMENTS (ITEMS OF NOTE)
The first quarter reported earnings figures included the following items of note:
- **Amortization of acquired intangibles of $61 million ($52 million after tax or 3 cents per share), compared with $94 million ($79 million after tax or 4 cents per share) in the first quarter last year.**
- **Acquisition and integration charges related to the Cowen acquisition of $52 million ($41 million after tax or 2 cents per share), compared with $117 million ($93 million after tax or 5 cents per share) in the first quarter last year.**
- **Impact from the terminated First Horizon Corporation (FHN) acquisition-related capital hedging strategy of $54 million ($41 million after tax or 2 cents per share), compared with $57 million ($43 million after tax or 2 cents per share) in the first quarter last year.**
- **U.S. balance sheet restructuring of $927 million ($696 million after tax or 40 cents per share).**

TORONTO, February 27, 2025 – TD Bank Group ("TD" or the "Bank") today announced its financial results for the first quarter ended January 31, 2025. Reported and adjusted earnings were $2.8 billion and $3.6 billion, respectively, relatively flat compared with the first quarter last year.

"TD started the year with strong momentum and record revenue across many of our businesses. While expenses remain somewhat elevated, we delivered solid earnings, which positions us well as we begin the new fiscal year," said Raymond Chun, Group President and Chief Executive Officer, TD Bank Group. "U.S. AML remediation remains our top priority and we continue to make consistent progress to strengthen the Bank. The strategic review is advancing as planned, and we have taken early action, such as our divestiture of Schwab, as we develop our strategy and roadmap for the future."

Canadian Personal and Commercial Banking delivered record revenue supported by continued volume growth
Canadian Personal and Commercial Banking net income was $1,831 million, an increase of 3% compared to the first quarter last year. This increase reflects higher revenue, partially offset by higher non-interest expenses and provisions for credit losses (PCL). Revenue was a record $5,149 million, an increase of 5%, primarily reflecting loan and deposit volume growth.

This quarter, the Canadian Personal Bank continued to build momentum, including deepening customer relationships by launching Real Estate Secured Lending and Investing specialists in its highest opportunity branches. In addition, the TD Aeroplan Visa Infinite Card was recognized by Rewards Canada as Canada's top airline credit card for the fourth year in a row[1]. In Business Banking, TD Auto Finance achieved record retail originations this quarter and a significant expansion of new dealer floor plan relationships.

The U.S. Retail Bank delivered continued momentum while making progress on balance sheet restructuring
U.S. Retail reported net income for the quarter was $342 million (US$247 million), down 61% (62% in U.S. dollars), compared with the first quarter last year. On an adjusted basis, net income was $1,038 million (US$736 million), down 12% (15% in U.S. dollars). Reported net income for the quarter from the Bank's investment in The Charles Schwab Corporation ("Schwab") was $199 million (US$142 million), up 3% (down 1% in U.S. dollars), compared with the first quarter last year.

The U.S. Retail Bank, which excludes the Bank's investment in Schwab, reported net income was $143 million (US$105 million), down 79% (79% in U.S. dollars), compared with the first quarter last year, primarily reflecting the impact of balance sheet restructuring activities, governance and control investments including the Bank's U.S. BSA/AML remediation program, and higher PCL, partially offset by the impact of the FDIC special assessment charge in the first quarter last year. On an adjusted basis, net income was $839 million (US$594 million), down 15% (18% in U.S. dollars) compared with the first quarter last year, reflecting higher non-interest expenses and higher PCL, partially offset by higher revenue.

This quarter, the U.S. Retail Bank continued to deliver operating momentum, with its fifth consecutive quarter of personal deposit growth and double-digit growth in U.S. Wealth assets year-over-year. The business also made significant progress in its balance sheet restructuring strategy to ensure it can continue to support its customers' needs under the asset limitation.

Wealth Management and Insurance delivered record Wealth revenue, earnings and assets, and strong Insurance premium growth
Wealth Management and Insurance net income was $680 million, an increase of 23% compared with the first quarter last year, driven by record revenue, earnings and assets in Wealth Management and strong insurance premiums growth. This quarter's 15% revenue increase reflected insurance premiums growth and higher fee-based revenue driven by market and asset growth, as well as higher interest income from deposits and increased transaction revenue.

[1] Awarded by AwardsCanada.ca on January 3, 2025: https://rewardscanada.ca/TopTravelCreditCard/

This quarter, Wealth Management and Insurance continued to deliver investment excellence and innovative solutions. TD Direct Investing was ranked #1 Digital Brokerage in Canada by The Globe and Mail for the third consecutive year. TD Asset Management received 24 Fundata FundGrade A+® Awards and was recognized in six categories at the 2024 Canada LSEG Lipper Fund Awards. In addition, TD Insurance, with TD Securities as joint bookrunner, diversified its reinsurance capacity by becoming the first Canadian insurer to sponsor a catastrophe bond solely focused on catastrophe perils in Canada.

Wholesale Banking delivered record revenue driven by its Global Markets business
Wholesale Banking reported net income for the quarter was $299 million, an increase of 46% compared with the first quarter last year, primarily reflecting higher revenue, partially offset by higher PCL and non-interest expenses. On an adjusted basis, net income was $339 million, an increase of 14% compared with the first quarter last year. Revenue for the quarter was a record $2 billion, an increase of 12% compared with the first quarter last year, primarily reflecting higher trading-related revenue and underwriting fees.

Wholesale Banking continued to drive growth from the enhanced capabilities of the franchise. TD Cowen won the 2024 IFR U.S. Mid-Market Equity House Award, which recognizes the leading underwriter of U.S. equity offerings between US$50-US$500 million. Following the quarter end, TD Cowen also acted as a lead bookrunner on the marquee US$15 billion secondary offering of Schwab shares by TD, an important milestone.

Capital
TD's Common Equity Tier 1 Capital ratio was 13.1%.

Conclusion
"TD's strength and stability, combined with our unrelenting focus on meeting the needs of our customers and clients, will serve the Bank well in this period of geopolitical and macroeconomic uncertainty," added Chun. "I want to thank our colleagues across the globe for their tremendous efforts and commitment."

The foregoing contains forward-looking statements. Please refer to the "Caution Regarding Forward-Looking Statements" on page 3.

Caution Regarding Forward-Looking Statements

From time to time, the Bank (as defined in this document) makes written and/or oral forward-looking statements, including in this document, in other filings with Canadian regulators or the United States (U.S.) Securities and Exchange Commission (SEC), and in other communications. In addition, representatives of the Bank may make forward-looking statements orally to analysts, investors, the media, and others. All such statements are made pursuant to the "safe harbour" provisions of, 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 this document, the Management's Discussion and Analysis ("2024 MD&A") in the Bank's 2024 Annual Report under the heading "Economic Summary and Outlook", under the headings "Key Priorities for 2025" and "Operating Environment and Outlook" for the Canadian Personal and Commercial Banking, U.S. Retail, Wealth Management and Insurance, and Wholesale Banking segments, and under the heading "2024 Accomplishments and Focus for 2025" for the Corporate segment, and in other statements regarding the Bank's objectives and priorities for 2025 and beyond and strategies to achieve them, the regulatory environment in which the Bank operates, and the Bank's anticipated financial performance.

Forward-looking statements are typically identified by words such as "will", "would", "should", "believe", "expect", "anticipate", "intend", "estimate", "forecast", "outlook", "plan", "goal", "target", "possible", "potential", "predict", "project", "may", and "could" and similar expressions or variations thereof, or the negative thereof, but these terms are not the exclusive means of identifying such statements. By their very nature, these forward-looking 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 physical, 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, individually or in the aggregate, such differences include: strategic, credit, market (including equity, commodity, foreign exchange, interest rate, and credit spreads), operational (including technology, cyber security, process, systems, data, third-party, fraud, infrastructure, insider and conduct), model, insurance, liquidity, capital adequacy, legal and regulatory compliance (including financial crime), reputational, environmental and social, and other risks.

Examples of such risk factors include general business and economic conditions in the regions in which the Bank operates (including the economic, financial, and other impacts of pandemics); geopolitical risk (including the potential impact of new or elevated tariffs); inflation, interest rates and recession uncertainty; regulatory oversight and compliance risk; risks associated with the Bank's ability to satisfy the terms of the global resolution of the investigations into the Bank's U.S. *Bank Secrecy Act* (BSA)/anti-money laundering (AML) program; the impact of the global resolution of the investigations into the Bank's U.S. BSA/AML program on the Bank's businesses, operations, financial condition, and reputation; the ability of the Bank to execute on long-term strategies, shorter-term key strategic priorities, including the successful completion of acquisitions and dispositions and integration of acquisitions, the ability of the Bank to achieve its financial or strategic objectives with respect to its investments, business retention plans, and other strategic plans; technology and cyber security risk (including cyber-attacks, data security breaches or technology failures) on the Bank's technologies, systems and networks, those of the Bank's customers (including their own devices), and third parties providing services to the Bank; data risk; model risk; fraud activity; insider risk; conduct risk; the failure of third parties to comply with their obligations to the Bank or its affiliates, including relating to the care and control of information, and other risks arising from the Bank's use of third-parties; the impact of new and changes to, or application of, current laws, rules and regulations, including without limitation consumer protection laws and regulations, tax laws, capital guidelines and liquidity regulatory guidance; increased competition from incumbents and new entrants (including Fintechs and big technology competitors); shifts in consumer attitudes and disruptive technology; environmental and social risk (including climate-related risk); exposure related to litigation and regulatory matters; ability of the Bank to attract, develop, and retain key talent; changes in foreign exchange rates, interest rates, credit spreads and equity prices; downgrade, suspension or withdrawal of ratings assigned by any rating agency, the value and market price of the Bank's common shares and other securities may be impacted by market conditions and other factors; the interconnectivity of financial institutions including existing and potential international debt crises; increased funding costs and market volatility due to market illiquidity and competition for funding; critical accounting estimates and changes to accounting standards, policies, and methods used by the Bank; and the occurrence of natural and unnatural catastrophic events and claims resulting from such events.

The Bank cautions that 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, please refer to the "Risk Factors and Management" section of the 2024 MD&A, as may be updated in subsequently filed quarterly reports to shareholders and news releases (as applicable) related to any events or transactions discussed under the headings "Significant Events", "Significant and Subsequent Events" or "Update on U.S. Bank Secrecy Act (BSA)/Anti-Money Laundering (AML) Program Remediation and Enterprise AML Program Improvement Activities" in the relevant MD&A, which applicable releases may be found on www.td.com. All such factors, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements, should be considered carefully when making decisions with respect to the Bank. The Bank cautions readers not to place undue reliance on the Bank's forward-looking statements.

Material economic assumptions underlying the forward-looking statements contained in this document are set out in the 2024 MD&A under the headings "Economic Summary and Outlook" and "Significant Events", under the headings "Key Priorities for 2025" and "Operating Environment and Outlook" for the Canadian Personal and Commercial Banking, U.S. Retail, Wealth Management and Insurance, and Wholesale Banking segments, and under the heading "2024 Accomplishments and Focus for 2025" for the Corporate segment, each as may be updated in subsequently filed quarterly reports to shareholders and news releases (as applicable).

Any forward-looking statements contained in this document represent the views of management only as of the date hereof and are presented for the purpose of assisting the Bank's shareholders and analysts 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.

This document was reviewed by the Bank's Audit Committee and was approved by the Bank's Board of Directors, on the Audit Committee's recommendation, prior to its release.

