

Quarterly Highlights

Q4 2021

Financial Results (YoY)

- **Net income** \$3.8B, down 26%, primarily due to \$2.3B after-tax net gain on sale of stake in TD Ameritrade in Q4/20 (adj.¹ \$3.9B, up 30%).
- **EPS** of \$2.04, down 27% (adj.¹ \$2.09, up 31%).
 - PCL recovery of \$123MM vs. \$917MM provision in Q4/20
- **Canadian Retail earnings:** \$2.1B, up 19% (adj.¹ \$2.1B, up 17%)
 - Canadian P&C \$1,529MM, up 20%
 - Wealth \$410MM, up 19% (adj.¹ \$410MM, up 11%)
 - Insurance \$198MM, up 11%.
- **U.S. Retail earnings (incl. Schwab):** US\$1,092MM, up 66% (C\$ up 58%).
 - U.S. Retail Bank: US\$897MM, up 123% (C\$ up 112%)
- **Wholesale Banking** net income \$420MM, down 14%.
- **Corporate** net loss \$150MM; adj.¹ net loss \$65MM.

Revenue, Expenses, Credit, Capital

- **Revenue:** down 8% YoY, including \$1.4B pre-tax net gain on sale of stake in TD AMTD in Q4/20
 - Adjusted¹ revenue up 5%, or 6.5%, excl. FX and insurance fair value change (see slides 11 and 26-27 of QRP for details).
- **Expenses:** Up 4% YoY, including an increase in the retailer program partners' net share of the profits from the U.S. strategic cards portfolio (SCP), primarily due to lower PCL.
 - Adjusted¹ expenses up 2.2% ex-SCP PCL, or 3.9% ex-SCP PCL and FX, reflecting higher employee-related expenses including variable compensation and higher spend on professional and advisory services and marketing, partially offset by higher corporate real estate optimization charges in the prior year (see slides 11 & 26-27 of QRP for further info).
- **PCL:** Recovery of \$123MM vs. provision of \$917MM a year ago. Allowance for Credit Losses (**ACL**) decreased \$461MM QoQ to 7.2B on continued improvement in credit conditions and FX.
- **CET1 15.2%:** Up 74 bps QoQ due to internal capital generation (+49 bps), decrease in threshold deduction (+13 bps) and decrease in RWA net of FX and other (+12 bps).
- **Risk-Weighted Assets (RWA) decreased \$5B QoQ** mainly reflecting lower Credit Risk RWA (due to improved asset quality in the U.S. commercial and auto loan books).

Items of Interest

- **Dividend increase** – Announced dividend increase of 10 cents per common share, up 13 per cent (*ENR, page 1*).
- **NCIB** – Announced intention to initiate a normal course issuer bid for up to 50 million common shares, subject to regulatory approval (*MD&A, page 59; FS&N, Note 21: Equity, page 194*)
- **PPP impact on U.S. Retail NII / NIM** – added new disclosure showing contribution of PPP income to U.S. Retail NII, NIM and business loan balances (*QRP, slide 30*).
- **Wealth NIAT & Revenue** – added NIAT line to Wealth revenue chart to highlight relationship between Wealth earnings and shift in mix of Wealth revenue from transaction-based revenue to fee-based revenue (*QRP, slide 29*)
- **Impact of U.S. SCP Accounting on Total Bank PTPP & Operating Leverage** – TD's calculation of PTPP and operating leverage removing impact of partners' share of PCL associated with the SCP portfolio, FX translation, and insurance fair value changes for F21 and Q4.21 (*QRP, slides 26-27*).
- **Business activity metrics** – new slide showing key activity indicators for Canadian and U.S. Retail (*QRP, slide 5*).
- **Other** – QRP footnotes converted to endnotes (*QRP slides 41-47*).

Financial Results (C\$MM)

		Q4/2021	QoQ	YoY
EPS²	Reported	\$ 2.04	6%	-27%
	Adjusted ¹	\$ 2.09	7%	31%
Net Income	Reported	3,781	7%	-26%
	Adjusted ¹	3,866	7%	30%
Revenue	Reported	10,941	2%	-8%
	Adjusted ¹	10,941	2%	5%
PCL Ratio³		-0.07%	-5 bps	-56 bps
	PCL – Total	-123	-86	-1,040
	PCL – Impaired	220	-22	-139
	PCL – Performing	-343	-64	-901
Insurance Claims		650	-22%	3%
Expenses	Reported	5,947	6%	4%
	Adjusted ¹	5,898	6%	4%
CET 1 Ratio⁴		15.2%	+74 bps	+210 bps
Net Interest Margin (NIM)^{2,5}		1.58%	+2 bps	+1 bps

Loans (Average balances)

	Q4/2021	QoQ	YoY
Canadian Retail (C\$)	484	2%	8%
Personal	390	2%	8%
Commercial	94	3%	11%
U.S. Retail (US\$)	163	-2%	-6%
Personal	76	2%	-1%
Commercial	87	-6%	-10%
Wholesale (Gross Lending) (C\$)	58	-3%	-5%
Total (C\$)	746	1%	1%