TABLE 1: FINANCIAL HIGHLIGHTS			
(millions of Canadian dollars, except as noted)	*For the three months ended*		
	January 31 2025	October 31 2024	January 31 2024
Results of operations			
Total revenue – reported	**$ 14,049**	$ 15,514	$ 13,714
Total revenue – adjusted[1]	**15,030**	14,897	13,771
Provision for (recovery of) credit losses	**1,212**	1,109	1,001
Insurance service expenses (ISE)	**1,507**	2,364	1,366
Non-interest expenses – reported	**8,070**	8,050	8,030
Non-interest expenses – adjusted[1]	**7,983**	7,731	7,125
Net income (loss) – reported	**2,793**	3,635	2,824
Net income – adjusted[1]	**3,623**	3,205	3,637
Financial position (billions of Canadian dollars)			
Total loans net of allowance for loan losses	**$ 965.3**	$ 949.5	$ 904.3
Total assets	**2,093.6**	2,061.8	1,910.9
Total deposits	**1,290.5**	1,268.7	1,181.3
Total equity	**119.0**	115.2	112.4
Total risk-weighted assets[2]	**649.0**	630.9	579.4
Financial ratios			
Return on common equity (ROE) – reported[3]	**10.1 %**	13.4 %	10.9 %
Return on common equity – adjusted[1]	**13.2**	11.7	14.1
Return on tangible common equity (ROTCE)[1,3]	**13.4**	17.8	14.9
Return on tangible common equity – adjusted[1]	**17.2**	15.4	18.7
Efficiency ratio – reported[3]	**57.4**	51.9	58.6
Efficiency ratio – adjusted, net of ISE[1,3,4]	**59.0**	61.7	57.4
Provision for (recovery of) credit losses as a % of net average loans and acceptances	**0.50**	0.47	0.44
Common share information – reported (Canadian dollars)			
Per share earnings (loss)			
Basic	**$ 1.55**	$ 1.97	$ 1.55
Diluted	**1.55**	1.97	1.55
Dividends per share	**1.05**	1.02	1.02
Book value per share[3]	**61.61**	59.59	57.34
Closing share price[5]	**82.91**	76.97	81.67
Shares outstanding (millions)			
Average basic	**1,749.9**	1,748.2	1,776.7
Average diluted	**1,750.7**	1,749.3	1,778.2
End of period	**1,751.7**	1,750.1	1,772.1
Market capitalization (billions of Canadian dollars)	**$ 145.2**	$ 134.7	$ 144.7
Dividend yield[3]	**5.4 %**	5.0 %	4.9 %
Dividend payout ratio[3]	**67.8**	51.8	65.7
Price-earnings ratio[3]	**17.5**	16.3	13.1
Total shareholder return (1 year)[3]	**6.9**	4.5	(6.9)
Common share information – adjusted (Canadian dollars)			
Per share earnings			
Basic	**$ 2.02**	$ 1.72	$ 2.01
Diluted	**2.02**	1.72	2.00
Dividend payout ratio	**51.9 %**	59.2 %	50.7 %
Price-earnings ratio	**10.6**	9.9	10.6
Capital ratios[3]			
Common Equity Tier 1 Capital ratio	**13.1 %**	13.1 %	13.9 %
Tier 1 Capital ratio	**14.7**	14.8	15.7
Total Capital ratio	**17.0**	16.8	17.6
Leverage ratio	**4.2**	4.2	4.4
TLAC ratio	**29.5**	28.7	30.8
TLAC Leverage ratio	**8.5**	8.1	8.6

[1] The Toronto-Dominion Bank ("TD" or the "Bank") prepares its Interim Consolidated Financial Statements in accordance with IFRS, the current GAAP, and refers to results prepared in accordance with IFRS as the "reported" results. The Bank also utilizes non-GAAP financial measures such as "adjusted" results and non-GAAP ratios to assess each of its businesses and to measure overall Bank performance. To arrive at adjusted results, the Bank adjusts reported results for "items of note". Refer to "Significant and Subsequent Events" and "How We Performed" sections of this document for further explanation, a list of the items of note, and a reconciliation of adjusted to reported results. Non-GAAP financial measures and ratios used in this document are not defined terms under IFRS and, therefore, may not be comparable to similar terms used by other issuers.

[2] These measures have been included in this document in accordance with the Office of the Superintendent of Financial Institutions Canada's (OSFI's) Capital Adequacy Requirements, Leverage Requirements, and Total Loss Absorbing Capacity (TLAC) guidelines. Refer to the "Capital Position" section in the first quarter of 2025 Management's Discussion and Analysis (MD&A) for further details.

[3] For additional information about this metric, refer to the Glossary in the first quarter of 2025 MD&A, which is incorporated by reference.

[4] Efficiency ratio – adjusted, net of ISE is calculated by dividing adjusted non-interest expenses by adjusted total revenue, net of ISE. Adjusted total revenue, net of ISE – Q1 2025: $13,523 million, Q4 2024: $12,533 million, Q1 2024: $12,405 million.

[5] Toronto Stock Exchange closing market price.

SIGNIFICANT AND SUBSEQUENT EVENTS

Sale of Schwab Common Shares

On February 12, 2025, the Bank sold its entire remaining equity investment in Schwab through a registered offering and share repurchase by Schwab. Immediately prior to the sale, TD held 184.7 million shares of Schwab's common stock, representing 10.1% economic ownership. The sale of the shares resulted in proceeds of approximately $21.0 billion (US$14.6 billion). In the second quarter of fiscal 2025, the Bank is expected to recognize a net gain on sale of its investment in Schwab of approximately $8.6 billion (US$5.8 billion). This gain is net of the release of related cumulative foreign currency translation from AOCI, the release of AOCI on designated net investment hedging items, direct transaction costs, and taxes. The Bank will also recognize $0.2 billion of underwriting fees in its Wholesale segment as a result of TD Securities acting as a lead bookrunner on the transaction.

The transaction is expected to increase Common Equity Tier 1 (CET1) capital by approximately 238 bps, based on the Bank's CET1 capital as at January 31, 2025. Additionally, assuming the $8.0 billion planned share repurchases pursuant to the Bank's proposed normal course issuer bid were completed as of January 31, 2025, the Bank's pro forma CET1 capital as at January 31, 2025 would be approximately 14.2%. The Bank continues to have a business relationship with Schwab through the IDA Agreement. The Bank will discontinue recording its share of earnings available to common shareholders from its investment in Schwab in the second quarter of fiscal 2025.

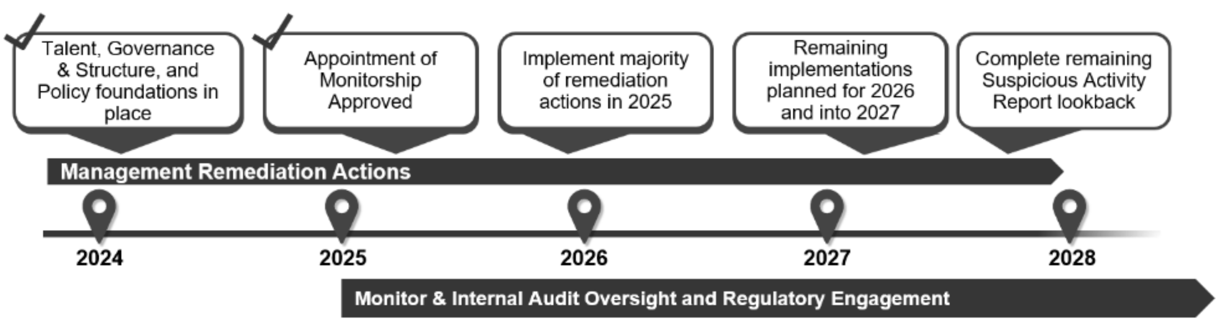
UPDATE ON U.S. BANK SECRECY ACT (BSA)/ANTI-MONEY LAUNDERING (AML) PROGRAM REMEDIATION AND ENTERPRISE AML PROGRAM IMPROVEMENT ACTIVITIES

As previously disclosed in the Bank's 2024 MD&A, on October 10, 2024, the Bank announced that, following active cooperation and engagement with authorities and regulators, it reached a resolution of previously disclosed investigations related to its U.S. BSA/AML compliance programs (the "Global Resolution"). The Bank and certain of its U.S. subsidiaries consented to orders with the Office of the Comptroller of the Currency (OCC), the Federal Reserve Board, and the Financial Crimes Enforcement Network (FinCEN) and entered into plea agreements with the Department of Justice (DOJ), Criminal Division, Money Laundering and Asset Recovery Section and the United States Attorney's Office for the District of New Jersey. The Bank is focused on meeting the terms of the consent orders and plea agreements, including meeting its requirements to remediate the Bank's U.S. BSA/AML programs. In addition, the Bank is also undertaking several improvements to the Bank's enterprise-wide AML/Anti-Terrorist Financing and Sanctions Programs ("Enterprise AML Program").

For additional information on the Global Resolution, the Bank's U.S. BSA/AML program remediation activities, the Bank's Enterprise AML Program improvement activities, and the risks associated with the foregoing, see the "Significant Events – Global Resolution of the Investigations into the Bank's U.S. BSA/AML Program" and "Risk Factors That May Affect Future Results – Global Resolution of the Investigations into the Bank's U.S. BSA/AML Program" sections of the Bank's 2024 MD&A.

Remediation of the U.S. BSA/AML Program

The Bank remains focused on remediating its U.S. BSA/AML program to meet the requirements of the Global Resolution. The Bank continues to expect to have the majority of its management remediation actions implemented in calendar 2025 and continues to expect U.S. BSA/AML remediation and related governance and control investments of approximately US$500 million pre-tax in fiscal 2025[2]. Remaining management implementations are planned for calendar 2026 and into calendar 2027. Sustainability and testing activities are planned for calendar 2026 and calendar 2027 following management implementations, and the Bank is targeting to have the Suspicious Activity Report lookback to be completed in calendar 2027 per the OCC consent order. As noted in the Bank's 2024 MD&A, all management remediation actions will be subject to validation by the Bank's internal audit function, followed by the review and acceptance by the appointed monitor, demonstrated sustainability, and, ultimately, the review and approval of the Bank's U.S. banking regulators and the DOJ. The following graph illustrates the Bank's expected remediation plan and progress on a calendar year basis, based on its work to date:



As noted in the Bank's 2024 MD&A including in the "Risk Factors That May Affect Future Results – Global Resolution of the Investigations into the Bank's U.S. BSA/AML Program" section thereof, the Bank's remediation timeline is based on the Bank's current plans, as well as assumptions related to the duration of planning activities, including the completion of external benchmarking and lookback reviews. As an example, as the Bank undertakes the lookback reviews, the Bank may be required to further expand the scope of the review, either in terms of the subjects being addressed and/or the time period reviewed. The Bank's ability to meet its planned remediation milestones assumes that the Bank will be able to successfully execute against its U.S. BSA/AML remediation program plan, which is subject to inherent risks and uncertainties including the Bank's ability to attract and retain key employees, the ability of third parties to deliver on their contractual obligations, and the successful development and implementation of required technology solutions. Furthermore, the execution of the U.S. BSA/AML remediation plan, including these planned milestones, will not be entirely within the Bank's control because of various factors such as (i) the requirement to obtain regulatory approval or non-objection before proceeding with various steps, and (ii) the requirement for the various deliverables to be acceptable to the regulators and/or the monitor.

While substantial work remains, the Bank has made progress on its U.S. BSA/AML program remediation activities over the first fiscal quarter of 2025, including:

[2] The total amount expected to be spent on remediation and governance and control investments is subject to inherent uncertainties and may vary based on the scope of work in the U.S. BSA/AML remediation plan which could change as a result of additional findings that are identified as work progresses as well as the Bank's ability to successfully execute against the U.S. BSA/AML remediation program in accordance with the U.S. Retail segment's fiscal 2025 plan.

1) the Bank submitted a list of candidates for the monitorship to both the DOJ and FinCEN, and they both approved the use of the same Independent Compliance Monitor on a go-forward basis;
2) the implementation of enhanced investigation practices including the implementation of technology which centralizes all new investigative cases in a single system to provide unified data sets to help manage financial crime risk with a single view of the customer;
3) the continued hiring of investigative analysts, with the U.S. investigative analyst team up 4% in size in the first fiscal quarter of 2025;
4) the completion of the design of machine learning tools that help analyze customer data to more effectively and rapidly detect potential activity of interest;
5) the introduction of new reporting on workloads that has improved the Bank's ability to forecast resource needs; and
6) completed development of a detailed plan to improve employee accountability mechanisms to ensure that there are clear consequences that are understood throughout the organization.

For the second and third fiscal quarters of 2025, the Bank's focus will be on the following remediation activities:

1) hiring of additional investigative analysts to help manage case volumes which are expected to be higher as additional monitoring capabilities continue to be implemented;
2) the implementation of incremental enhancements for transaction monitoring and client onboarding, including the implementation of a further round of scenarios into the Bank's transaction monitoring system;
3) the introduction of updated investigative procedures that contain additional guidance on analyzing customer activity; and
4) the implementation of machine learning analysis capabilities beginning in the third fiscal quarter of 2025.

As noted in the Bank's 2024 MD&A, to help ensure that the Bank can continue to support its customers' financial needs in the U.S. while not exceeding the limitation on the combined total assets of the U.S. Bank, the Bank is focused on executing multiple U.S. balance sheet restructuring actions in fiscal 2025. Refer to the "Update on U.S. Balance Sheet Restructuring" section of the U.S. Retail segment section for additional information on these actions. For additional information about expenses associated with the Bank's U.S. BSA/AML program remediation activities, refer to the U.S. Retail segment section.

Assessment and Strengthening of the Bank's Enterprise AML Program

The Bank is continuing to implement improvements to the Enterprise AML Program and continues to target implementation of the majority of its Enterprise AML Program remediation and enhancement actions by the end of calendar 2025. As noted in the Bank's 2024 MD&A, once implemented, those remediation and enhancement actions will then be subject to internal review, challenge and validation of the activities. Following the end of the first fiscal quarter, the Financial Transactions and Reports Analysis Centre of Canada ("FINTRAC") commenced a review of certain remediation steps that the Bank has taken to date to address the FINTRAC violations. This review is ongoing, and subject to the outcome, may result in additional regulatory actions.

As noted in the "Risk Factors That May Affect Future Results – Global Resolution of the Investigations into the Bank's U.S. BSA/AML Program" section of the Bank's 2024 MD&A, the remediation and enhancement of the Enterprise AML program is exposed to similar risks as noted in respect of the remediation of the Bank's U.S. BSA/AML program. In particular, as the Bank makes remediation and enhancements to the Enterprise AML Program, it expects an increase in identification of reportable transactions and/or events, which will add to the operational backlog in the Bank's Financial Crime Risk Management (FCRM) investigations processing that the Bank currently faces, but is working towards remediating, across the enterprise. In addition, as the Bank continues its remediation and improvement activities of the Enterprise AML Program, it continues to assess (i) whether issues that have been, and continue to be, identified in the U.S. BSA/AML program exist in the Enterprise AML Program in Canada, Europe or Asia, and (ii) the impact of such issues. The results of these assessments may also broaden the scope of the remediation and improvements required for the Enterprise AML Program. Furthermore, the Bank's regulators or law enforcement agencies may identify other issues with the Bank's Enterprise AML Program, which may result in additional regulatory actions.

While substantial work remains, the Bank has made progress on the improvements to the Enterprise AML Program over the first fiscal quarter of 2025, including:

1) the consolidation of the Enterprise and the U.S. AML mandates under the leadership of the Global Head of FCRM, in order to better enable strong and consistent engagement, and delivery of improvements across both the U.S. and Enterprise AML programs;
2) additional improvements in the Bank's process and procedural guidance, including additional targeted training across FCRM and individual business lines; and
3) hiring of additional investigative analysts, to help improve management of case volumes, with further expansion planned in future fiscal quarters.

For the second and third fiscal quarters of 2025, the Bank's focus will be on the following improvements to the Enterprise AML Program:

1) the implementation of a new centralized case management tool that is already in production in the U.S. through the rest of the Bank, with the goal of strengthening oversight and investigations of identified FCRM risks;
2) the implementation of technology initiatives to consolidate electronic document and data availability to help improve timeliness of monitoring and oversight of escalated AML issues; and
3) the continued rollout of an enhanced risk assessment methodology and tools to strengthen identification and measurement of FCRM risks across clients, products, and transactions, supported by improved data capabilities.

HOW WE PERFORMED

ECONOMIC SUMMARY AND OUTLOOK

The evolution of geopolitical and trade-related risks maintains a high degree of uncertainty on both the economic outlook and the inflation trajectory. However, absent a significant materialization of negative risks, the global economy remains on track for a solid growth performance in calendar 2025. A moderate slowdown in the U.S. expansion over the past year and still-soft conditions in Canada, the E.U. and the U.K., has helped to cool inflation and enabled central banks to lower interest rates. TD Economics expects future interest rate reductions to be gradual, as central banks assess how growth and inflation respond.

The U.S. economy grew at a healthy 2.8% average annual pace in calendar 2024 supported by resilient consumer spending and strength in business investment. Lower mortgage rates in the spring and summer of 2024 delivered a late-year boost to residential investment, although a more recent backup in bond yields is likely to slow the sector's momentum in the near term. With U.S. domestic demand outpacing that of many of its advanced economy peers, import growth continued to run ahead of exports, leading to little growth support from international trade.

Based on January 2025 data, the U.S. job market has stabilized recently, with the unemployment rate at 4.0%, up modestly from a year ago. This can be characterized as a normalization following tight conditions that persisted for longer than expected after the pandemic. The U.S. economy carries the markings of a "soft landing" that has been allowing inflation pressures to gradually drift lower. Accordingly, the U.S. central bank trimmed its policy rate by a full percentage point from September to December 2024, before pausing in January 2025.

At its January 2025 meeting, the Federal Reserve indicated that further interest rate reductions would require additional progress towards achieving its inflation mandate. TD Economics expects this condition to be met by the summer of 2025, opening the door for the federal funds rate to be lowered to 3.75-4.00% by the end of calendar 2025 – a level still on the restrictive side. The potential for higher federal government deficits and increased import tariffs represent upside risks to both inflation and interest rates, while a strong U.S. dollar poses a downside risk.

After Canada's economy slowed notably in calendar 2023, strong population gains and lower interest rates lifted economic growth in calendar 2024 to an estimated 1.9% in real terms on a fourth quarter-over-fourth quarter basis. Population increases have also contributed to labour force growth outpacing job creation, taking the unemployment rate higher and cooling labour market conditions. The unemployment rate was 6.6% in January 2025, above its pre-pandemic level, but still below its long-run average. Looking ahead, TD Economics expects population growth to slow sharply over the next few years as the federal government's immigration policy changes restrict immigration. The negative impact of weaker population inflows on consumer spending and housing activity is likely to be more than offset by the boost to activity from lower interest rates.

The risk of U.S. import tariffs on Canadian goods has emerged as a major downside risk to the Canadian economic outlook. Even if tariffs are not as severe as proposed, the uncertainty is likely to dampen business investment in Canada.

No other major central bank has reduced interest rates as aggressively as the Bank of Canada in recent years. The Canadian central bank lowered its overnight rate further to 3.00% in January 2025, two percentage points below its peak in calendar 2024. TD Economics expects the Bank of Canada to continue trimming interest rates, reaching 2.25% by the middle of calendar 2025. Historically-wide interest rate differentials between Canada and the U.S. – alongside concerns around U.S. import tariffs – have weakened the Canadian dollar. TD Economics expects the Canadian dollar will trade in the 68 to 70 U.S. cent range over the next few quarters assuming major U.S. tariffs are avoided.

HOW THE BANK REPORTS

The Bank prepares its Interim Consolidated Financial Statements in accordance with IFRS, the current GAAP, and refers to results prepared in accordance with IFRS as "reported" results.

Non-GAAP and Other Financial Measures

In addition to reported results, the Bank also presents certain financial measures, including non-GAAP financial measures that are historical, non-GAAP ratios, supplementary financial measures and capital management measures, to assess its results. Non-GAAP financial measures, such as "adjusted" results, are utilized to assess the Bank's businesses and to measure the Bank's overall performance. To arrive at adjusted results, the Bank adjusts for "items of note" from reported results. Items of note are items which management does not believe are indicative of underlying business performance and are disclosed in Table 3. Non-GAAP ratios include a non-GAAP financial measure as one or more of its components. Examples of non-GAAP ratios include adjusted basic and diluted earnings per share (EPS), adjusted dividend payout ratio, adjusted efficiency ratio, net of ISE, and adjusted effective income tax rate. The Bank believes that non-GAAP financial measures and non-GAAP ratios provide the reader with a better understanding of how management views the Bank's performance. Non-GAAP financial measures and non-GAAP ratios used in this document are not defined terms under IFRS and, therefore, may not be comparable to similar terms used by other issuers. Supplementary financial measures depict the Bank's financial performance and position, and capital management measures depict the Bank's capital position, and both are explained in this document where they first appear.

U.S. Strategic Cards

The Bank's U.S. strategic cards portfolio is comprised of agreements with certain U.S. retailers pursuant to which TD is the U.S. issuer of private label and co-branded consumer credit cards to their U.S. customers. Under the terms of the individual agreements, the Bank and the retailers share in the profits generated by the relevant portfolios after credit losses. Under IFRS, TD is required to present the gross amount of revenue and PCL related to these portfolios in the Bank's Interim Consolidated Statement of Income. At the segment level, the retailer program partners' share of revenues and credit losses is presented in the Corporate segment, with an offsetting amount (representing the partners' net share) recorded in Non-interest expenses, resulting in no impact to Corporate's reported net income (loss). The net income (loss) included in the U.S. Retail segment includes only the portion of revenue and credit losses attributable to TD under the agreements.

Investment in The Charles Schwab Corporation and IDA Agreement

As at January 31, 2025, the Bank accounted for its investment in Schwab using the equity method. The U.S. Retail segment reflected the Bank's share of net income from its investment in Schwab. The Corporate segment net income (loss) included amounts for amortization of acquired intangibles, the acquisition and integration charges related to the Schwab transaction, and the Bank's share of restructuring and other charges incurred by Schwab. The Bank's share of Schwab's earnings available to common shareholders was reported with a one-month lag. For further details, refer to Note 12 of the Bank's 2024 Annual Consolidated Financial Statements.

On August 21, 2024, the Bank sold 40.5 million shares of common stock of Schwab for proceeds of approximately $3.4 billion (US$2.5 billion). The share sale reduced the Bank's ownership interest in Schwab from 12.3% to 10.1%. The Bank recognized approximately $1.0 billion (US$0.7 billion) as other income (net of $0.5 billion (US$0.4 billion) loss from AOCI reclassified to earnings), in the fourth quarter of fiscal 2024.

On February 12, 2025, the Bank sold its entire remaining equity investment in Schwab through a registered offering and share repurchase by Schwab. For further details, refer to "Significant and Subsequent Events" section of this document. The Bank will discontinue recording its share of earnings available to common shareholders from its investment in Schwab in the second quarter of fiscal 2025.

On November 25, 2019, the Bank and Schwab signed an insured deposit account agreement (the "2019 Schwab IDA Agreement"), with an initial expiration date of July 1, 2031. Under the 2019 Schwab IDA Agreement, starting July 1, 2021, Schwab had the option to reduce the deposits by up to US$10 billion per year (subject to certain limitations and adjustments), with a floor of US$50 billion. In addition, Schwab requested some further operational flexibility to allow for the sweep deposit balances to fluctuate over time, under certain conditions and subject to certain limitations.

On May 4, 2023, the Bank and Schwab entered into an amended insured deposit account agreement (the "2023 Schwab IDA Agreement" or the "Schwab IDA Agreement"), which replaced the 2019 Schwab IDA Agreement. Pursuant to the 2023 Schwab IDA Agreement, the Bank continues to make sweep deposit accounts available to clients of Schwab. Schwab designates a portion of the deposits with the Bank as fixed-rate obligation amounts (FROA). Remaining deposits are designated as floating-rate obligations. In comparison to the 2019 Schwab IDA Agreement, the 2023 Schwab IDA Agreement extends the initial expiration date by three years to July 1, 2034 and provides for lower deposit balances in its first six years, followed by higher balances in the later years. Specifically, until September 2025, the aggregate FROA will serve as the floor. Thereafter, the floor will be set at US$60 billion. In addition, Schwab had the option to buy down up to $6.8 billion (US$5 billion) of FROA by paying the Bank certain fees in accordance with the 2023 Schwab IDA Agreement, subject to certain limits.

During the first quarter of fiscal 2024, Schwab exercised its option to buy down the remaining $0.7 billion (US$0.5 billion) of the US$5 billion FROA buydown allowance and paid $32 million (US$23 million) in termination fees to the Bank in accordance with the 2023 Schwab IDA Agreement. By the end of the first quarter of fiscal 2024, Schwab had completed its buydown of the full US$5 billion FROA buydown allowance and had paid a total of $337 million (US$250 million) in termination fees to the Bank. The fees were intended to compensate the Bank for losses incurred from discontinuing certain hedging relationships and for lost revenues. The net impact was recorded in net interest income.

Subsequent to the sale of the Bank's entire remaining equity investment in Schwab, the Bank continues to have a business relationship with Schwab through the IDA Agreement. Refer to Note 27 of the Bank's 2024 Annual Consolidated Financial Statements for further details on the Schwab IDA Agreement.

The following table provides the operating results on a reported basis for the Bank.

TABLE 2: OPERATING RESULTS – Reported

(millions of Canadian dollars)			*For the three months ended*
	January 31 2025	October 31 2024	January 31 2024
Net interest income	**$ 7,866**	$ 7,940	$ 7,488
Non-interest income	**6,183**	7,574	6,226
Total revenue	**14,049**	15,514	13,714
Provision for (recovery of) credit losses	**1,212**	1,109	1,001
Insurance service expenses	**1,507**	2,364	1,366
Non-interest expenses	**8,070**	8,050	8,030
Income before income taxes and share of net income from investment in Schwab	**3,260**	3,991	3,317
Provision for (recovery of) income taxes	**698**	534	634
Share of net income from investment in Schwab	**231**	178	141
Net income (loss) – reported	**2,793**	3,635	2,824
Preferred dividends and distributions on other equity instruments	**86**	193	74
Net income (loss) attributable to common shareholders	**$ 2,707**	$ 3,442	$ 2,750

The following table provides a reconciliation between the Bank's adjusted and reported results. For further details refer to the "Significant and Subsequent Events" or "How We Performed" sections.

TABLE 3: NON-GAAP FINANCIAL MEASURES – Reconciliation of Adjusted to Reported Net Income

(millions of Canadian dollars)	*For the three months ended*		
	January 31 2025	October 31 2024	January 31 2024
Operating results – adjusted			
Net interest income[1,2]	**$ 7,920**	$ 8,034	$ 7,545
Non-interest income[3]	**7,110**	6,863	6,226
Total revenue	**15,030**	14,897	13,771
Provision for (recovery of) credit losses	**1,212**	1,109	1,001
Insurance service expenses	**1,507**	2,364	1,366
Non-interest expenses[4]	**7,983**	7,731	7,125
Income before income taxes and share of net income from investment in Schwab	**4,328**	3,693	4,279
Provision for (recovery of) income taxes	**962**	695	872
Share of net income from investment in Schwab[5]	**257**	207	230
Net income – adjusted	**3,623**	3,205	3,637
Preferred dividends and distributions on other equity instruments	**86**	193	74
Net income available to common shareholders – adjusted	**3,537**	3,012	3,563
Pre-tax adjustments for items of note			
Amortization of acquired intangibles[6]	**(61)**	(60)	(94)
Acquisition and integration charges related to the Schwab transaction[4,5]	**–**	(35)	(32)
Share of restructuring and other charges from investment in Schwab[5]	**–**	–	(49)
Restructuring charges[4]	**–**	–	(291)
Acquisition and integration-related charges[4]	**(52)**	(82)	(117)
Impact from the terminated FHN acquisition-related capital hedging strategy[1]	**(54)**	(59)	(57)
Gain on sale of Schwab shares[3]	**–**	1,022	–
U.S. balance sheet restructuring[3]	**(927)**	(311)	–
Indirect tax matters[2,4]	**–**	(226)	–
FDIC special assessment[4]	**–**	72	(411)
Global resolution of the investigations into the Bank's U.S. BSA/AML program[4]	**–**	(52)	–
Less: Impact of income taxes			
Amortization of acquired intangibles	**(9)**	(8)	(15)
Acquisition and integration charges related to the Schwab transaction	**–**	(9)	(6)
Restructuring charges	**–**	–	(78)
Acquisition and integration-related charges	**(11)**	(18)	(24)
Impact from the terminated FHN acquisition-related capital hedging strategy	**(13)**	(14)	(14)
U.S. balance sheet restructuring	**(231)**	(77)	–
Indirect tax matters	**–**	(53)	–
FDIC special assessment	**–**	18	(101)
Total adjustments for items of note	**(830)**	430	(813)
Net income (loss) available to common shareholders – reported	**$ 2,707**	$ 3,442	$ 2,750

1 After the termination of the merger agreement between the Bank and FHN on May 4, 2023, the residual impact of the strategy is reversed through net interest income – Q1 2025: ($54) million, Q4 2024: ($59) million, Q1 2024: ($57) million, reported in the Corporate segment.

2 Adjusted net interest income excludes the following item of note:
i. Indirect tax matters – Q4 2024: $35 million, reported in the Corporate segment.

3 Adjusted non-interest income excludes the following items of note:
i. The Bank sold 40.5 million shares of common stock of Schwab and recognized a gain on the sale – Q4 2024: $1,022 million, reported in the Corporate segment; and
ii. U.S. balance sheet restructuring – Q1 2025: $927 million, Q4 2024: $311 million, reported in the U.S. Retail segment.

4 Adjusted non-interest expenses exclude the following items of note:
i. Amortization of acquired intangibles – Q1 2025: $35 million, Q4 2024: $33 million, Q1 2024: $63 million, reported in the Corporate segment;
ii. The Bank's own acquisition and integration charges related to the Schwab transaction – Q4 2024: $33 million, Q1 2024: $23 million, reported in the Corporate segment;
iii. Restructuring charges – Q1 2024: $291 million, reported in the Corporate segment;
iv. Acquisition and integration-related charges – Q1 2025: $52 million, Q4 2024: $82 million, Q1 2024: $117 million, reported in the Wholesale Banking segment;
v. Indirect tax matters – Q4 2024: $191 million, reported in the Corporate segment;
vi. FDIC special assessment – Q4 2024: ($72) million, Q1 2024: $411 million, reported in the U.S. Retail segment; and
vii. Charges for the global resolution of the investigations into the Bank's U.S. BSA/AML program – Q4 2024: $52 million, reported in the U.S. Retail segment.

5 Adjusted Share of net income from investment in Schwab excludes the following items of note on an after-tax basis. The earnings impact of these items is reported in the Corporate segment:
i. Amortization of Schwab-related acquired intangibles – Q1 2025: $26 million, Q4 2024: $27 million, Q1 2024: $31 million;
ii. The Bank's share of acquisition and integration charges associated with Schwab's acquisition of TD Ameritrade – Q4 2024: $2 million, Q1 2024: $9 million;
iii. The Bank's share of restructuring charges incurred by Schwab – Q1 2024: $27 million; and
iv. The Bank's share of the FDIC special assessment charge incurred by Schwab – Q1 2024: $22 million.

6 Amortization of acquired intangibles relates to intangibles acquired as a result of asset acquisitions and business combinations, including the after-tax amounts for amortization of acquired intangibles relating to the Share of net income from investment in Schwab, reported in the Corporate segment. Refer to footnotes 4 and 5 for amounts.

TABLE 4: RECONCILIATION OF REPORTED TO ADJUSTED EARNINGS PER SHARE[1]			
(Canadian dollars)	*For the three months ended*		
	January 31 2025	October 31 2024	January 31 2024
Basic earnings (loss) per share – reported	**$ 1.55**	$ 1.97	$ 1.55
Adjustments for items of note	**0.47**	(0.25)	0.45
Basic earnings per share – adjusted	**$ 2.02**	$ 1.72	$ 2.01
Diluted earnings (loss) per share – reported	**$ 1.55**	$ 1.97	$ 1.55
Adjustments for items of note	**0.47**	(0.25)	0.45
Diluted earnings per share – adjusted	**$ 2.02**	$ 1.72	$ 2.00

[1] EPS is computed by dividing net income available to common shareholders by the weighted-average number of shares outstanding during the period. Numbers may not add due to rounding.

Return on Common Equity

The consolidated Bank ROE is calculated as reported net income available to common shareholders as a percentage of average common equity. The consolidated Bank adjusted ROE is calculated as adjusted net income available to common shareholders as a percentage of average common equity. Adjusted ROE is a non-GAAP financial ratio and can be utilized in assessing the Bank's use of equity.

ROE for the business segments is calculated as the segment net income attributable to common shareholders as a percentage of average allocated capital. The Bank's methodology for allocating capital to its business segments is largely aligned with the common equity capital requirements under Basel III. Capital allocated to the business segments was 11.5% Common Equity Tier 1 (CET1) Capital effective fiscal 2024.

TABLE 5: RETURN ON COMMON EQUITY			
(millions of Canadian dollars, except as noted)	*For the three months ended*		
	January 31 2025	October 31 2024	January 31 2024
Average common equity	**$ 106,133**	$ 102,051	$ 100,269
Net income (loss) attributable to common shareholders – reported	**2,707**	3,442	2,750
Items of note, net of income taxes	**830**	(430)	813
Net income available to common shareholders – adjusted	**$ 3,537**	$ 3,012	$ 3,563
Return on common equity – reported	**10.1 %**	13.4 %	10.9 %
Return on common equity – adjusted	**13.2**	11.7	14.1

Return on Tangible Common Equity

Tangible common equity (TCE) is calculated as common shareholders' equity less goodwill, imputed goodwill and intangibles on the investments in Schwab and other acquired intangible assets, net of related deferred tax liabilities. ROTCE is calculated as reported net income available to common shareholders after adjusting for the after-tax amortization of acquired intangibles, which are treated as an item of note, as a percentage of average TCE. Adjusted ROTCE is calculated using reported net income available to common shareholders, adjusted for all items of note, as a percentage of average TCE. TCE, ROTCE, and adjusted ROTCE can be utilized in assessing the Bank's use of equity. TCE is a non-GAAP financial measure, and ROTCE and adjusted ROTCE are non-GAAP ratios.

TABLE 6: RETURN ON TANGIBLE COMMON EQUITY			
(millions of Canadian dollars, except as noted)	*For the three months ended*		
	January 31 2025	October 31 2024	January 31 2024
Average common equity	**$ 106,133**	$ 102,051	$ 100,269
Average goodwill	**19,205**	18,568	18,208
Average imputed goodwill and intangibles on investments in Schwab	**5,116**	5,328	6,056
Average other acquired intangibles[1]	**482**	508	615
Average related deferred tax liabilities	**(237)**	(230)	(231)
Average tangible common equity	**81,567**	77,877	75,621
Net income (loss) attributable to common shareholders – reported	**2,707**	3,442	2,750
Amortization of acquired intangibles, net of income taxes	**52**	52	79
Net income (loss) attributable to common shareholders adjusted for amortization of acquired intangibles, net of income taxes	**2,759**	3,494	2,829
Other items of note, net of income taxes	**778**	(482)	734
Net income available to common shareholders – adjusted	**$ 3,537**	$ 3,012	$ 3,563
Return on tangible common equity	**13.4 %**	17.8 %	14.9 %
Return on tangible common equity – adjusted	**17.2**	15.4	18.7

[1] Excludes intangibles relating to software and asset servicing rights.

HOW OUR BUSINESSES PERFORMED

For management reporting purposes, the Bank's business operations and activities are organized around the following four key business segments: Canadian Personal and Commercial Banking, U.S. Retail, Wealth Management and Insurance, and Wholesale Banking. The Bank's other activities are grouped into the Corporate segment.

Results of each business segment reflect revenue, expenses, assets, and liabilities generated by the businesses in that segment. Where applicable, the Bank measures and evaluates the performance of each segment based on adjusted results and ROE, and for those segments, the Bank indicates that the measure is adjusted. For further details, refer to the "How We Performed" section of this document, the "Business Focus" section in the Bank's 2024 MD&A, and Note 28 of the Bank's Consolidated Financial Statements for the year ended October 31, 2024. Effective the first quarter of 2025, certain U.S. governance and control investments, including costs for U.S. BSA/AML remediation, previously reported in the Corporate segment are now reported in the U.S. Retail segment. Comparative amounts have been reclassified to conform with the presentation adopted in the current period.

PCL related to performing (Stage 1 and Stage 2) and impaired (Stage 3) financial assets, loan commitments, and financial guarantees is recorded within the respective segment.

Net interest income within Wholesale Banking is calculated on a taxable equivalent basis (TEB), which means that the value of non-taxable or tax-exempt income, including certain dividends, is adjusted to its equivalent pre-tax value. Using TEB allows the Bank to measure income from all securities and loans consistently and makes for a more meaningful comparison of net interest income with similar institutions. The TEB increase to net interest income and provision for income taxes reflected in Wholesale Banking results is reversed in the Corporate segment. The TEB adjustment for the quarter was $15 million, compared with $19 million in the prior quarter and $29 million in the first quarter last year.

Share of net income from investment in Schwab is reported in the U.S. Retail segment. Amounts for amortization of acquired intangibles, the acquisition and integration charges related to the Schwab transaction, and the Bank's share of restructuring and other charges incurred by Schwab are recorded in the Corporate segment.

TABLE 7: CANADIAN PERSONAL AND COMMERCIAL BANKING

(millions of Canadian dollars, except as noted)	*For the three months ended*		
	January 31 2025	October 31 2024	January 31 2024
Net interest income	**$ 4,135**	$ 4,058	$ 3,833
Non-interest income	**1,014**	1,006	1,051
Total revenue	**5,149**	5,064	4,884
Provision for (recovery of) credit losses – impaired	**459**	456	364
Provision for (recovery of) credit losses – performing	**62**	(26)	59
Total provision for (recovery of) credit losses	**521**	430	423
Non-interest expenses	**2,086**	2,102	1,984
Provision for (recovery of) income taxes	**711**	709	692
Net income	**$ 1,831**	$ 1,823	$ 1,785
Selected volumes and ratios			
Return on common equity[1]	**31.4 %**	32.0 %	34.6 %
Net interest margin (including on securitized assets)[2]	**2.81**	2.80	2.84
Efficiency ratio	**40.5**	41.5	40.6
Number of Canadian retail branches	**1,063**	1,060	1,062
Average number of full-time equivalent staff	**27,422**	27,930	29,271

[1] Capital allocated to the business segment was 11.5% CET1 Capital.
[2] Net interest margin is calculated by dividing net interest income by average interest-earning assets. Average interest-earning assets used in the calculation of net interest margin is a non-GAAP financial measure. Refer to "Non-GAAP and Other Financial Measures" in the "How We Performed" section of this document and the Glossary in the Bank's first quarter 2025 MD&A for additional information about these metrics.

Quarterly comparison – Q1 2025 vs. Q1 2024

Canadian Personal and Commercial Banking net income for the quarter was $1,831 million, an increase of $46 million, or 3%, compared with the first quarter last year, reflecting higher revenue, partially offset by higher non-interest expenses and PCL. The annualized ROE for the quarter was 31.4%, compared with 34.6% in the first quarter last year.

Revenue for the quarter was $5,149 million, an increase of $265 million, or 5%, compared with the first quarter last year. Net interest income was $4,135 million, an increase of $302 million, or 8%, primarily reflecting volume growth. Average loan volumes increased $24 billion, or 4%, reflecting 4% growth in personal loans and 6% growth in business loans. Average deposit volumes increased $25 billion, or 5%, reflecting 4% growth in personal deposits and 7% growth in business deposits. Net interest margin was 2.81%, a decrease of 3 basis points (bps), primarily due to changes to balance sheet mix reflecting the transition of Bankers' Acceptances (BAs) to Canadian Overnight Repo Rate Average (CORRA)-based loans. Non-interest income was $1,014 million, a decrease of $37 million, or 4%, compared with the first quarter last year, primarily reflecting lower fees due to the transition of BAs to CORRA-based loans in the prior year, the impact of which is offset in net interest income.

PCL for the quarter was $521 million, an increase of $98 million compared with the first quarter last year. PCL – impaired was $459 million, an increase of $95 million, or 26%, reflecting credit migration in the consumer and commercial lending portfolios. PCL – performing was $62 million, an increase of $3 million compared to the prior year. The performing provisions this quarter were largely recorded in the commercial lending portfolio reflecting policy and trade uncertainty that could impact the economic trajectory and credit performance, partially offset by an update to the economic forecast. Total PCL as an annualized percentage of credit volume was 0.35%, an increase of 5 bps compared with the first quarter last year.

Non-interest expenses for the quarter were $2,086 million, an increase of $102 million, or 5%, compared with the first quarter last year, reflecting higher technology spend, the impact of the compensation initiative whereby the Bank's eligible non-executive employees received share compensation (the "TD Share Compensation Initiative"), and various other operating expenses.

The efficiency ratio for the quarter was 40.5%, compared with 40.6% in the first quarter last year.

Quarterly comparison – Q1 2025 vs. Q4 2024

Canadian Personal and Commercial Banking net income for the quarter was $1,831 million, an increase of $8 million, relatively flat compared with the prior quarter, primarily reflecting higher revenue and lower non-interest expenses, partially offset by higher PCL. The annualized ROE for the quarter was 31.4%, compared with 32.0% in the prior quarter.

Revenue increased $85 million, or 2%, compared with the prior quarter. Net interest income increased $77 million, or 2%, reflecting volume growth and higher margins. Average loan volumes increased $6 billion, or 1%, reflecting 1% growth in personal loans and 2% growth in business loans. Average deposit volumes increased $8 billion, or 2%, reflecting 1% growth in personal deposits and 3% growth in business deposits. Net interest margin was 2.81%, an increase of 1 basis point, primarily driven by changes to balance sheet mix. As we look forward to Q2, while many factors can impact margins, including the impact of any further Bank of Canada rate cuts, competitive market dynamics, and deposit reinvestment rates and maturity profiles, we expect NIM to be relatively stable[3]. Non-interest income increased $8 million, or 1% compared with the prior quarter.

PCL for the quarter was $521 million, an increase of $91 million compared with the prior quarter. PCL – impaired was $459 million, an increase of $3 million, or 1%, reflecting credit migration in the consumer lending portfolios largely offset by lower provisions in the commercial lending portfolio. PCL – performing was a build of $62 million, compared with a recovery of $26 million in the prior quarter. The performing provisions this quarter were largely recorded in the commercial lending portfolio reflecting policy and trade uncertainty that could impact the economic trajectory and credit performance, partially offset by an update to the economic forecast. Total PCL as an annualized percentage of credit volume was 0.35%, an increase of 5 bps compared with the prior quarter.

Non-interest expenses decreased $16 million, or 1% compared with the prior quarter.

The efficiency ratio was 40.5%, compared with 41.5% in the prior quarter.

U.S. Retail

Update on U.S. Balance Sheet Restructuring Activities

The Bank continued to focus on executing the balance sheet restructuring activities disclosed in the 2024 MD&A to help ensure we can continue to support customers' financial needs in the U.S. while not exceeding the limitation on the combined total assets of TD Bank, N.A. and TD Bank USA, N.A. (the "U.S. Bank").

As previously disclosed, the Bank expects to reposition its U.S. investment portfolio by selling up to US$50 billion of lower yielding investment securities and reinvesting the proceeds into a similar composition of assets but yielding higher rates. During the first quarter, the Bank sold approximately US$13.1 billion of bonds. In the aggregate, since the announcement of the U.S. balance sheet restructuring activities on October 10, 2024, through January 31, 2025, the Bank has sold approximately US$15.9 billion of bonds from its U.S. investment portfolio for an aggregate loss of US$875 million pre-tax and US$657 million after-tax. Between February 1, 2025, through February 26, 2025, the Bank sold an additional US$3.1 billion of bonds, resulting in a loss of US$197 million pre-tax and US$148 million after-tax. The Bank expects to complete its investment portfolio repositioning no later than the first half of calendar 2025 and expects the net interest income benefit from these sales to be at the upper end of the previously disclosed range of US$300 million to US$500 million pre-tax in fiscal 2025[4].

In addition, the Bank continues to target reducing the U.S. Bank's assets by approximately 10% from the asset level as of September 30, 2024, largely by selling or winding down certain non-scalable or non-core U.S. loan portfolios that do not align with the U.S. Retail segment's focused strategy or have lower returns on investment such as the correspondent lending, residential jumbo mortgage, export and import lending, and commercial auto dealer portfolios. This reduction in assets combined with natural balance sheet run-off, is expected to be largely complete by the end of fiscal 2025 and reduce net interest income in the U.S. Retail segment by approximately US$200 million to US$225 million pre-tax in fiscal 2025[5].

This quarter, the Bank used proceeds from investment maturities, plus cash on hand, to pay down US$25 billion of short-term borrowings. In addition, loans were reduced by US$2 billion, reflecting loan run-off and some loan sales in certain non-scalable and non-core U.S. loan portfolios. Accordingly, as of January 31, 2025, the combined total assets of the U.S. Bank were US$402 billion. In the aggregate, total losses associated with the Bank's U.S. balance sheet restructuring activities from October 10, 2024 through January 31, 2025 are US$878 million pre-tax and US$659 million after-tax. In total, the Bank's collective balance sheet restructuring actions are expected to result in a loss up to US$1.5 billion after-tax, and impact capital as executed[4,5].

Subsequent to quarter end, the Bank reached an agreement to sell approximately US$9 billion of certain U.S. residential mortgage loans (correspondent lending loans), which is expected to result in a recognition of a pre-tax loss of approximately US$600 million in the second quarter of 2025[5].

[3] The Bank's Q2 2025 net interest margin expectations for the segment are based on the Bank's assumptions regarding factors such as Bank of Canada rate cuts, competitive market dynamics, and deposit reinvestment rates and maturity profiles, and are subject to inherent risks and uncertainties, including those set out in the "Risk Factors That May Affect Future Results" section of the Bank's 2024 MD&A and the first quarter 2025 MD&A.

[4] The amount of bonds that the Bank sells and the timing of such sales, are subject to market conditions and other factors. Accordingly, the expected loss incurred as well as the expected amount of net interest income benefit, are subject to risk and uncertainties and are based on assumptions regarding the timing of when such bonds are sold, the interest rates at the time of sale as well as other market factors and conditions which are not entirely within the Bank's control.

[5] The Bank's estimates regarding net interest income impacts are based on assumptions regarding the timing of when such assets are sold or wound down. The Bank's ability to successfully dispose of the assets is subject to inherent risks and uncertainty and there is no guarantee that the Bank will be able to sell the assets in the timeline outlined or achieve the purchase price which it currently expects. The ability to sell the assets will depend on market factors and conditions and any sale will likely be subject to customary closing terms and conditions which could involve regulatory approvals which are not entirely within the Bank's control.

TABLE 8: U.S. RETAIL			
(millions of dollars, except as noted)	*For the three months ended*		
Canadian Dollars	**January 31 2025**	October 31 2024	January 31 2024
Net interest income	**$ 3,064**	$ 2,924	$ 2,899
Non-interest income (loss) – reported	**(282)**	287	604
Non-interest income – adjusted[1,2]	**645**	598	604
Total revenue – reported	**2,782**	3,211	3,503
Total revenue – adjusted[1,2]	**3,709**	3,522	3,503
Provision for (recovery of) credit losses – impaired	**529**	418	377
Provision for (recovery of) credit losses – performing	**(78)**	(29)	8
Total provision for (recovery of) credit losses	**451**	389	385
Non-interest expenses – reported	**2,380**	2,324	2,459
Non-interest expenses – adjusted[1,3]	**2,380**	2,344	2,048
Provision for (recovery of) income taxes – reported	**(192)**	(50)	(17)
Provision for (recovery of) income taxes – adjusted[1]	**39**	9	84
U.S. Retail Bank net income – reported	**143**	548	676
U.S. Retail Bank net income – adjusted[1]	**839**	780	986
Share of net income from investment in Schwab[4,5]	**199**	154	194
Net income – reported	**$ 342**	$ 702	$ 870
Net income – adjusted[1]	**1,038**	934	1,180
U.S. Dollars			
Net interest income	**$ 2,160**	$ 2,141	$ 2,141
Non-interest income (loss) – reported	**(198)**	212	446
Non-interest income – adjusted[1,2]	**454**	438	446
Total revenue – reported	**1,962**	2,353	2,587
Total revenue – adjusted[1,2]	**2,614**	2,579	2,587
Provision for (recovery of) credit losses – impaired	**371**	306	279
Provision for (recovery of) credit losses – performing	**(53)**	(21)	6
Total provision for (recovery of) credit losses	**318**	285	285
Non-interest expenses – reported	**1,675**	1,703	1,815
Non-interest expenses – adjusted[1,3]	**1,675**	1,717	1,515
Provision for (recovery of) income taxes – reported	**(136)**	(37)	(12)
Provision for (recovery of) income taxes – adjusted[1]	**27**	6	62
U.S. Retail Bank net income – reported	**105**	402	499
U.S. Retail Bank net income – adjusted[1]	**594**	571	725
Share of net income from investment in Schwab[4,5]	**142**	114	144
Net income – reported	**$ 247**	$ 516	$ 643
Net income – adjusted[1]	**736**	685	869
Selected volumes and ratios			
Return on common equity – reported[6]	**2.9 %**	6.2 %	8.1 %
Return on common equity – adjusted[1,6]	**8.6**	8.2	11.0
Net interest margin[1,7]	**2.86**	2.77	3.03
Efficiency ratio – reported	**85.4**	72.4	70.2
Efficiency ratio – adjusted[1]	**64.1**	66.6	58.6
Assets under administration (billions of U.S. dollars)[8]	**$ 43**	$ 43	$ 40
Assets under management (billions of U.S. dollars)[8]	**9**	8	7
Number of U.S. retail stores	**1,134**	1,132	1,176
Average number of full-time equivalent staff	**28,276**	27,802	27,985

[1] For additional information about the Bank's use of non-GAAP financial measures, refer to "Non-GAAP and Other Financial Measures" in the "How We Performed" section of this document.
[2] Adjusted non-interest income excludes the following item of note:
  i. U.S. balance sheet restructuring – Q1 2025: $927 million or US$652 million ($696 million or US$489 million after tax), Q4 2024: $311 million or US$226 million ($234 million or US$170 million after tax).
[3] Adjusted non-interest expenses exclude the following items of note:
  i. FDIC special assessment – Q4 2024: ($72) million or US($52) million (($54) million or US($39) million after tax), Q1 2024: $411 million or US$300 million ($310 million or US$226 million after tax); and
  ii. Charges for the global resolution of the investigations into the Bank's U.S. BSA/AML program – Q4 2024: $52 million or US$38 million (before and after tax).
[4] The Bank's share of Schwab's earnings is reported with a one-month lag. Refer to Note 7 of the Bank's first quarter 2025 Interim Consolidated Financial Statements for further details.
[5] The after-tax amounts for amortization of acquired intangibles, the Bank's share of acquisition and integration charges associated with Schwab's acquisition of TD Ameritrade, the Bank's share of Schwab's restructuring charges, and the Bank's share of Schwab's FDIC special assessment charge are recorded in the Corporate segment.
[6] Capital allocated to the business segment was 11.5% CET1 Capital.
[7] Net interest margin is calculated by dividing U.S. Retail segment's net interest income by average interest-earning assets excluding the impact related to sweep deposits arrangements and the impact of intercompany deposits and cash collateral, which management believes better reflects segment performance. In addition, 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. Net interest income and average interest-earning assets used in the calculation are non-GAAP financial measures. Management believes this calculation better reflects segment performance.
[8] For additional information about this metric, refer to the Glossary in the Bank's first quarter 2025 MD&A.

<u>Quarterly comparison – Q1 2025 vs. Q1 2024</u>

U.S. Retail reported net income for the quarter was $342 million (US$247 million), a decrease of $528 million (US$396 million), or 61% (62% in U.S. dollars), compared with the first quarter last year. On an adjusted basis, net income for the quarter was $1,038 million (US$736 million), a decrease of $142 million (US$133 million), or 12% (15% in U.S. dollars). The reported and adjusted annualized ROE for the quarter were 2.9% and 8.6%, respectively, compared with 8.1% and 11.0%, respectively, in the first quarter last year.

U.S. Retail net income includes contributions from the U.S. Retail Bank and the Bank's investment in Schwab. Reported net income for the quarter from the Bank's investment in Schwab was $199 million (US$142 million), an increase of $5 million (a decrease of US$2 million), or 3% (a decrease of 1% in U.S. dollars), compared with the first quarter last year.

U.S. Retail Bank reported net income was $143 million (US$105 million), a decrease of $533 million (US$394 million), or 79% (79% in U.S. dollars), compared with the first quarter last year, primarily reflecting the impact of U.S. balance sheet restructuring activities, higher governance and control investments, including costs for U.S. BSA/AML remediation, and higher PCL, partially offset by the impact of the FDIC special assessment charge in the first quarter last year. U.S. Retail

Bank adjusted net income was $839 million (US$594 million), a decrease of $147 million (US$131 million), or 15% (18% in U.S. dollars), compared with the first quarter last year, reflecting higher governance and control investments, including costs for U.S. BSA/AML remediation and higher PCL, partially offset by higher revenue.

Reported revenue for the quarter was US$1,962 million, a decrease of US$625 million, or 24%, compared with the first quarter last year. On an adjusted basis, revenue for the quarter was US$2,614 million, an increase of US$27 million, or 1%. Net interest income of US$2,160 million, increased US$19 million, or 1%, driven by higher deposit margins and the impact of U.S. balance sheet restructuring activities. Net interest margin of 2.86% decreased 17 bps due to maintaining elevated liquidity levels (which negatively impacted net interest margin by 19 bps), partially offset by the impact of U.S. balance sheet restructuring activities, and higher deposit margins. Reported non-interest income (loss) was US($198) million, a decrease of US$644 million, compared with the first quarter last year, reflecting the impact of U.S. balance sheet restructuring activities, partially offset by higher fee revenue. On an adjusted basis, non-interest income of US$454 million increased US$8 million, or 2%, compared with the first quarter last year, reflecting higher fee revenue.

Average loan volumes increased US$2 billion, or 1%, compared with the first quarter last year. Personal loans increased 3%, reflecting solid mortgage and auto originations, and business loans decreased 1%. Excluding the impact of the loan portfolios identified for sale or run-off under our U.S. balance sheet restructuring program, average loan volumes increased US$5 billion, or 3%[6,7]. Average deposit volumes decreased US$10 billion, or 3%, reflecting a 11% decrease in sweep deposits and a 4% decrease in business deposits, partially offset by a 3% increase in personal deposit volumes. Excluding sweep deposits, average deposits were flat.

Assets under administration (AUA) were US$43 billion as of January 31, 2025, an increase of US$3 billion, or 8%, compared with the first quarter last year, reflecting net asset growth. Assets under management (AUM) were US$9 billion as of January 31, 2025, an increase of US$2 billion, or 29%, compared with the first quarter last year.

PCL for the quarter was US$318 million, an increase of US$33 million compared with the first quarter last year. PCL – impaired was US$371 million, an increase of US$92 million, or 33%, largely reflecting credit migration in the commercial lending portfolio, and the adoption impact of a model update in the U.S. Cards portfolio. PCL – performing was a recovery of US$53 million, compared with a build of US$6 million in the prior year. The performing recovery this quarter was largely recorded in the consumer lending portfolios, reflecting the adoption impact of a model update in the U.S. Cards portfolio, partially offset by a build in the commercial lending portfolio related to policy and trade uncertainty that could impact the economic trajectory and credit performance. U.S. Retail PCL including only the Bank's share of PCL in the U.S. strategic cards portfolio, as an annualized percentage of credit volume was 0.67%, an increase of 6 bps, compared with the first quarter last year.

Effective the first quarter of 2025, U.S. Retail segment non-interest expenses include certain U.S. governance and control investments, including costs for U.S. BSA/AML remediation which were previously reported in the Corporate segment. Comparative amounts have been reclassified to conform with the presentation adopted in the current period. Reported non-interest expenses for the quarter were US$1,675 million, a decrease of US$140 million, or 8%, compared to the first quarter last year, reflecting the impact of the FDIC special assessment charge in the first quarter last year, partially offset by higher governance and control investments including costs of US$86 million for U.S. BSA/AML remediation, and higher operating expenses. Our governance and control investments in this quarter were higher compared to the first quarter last year as remediation efforts progressed over this period and we expect this year-over-year trend to continue into the second quarter of 2025[8]. On an adjusted basis, non-interest expenses increased US$160 million, or 11%, reflecting higher governance and control investments including costs for U.S. BSA/AML remediation, and higher operating expenses.

The reported and adjusted efficiency ratios for the quarter were 85.4% and 64.1%, respectively, compared with 70.2% and 58.6%, respectively, in the first quarter last year.

<u>Quarterly comparison – Q1 2025 vs. Q4 2024</u>

U.S. Retail reported net income was $342 million (US$247 million), a decrease of $360 million (US$269 million), or 51% (52% in U.S. dollars), compared with the prior quarter. On an adjusted basis, net income for the quarter was $1,038 million (US$736 million), an increase of $104 million (US$51 million), or 11% (7% in U.S. dollars). The reported and adjusted annualized ROE for the quarter were 2.9% and 8.6%, respectively, compared with 6.2% and 8.2%, respectively, in the prior quarter.

The contribution from Schwab of $199 million (US$142 million) increased $45 million (US$28 million), or 29% (25% in U.S. dollars), compared with the prior quarter.

U.S. Retail Bank reported net income was $143 million (US$105 million), a decrease of $405 million (US$297 million), or 74% (74% in U.S. dollars) compared with the prior quarter, primarily reflecting the impact of U.S. balance sheet restructuring activities, higher PCL, and the expense recovery of the FDIC special assessment charge in the prior quarter, partially offset by the impact of the charges for the global resolution of the investigations into the Bank's U.S. BSA/AML program in the prior quarter. U.S. Retail Bank adjusted net income was $839 million (US$594 million), an increase of $59 million (US$23 million), or 8% (4% in U.S. dollars), compared to the prior quarter, primarily reflecting higher revenue, partially offset by higher non-interest expenses (lower in U.S. dollars) and higher PCL.

Reported revenue was US$1,962 million, a decrease US$391 million, or 17%, compared with the prior quarter. Net interest income of US$2,160 million increased US$19 million, or 1%, reflecting the impact of U.S. balance sheet restructuring activities, partially offset by lower deposit margins. Net interest margin of 2.86% increased 9 bps, compared with the prior quarter, due to impact of U.S. balance sheet restructuring activities and normalization of liquidity levels (which positively impacted net interest margin by 5 bps), partially offset by lower deposit margins. Net Interest Margin in the second quarter is expected to deliver substantial expansion, reflecting ongoing U.S. balance sheet restructuring activities and further normalization of our elevated liquidity levels[9]. Reported non-interest income (loss) was US($198) million, compared with reported non-interest income of US$212 million in the prior quarter, reflecting the impact of U.S. balance sheet restructuring activities. On an adjusted basis, non-interest income of US$454 million increased US$16 million, or 4%, compared with the prior quarter, reflecting higher fee revenue.

Average loan volumes were relatively flat, compared with the prior quarter, reflecting a 1% decrease in business loans, offset by a 1% increase in personal loans. Excluding the impact of the loan portfolios identified for sale or run-off under our U.S. balance sheet restructuring program, average loan volumes were

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[6] Loan portfolios identified for sale or run-off include correspondent lending, residential jumbo mortgage, export and import lending, commercial auto dealer portfolio, and other non-core portfolios. Q1 2025 average loan volumes: US$192 billion (Q4 2024: US$193 billion; Q1 2024: US$191 billion). Q1 2025 average loan volumes of loan portfolios identified for sale or run-off: US$22 billion (Q4 2024: US$23 billion; Q1 2024: US$25 billion). Q1 2025 average loan volumes excluding loan portfolios identified for sale or run-off: US$170 billion (Q4 2024: US$170 billion; Q1 2024: US$166 billion).

[7] For additional information about the Bank's use of non-GAAP financial measures, refer to "Non-GAAP and Other Financial Measures" in the "How We Performed" section of this document.

[8] Expense estimates are subject to inherent risks and uncertainties and may vary based on the Bank's ability to successfully execute against its projects or programs in accordance with its plans, including its ability to successfully execute against the U.S. BSA/AML remediation program. As well, expense estimates may vary if the scope of work in the U.S. BSA/AML remediation plan changes as a result of additional findings that are identified as work progresses.

[9] The Bank's Q2 2025 net interest margin expectations for the segment are based on the Bank's assumptions regarding interest rates, deposit reinvestment rates, average asset levels, execution of planned restructuring opportunities, and other variables, and are subject to inherent risks and uncertainties, including those set out in the "Risk Factors That May Affect Future Results" section of this document.

flat[6,7]. Average deposit volumes increased US$3 billion, or 1%, compared with the prior quarter, reflecting a 1% increase in personal deposits and a 3% increase in sweep deposits, partially offset by a 1% decrease in business deposits.

AUA were US$43 billion as of January 31, 2025, flat compared with the prior quarter. AUM were US$9 billion, an increase of $1 billion, or 13%, compared with the prior quarter.

PCL for the quarter was US$318 million, an increase of US$33 million compared with the prior quarter. PCL – impaired was US$371 million, an increase of US$65 million, or 21%, largely reflected in the U.S. Cards portfolio, related to the adoption impact of a model update, and typical seasonal trends. PCL – performing was a recovery of US$53 million, compared with a recovery of US$21 million in the prior quarter. The performing recovery this quarter was largely recorded in the consumer lending portfolios, reflecting the adoption impact of a model update in the U.S. Cards portfolio, partially offset by a build in the commercial lending portfolio related to policy and trade uncertainty that could impact the economic trajectory and credit performance. U.S. Retail PCL including only the Bank's share of PCL in the U.S. strategic cards portfolio, as an annualized percentage of credit volume was 0.67%, an increase of 7 bps, compared with the prior quarter.

Reported non-interest expenses for the quarter were US$1,675 million, a decrease of US$28 million, or 2%, compared with the prior quarter, largely reflecting lower legal and regulatory expenses, partially offset by higher operating expenses. On an adjusted basis, non-interest expenses decreased US$42 million, or 2%.

The reported and adjusted efficiency ratios for the quarter were 85.4% and 64.1%, respectively, compared with 72.4% and 66.6%, respectively, in the prior quarter.

TABLE 9: WEALTH MANAGEMENT AND INSURANCE

(millions of Canadian dollars, except as noted)	*For the three months ended*		
	January 31 2025	October 31 2024	January 31 2024
Net interest income	**$ 369**	$ 321	$ 285
Non-interest income[1]	**3,229**	3,616	2,850
Total revenue	**3,598**	3,937	3,135
Provision for (recovery of) credit losses – impaired	**–**	–	–
Provision for (recovery of) credit losses – performing	**–**	–	–
Total provision for (recovery of) credit losses	**–**	–	–
Insurance service expenses[2]	**1,507**	2,364	1,366
Non-interest expenses	**1,173**	1,107	1,047
Provision for (recovery of) income taxes	**238**	117	167
Net income	**$ 680**	$ 349	$ 555
Selected volumes and ratios			
Return on common equity	**42.7 %**	22.5 %	37.5 %
Return on common equity – Wealth Management[3]	**61.9**	56.6	44.5
Return on common equity – Insurance	**21.9**	(13.1)	29.3
Efficiency ratio	**32.6**	28.1	33.4
Efficiency ratio, net of ISE[4]	**56.1**	70.4	59.2
Assets under administration (billions of Canadian dollars)[5]	**$ 687**	$ 651	$ 576
Assets under management (billions of Canadian dollars)	**556**	530	479
Average number of full-time equivalent staff	**15,059**	14,939	15,386

[1] Includes recoveries from reinsurers for catastrophe claims – Q1 2025: nil, Q4 2024: $718 million, Q1 2024: nil.
[2] Includes estimated losses related to catastrophe claims – Q1 2025: nil, Q4 2024: $1,020 million, Q1 2024: $10 million.
[3] Capital allocated to the business was 11.5% CET1 Capital.
[4] Efficiency ratio, net of ISE is calculated by dividing non-interest expenses by total revenue, net of ISE. Total revenue, net of ISE – Q1: 2025 $2,091 million, Q4 2024: $1,573 million, Q1 2024: $1,769 million. Total revenue, net of ISE is a non-GAAP financial measure. Refer to "Non-GAAP and Other Financial Measures" in the "How We Performed" section and the Glossary in the Bank's first quarter 2025 MD&A for additional information about this metric.
[5] Includes AUA administered by TD Investment Services Inc. which is part of the Canadian Personal and Commercial Banking segment.

<u>Quarterly comparison – Q1 2025 vs. Q1 2024</u>

Wealth Management and Insurance net income for the quarter was $680 million, an increase of $125 million, or 23%, compared with the first quarter last year, reflecting Wealth Management net income of $512 million, an increase of $157 million, or 44%, compared with the first quarter last year, and Insurance net income of $168 million, a decrease of $32 million, or 16%, compared with the first quarter last year. The annualized ROE for the quarter was 42.7%, compared with 37.5% in the first quarter last year. Wealth Management annualized ROE for the quarter was 61.9%, compared with 44.5% in the first quarter last year, and Insurance annualized ROE for the quarter was 21.9% compared with 29.3% in the first quarter last year.

Revenue for the quarter was $3,598 million, an increase of $463 million, or 15%, compared with the first quarter last year. Non-interest income was $3,229 million, an increase of $379 million, or 13%, reflecting higher insurance premiums, fee-based revenue, and transaction revenue. Net interest income was $369 million, an increase of $84 million, or 29%, compared with the first quarter last year, reflecting higher deposit margins and volume growth.

AUA were $687 billion as at January 31, 2025, an increase of $111 billion, or 19%, and AUM were $556 billion as at January 31, 2025, an increase of $77 billion, or 16%, compared with the first quarter last year, both reflecting market appreciation and net asset growth.

Insurance service expenses for the quarter were $1,507 million, an increase of $141 million, or 10%, compared with the first quarter last year, primarily reflecting increased claims severity.

Non-interest expenses for the quarter were $1,173 million, an increase of $126 million, or 12%, compared with the first quarter last year, reflecting higher variable compensation, higher spend supporting business growth initiatives from technology costs and employee-related expenses including the impact of TD Share Compensation Initiative.

The efficiency ratio for the quarter was 32.6%, compared with 33.4% in the first quarter last year. The efficiency ratio, net of ISE for the quarter was 56.1%, compared with 59.2% in the first quarter last year.

<u>Quarterly comparison – Q1 2025 vs. Q4 2024</u>

Wealth Management and Insurance net income for the quarter was $680 million, an increase of $331 million, or 95%, compared with the prior quarter, reflecting Wealth Management net income of $512 million, an increase of $64 million, or 14%, compared with the prior quarter, and Insurance net income of $168 million, an increase of $267 million, compared with a loss of $99 million in the prior quarter. The annualized ROE for the quarter was 42.7%, compared with 22.5% in the prior quarter. Wealth Management annualized ROE for the quarter was 61.9%, compared with 56.6% in the prior quarter, and Insurance annualized ROE for the quarter was 21.9% compared with -13.1% in the prior quarter.

Revenue decreased $339 million, or 9%, compared with the prior quarter, primarily as a result of reinsurance recoveries for catastrophe claims in the prior quarter of $718 million. Non-interest income decreased $387 million, or 11%, reflecting lower reinsurance recoveries for catastrophe claims, partially offset by lower costs of reinsurance reinstatement premiums, higher fee-based revenue, transaction revenue and insurance premiums. Net interest income increased $48 million, or 15%, reflecting higher deposit volumes and margins.

AUA increased $36 billion, or 6%, and AUM increased $26 billion, or 5%, compared with the prior quarter, both reflecting market appreciation and net asset growth.

Insurance service expenses for the quarter decreased $857 million, or 36%, compared with the prior quarter, primarily the result of estimated losses from catastrophe claims of $1,020 million in the prior quarter, partially offset by increased claims severity.

Non-interest expenses increased $66 million, or 6%, compared with the prior quarter, primarily reflecting higher employee-related expenses including the impact of TD Share Compensation Initiative and higher variable compensation.

The efficiency ratio for the quarter was 32.6%, compared with 28.1% in the prior quarter. The efficiency ratio, net of ISE for the quarter was 56.1%, compared with 70.4% in the prior quarter.

TABLE 10: WHOLESALE BANKING[1]

(millions of Canadian dollars, except as noted)	*For the three months ended*		
	January 31 2025	October 31 2024	January 31 2024
Net interest income (loss) (TEB)	**$ (107)**	$ 221	$ 198
Non-interest income	**2,107**	1,550	1,582
Total revenue	**2,000**	1,771	1,780
Provision for (recovery of) credit losses – impaired	**33**	134	5
Provision for (recovery of) credit losses – performing	**39**	–	5
Total provision for (recovery of) credit losses	**72**	134	10
Non-interest expenses – reported	**1,535**	1,336	1,500
Non-interest expenses – adjusted[1,2]	**1,483**	1,254	1,383
Provision for (recovery of) income taxes (TEB) – reported	**94**	66	65
Provision for (recovery of) income taxes (TEB) – adjusted[1]	**105**	84	89
Net income – reported	**$ 299**	$ 235	$ 205
Net income – adjusted[1]	**340**	299	298
Selected volumes and ratios			
Trading-related revenue (TEB)[3]	**$ 904**	$ 633	$ 730
Average gross lending portfolio (billions of Canadian dollars)[4]	**100.9**	97.0	96.2
Return on common equity – reported[5]	**7.3 %**	5.9 %	5.3 %
Return on common equity – adjusted[1,5]	**8.3**	7.5	7.6
Efficiency ratio – reported	**76.8**	75.4	84.3
Efficiency ratio – adjusted[1]	**74.2**	70.8	77.7
Average number of full-time equivalent staff	**6,919**	6,975	7,100

[1] For additional information about the Bank's use of non-GAAP financial measures, refer to "Non-GAAP and Other Financial Measures" in the "How We Performed" section of this document.

[2] Adjusted non-interest expenses exclude the acquisition and integration-related charges for the Cowen acquisition – Q1 2025: $52 million ($41 million after tax), Q4 2024: $82 million ($64 million after tax), Q1 2024: $117 million ($93 million after tax).

[3] Includes net interest income (loss) TEB of ($404) million, Q4 2024: ($149) million, Q1 2024: ($54) million, and trading income (loss) of $1,308 million, Q4 2024: $782 million, Q1 2024: $784 million. Trading-related revenue (TEB) is a non-GAAP financial measure. Refer to "Non-GAAP and Other Financial Measures" in the "How We Performed" section and the Glossary in the Bank's first quarter 2025 MD&A for additional information about this metric.

[4] Includes gross loans and bankers' acceptances relating to Wholesale Banking, excluding letters of credit, cash collateral, credit default swaps, and allowance for credit losses.

[5] Capital allocated to the business segment was 11.5% CET1 Capital.

<u>Quarterly comparison – Q1 2025 vs. Q1 2024</u>

Wholesale Banking reported net income for the quarter was $299 million, an increase of $94 million, or 46%, compared with the first quarter last year, primarily reflecting higher revenues, partially offset by higher PCL and non-interest expenses. On an adjusted basis, net income was $340 million, an increase of $42 million, or 14%, compared with the first quarter last year.

Revenue for the quarter was $2,000 million, an increase of $220 million, or 12%, compared with the first quarter last year. Higher revenue primarily reflects higher trading-related revenue and underwriting fees.

PCL for the quarter was $72 million, an increase of $62 million compared with the first quarter last year. PCL – impaired was $33 million, an increase of $28 million compared with the prior year, primarily reflecting a few new impairments. PCL – performing was $39 million, an increase of $34 million compared to the prior year. The performing build this quarter reflects policy and trade uncertainty that could impact the economic trajectory and credit performance.

Reported non-interest expenses for the quarter were $1,535 million, an increase of $35 million, or 2%, compared with the first quarter last year, primarily reflecting higher variable compensation commensurate with higher revenues, higher front office and technology costs. The higher non-interest expenses are partially offset by the impact of a provision related to the U.S. record keeping and trading regulatory matters recorded in the same quarter last year and lower acquisition and integration-related costs. On an adjusted basis, non-interest expenses were $1,483 million, an increase of $100 million, or 7%.

<u>Quarterly comparison – Q1 2025 vs. Q4 2024</u>

Wholesale Banking reported net income for the quarter was $299 million, an increase of $64 million, or 27%, compared with the prior quarter, primarily reflecting higher revenues and lower PCL, partially offset by higher non-interest expenses. On an adjusted basis, net income was $340 million, an increase of $41 million, or 14%.

Revenue for the quarter increased $229 million, or 13%, compared with the prior quarter. Higher revenue primarily reflects higher trading-related revenue.

PCL for the quarter was $72 million, a decrease of $62 million compared with the prior quarter. PCL – impaired was $33 million, a decrease of $101 million, due to higher impairments in the prior period. PCL – performing was $39 million, an increase of $39 million. The performing build this quarter reflects policy and trade uncertainty that could impact the economic trajectory and credit performance.

Reported non-interest expenses for the quarter increased $199 million, or 15%, compared with the prior quarter, primarily reflecting higher variable compensation commensurate with higher revenues, partially offset by lower acquisition and integration-related costs. On an adjusted basis, non-interest expenses increased $229 million, or 18%.

TABLE 11: CORPORATE

(millions of Canadian dollars)			For the three months ended
	January 31 2025	October 31 2024	January 31 2024
Net income (loss) – reported	**$ (359)**	$ 526	$ (591)
Adjustments for items of note			
Amortization of acquired intangibles	**61**	60	94
Acquisition and integration charges related to the Schwab transaction	**–**	35	32
Share of restructuring and other charges from investment in Schwab	**–**	–	49
Restructuring charges	**–**	–	291
Impact from the terminated FHN acquisition-related capital hedging strategy	**54**	59	57
Gain on sale of Schwab shares	**–**	(1,022)	–
Indirect tax matters	**–**	226	–
Less: impact of income taxes	**22**	84	113
Net income (loss) – adjusted[1]	**$ (266)**	$ (200)	$ (181)
Decomposition of items included in net income (loss) – adjusted			
Net corporate expenses[2]	**$ (370)**	$ (389)	$ (217)
Other	**104**	189	36
Net income (loss) – adjusted[1]	**$ (266)**	$ (200)	$ (181)
Selected volumes			
Average number of full-time equivalent staff	**22,748**	22,826	23,437

[1] For additional information about the Bank's use of non-GAAP financial measures, refer to "Non-GAAP and Other Financial Measures" in the "How We Performed" section of this document.

[2] For additional information about this metric, refer to the Glossary in the first quarter of 2025 MD&A, which is incorporated by reference.

Quarterly comparison – Q1 2025 vs. Q1 2024

Corporate segment's reported net loss for the quarter was $359 million, compared with a reported net loss of $591 million in the first quarter last year. The lower net loss primarily reflects the impacts of prior year restructuring charges, share of restructuring charges from investment in Schwab and higher revenue from treasury and balance sheet activities in the current quarter. Net corporate expenses increased $153 million compared to the prior year, primarily reflecting higher governance and control costs, pension and benefit related costs. The adjusted net loss for the quarter was $266 million, compared with an adjusted net loss of $181 million in the first quarter last year.

Quarterly comparison – Q1 2025 vs. Q4 2024

Corporate segment's reported net loss for the quarter was $359 million, compared with a reported net income of $526 million in the prior quarter. The quarter-over-quarter decrease primarily reflects the impacts of prior quarter gain on sale of Schwab shares, partially offset by the provision for indirect tax matters. Net corporate expenses decreased $19 million compared to the prior quarter. The adjusted net loss for the quarter was $266 million, compared with an adjusted net loss of $200 million in the prior quarter.

SHAREHOLDER AND INVESTOR INFORMATION

Shareholder Services

If you:	And your inquiry relates to:	Please contact:
Are a registered shareholder (your name appears on your TD share certificate)	Missing dividends, lost share certificates, estate questions, address changes to the share register, dividend bank account changes, the dividend reinvestment plan, eliminating duplicate mailings of shareholder materials or stopping (or resuming) receiving annual and quarterly reports	**Transfer Agent:** TSX Trust Company 301-100 Adelaide Street West Toronto, ON M5H 4H1 1-800-387-0825 (Canada and U.S. only) or 416-682-3860 Facsimile: 1-888-249-6189 shareholderinquiries@tmx.com or www.tsxtrust.com
Hold your TD shares through the Direct Registration System in the United States	Missing dividends, lost share certificates, estate questions, address changes to the share register, eliminating duplicate mailings of shareholder materials or stopping (or resuming) receiving annual and quarterly reports	Co-Transfer Agent and Registrar: Computershare Trust Company, N.A. P.O. Box 43006 Providence, RI 02940-3006 or Computershare Trust Company, N.A. 150 Royall Street Canton, MA 02021 1-866-233-4836 TDD for hearing impaired: 1-800-231-5469 Shareholders outside of U.S.: 201-680-6578 TDD shareholders outside of U.S.: 201-680-6610 Email inquiries: web.queries@computershare.com For electronic access to your account visit: www.computershare.com/investor
Beneficially own TD shares that are held in the name of an intermediary, such as a bank, a trust company, a securities broker or other nominee	Your TD shares, including questions regarding the dividend reinvestment plan and mailings of shareholder materials	Your intermediary

For all other shareholder inquiries, please contact TD Shareholder Relations at 416-944-6367 or 1-866-756-8936 or email tdshinfo@td.com. Please note that by leaving us an e-mail or voicemail message, you are providing your consent for us to forward your inquiry to the appropriate party for response.

Access to Quarterly Results Materials
Interested investors, the media and others may view the first quarter earnings news release, results slides, supplementary financial information, and the Report to Shareholders on the TD Investor Relations website at www.td.com/investor/.

Quarterly Earnings Conference Call
TD Bank Group will host an earnings conference call in Toronto, Ontario on February 27, 2025. The call will be audio webcast live through TD's website at 9:30 a.m. ET. The call will feature presentations by TD executives on the Bank's financial results for the first quarter and discussions of related disclosures, followed by a question-and-answer period with analysts. The presentation material referenced during the call will be available on the TD website at www.td.com/investor on February 27, 2025, in advance of the call. A listen-only telephone line is available at 416-340-2217 or 1-800-806-5484 (toll free) and the passcode is 2829533#.

The audio webcast and presentations will be archived at www.td.com/investor. Replay of the teleconference will be available from 5:00 p.m. ET on February 27, 2025, until 11:59 p.m. ET on March 14, 2025, by calling 905-694-9451 or 1-800-408-3053 (toll free). The passcode is 8753393#.

Annual Meeting
Thursday, April 10, 2025
Toronto, Ontario

About TD Bank Group
The Toronto-Dominion Bank and its subsidiaries are collectively known as TD Bank Group ("TD" or the "Bank"). TD is the sixth largest bank in North America by assets and serves over 27.9 million customers in four key businesses operating in a number of locations in financial centres around the globe: Canadian Personal and Commercial Banking, including TD Canada Trust and TD Auto Finance Canada; U.S. Retail, including TD Bank, America's Most Convenient Bank®, TD Auto Finance U.S., and TD Wealth (U.S.); Wealth Management and Insurance, including TD Wealth (Canada), TD Direct Investing, and TD Insurance; and Wholesale Banking, including TD Securities and TD Cowen. TD also ranks among the world's leading online financial services firms, with more than 17 million active online and mobile customers. TD had $2.09 trillion in assets on January 31, 2025. The Toronto-Dominion Bank trades under the symbol "TD" on the Toronto Stock Exchange and New York Stock Exchange.

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