Deposits (Average balances)

	Q4/2021	QoQ	YoY
Canadian Retail (C\$)	460	3%	11%
Personal	254	2%	8%
Commercial	167	4%	17%
Wealth	39	3%	12%
U.S. Retail (US\$)	379	0%	7%
Personal	126	2%	16%
Commercial	112	4%	11%
Sweep Deposits	141	-3%	-2%
Total (C\$)	936	3%	7%

Except as noted, figures reflect year-over-year change. ENR: Q4 2021 Earnings News Release, MD&A: 2021 Management's Discussion and Analysis, SFI: Q4 2021 Supplemental Financial Information, SRD: Q4 2021 Supplementary Regulatory Disclosure, FS&N: 2021 Consolidated Financial Statements and Notes, QRP: Q4 2021 Quarterly Results Presentation.

- The Bank prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), the current generally accepted accounting principles (GAAP), and refers to results prepared in accordance with IFRS as the "reported" results. The Bank also utilizes non-GAAP financial measures referred to as "adjusted" results (i.e., reported results excluding "items of note") and non-GAAP ratios to assess each of its businesses and measure overall Bank performance. Non-GAAP financial measures and ratios used in this presentation are not defined terms under IFRS and, therefore, may not be comparable to similar terms used by other issuers. See "Financial Results Overview" in the Bank's 2021 MD&A (available at www.td.com/investor and www.sedar.com), which is incorporated by reference, for further explanation, reported basis results, a list of the items of note, and a reconciliation of adjusted to reported results.
- For additional information about this metric, refer to the Glossary in the 2021 MD&A, which is incorporated by reference.
- PCL Ratio: Provision for Credit Losses on a quarterly annualized basis/Average Net Loans & Acceptances.
- This measure has been calculated in accordance with the Office of the Superintendent of Financial Institutions Canada's (OSFI's) Capital Adequacy Requirements guideline.
- Average interest-earning assets used in the calculation of NIM is a non-GAAP financial measure. NIM and average interest-earning assets are not defined terms under IFRS and, therefore, may not be comparable to similar terms used by other issuers.

Segments

Canadian Retail (C\$MM)		Q4/2021	QoQ	YoY
Revenue		6,520	-1%	8%
Net Interest Margin (NIM)		2.57%	-4 bps	-14 bps
PCL		53	-47	-198
Impaired PCL		140	-14	-59
Performing PCL		-87	-33	-139
PCL Ratio		+0.04%	-4 bps	-18 bps
Insurance Claims		650	-22%	3%
Expenses	Reported	2,912	6%	8%
	Adjusted ⁶	2,912	6%	10%
Net Income	Reported	2,137	1%	19%
	Adjusted ⁶	2,137	1%	17%

U.S. Retail (US\$MM)		Q4/2021	QoQ	YoY
Revenue		2,212	1%	8%
Net Interest Margin (NIM)^{6,8}		2.21%	+5 bp	-6 bps
PCL		-62	+12	-495
Impaired PCL		53	-	-58
Performing PCL		-115	+12	-437
PCL Ratio (Net⁹)		-0.15%	+3 bps	-116 bps
Expenses		1,288	4%	3%
Net Income, U.S. Retail Bank		897	1%	123%
Share of net income from investment in Schwab and TD Ameritrade		195	21%	-24%
Total Net Income		1,092	4%	66%

Wholesale Banking (C\$MM)		Q4/2021	QoQ	YoY
Revenue		1,150	6%	-8%
Trading-Related Revenue (TEB) ^{6,10}		510	9%	-33%
PCL		-77	-79	-71
Impaired PCL		-14	-14	+5
Performing PCL		-63	-65	-76
Expenses		658	4%	13%
Net Income		420	27%	-14%

Corporate (C\$MM)		Q4/2021	QoQ	YoY
Net Corporate Expenses⁷		-202	20%	-33%
Other		137	191%	54%
Net Income (Loss)	Reported	-150	27%	NA
	Adjusted ⁶	-65	47%	69%



Proven Business Model



Purpose-Driven



Forward Focused

Commentary (YoY)

ENR Table 9 (p. 10) and SFI (p. 8 and A1)

- Canadian Retail:** Reported NIAT up 19%; adjusted NIAT up 17%.
 - Revenue up 8% on higher wealth and banking fee revenue and strong volume growth, partially offset by lower margins.
 - NIM of 2.57% down 4 bps QoQ on lower mortgage prepayment revenue; down 14 bps YoY on balance sheet mix and lower rates.
 - PCL of \$53MM, down \$47MM QoQ, mainly reflecting a larger recovery in performing PCL this quarter.
 - Reported expenses up 8%, reflecting higher spend supporting business growth, including technology and marketing costs, higher employee-related expenses and variable compensation, partially offset by prior year charges related to the Greystone acquisition.
 - Efficiency ratio⁷ 44.7%.
- CAD P&C:** Revenue of \$3,854MM (up 6%), expenses of \$1,720MM (up 4%), and net income of \$1,529MM (up 20%).
 - NIM of 2.48%, down 4 bps QoQ and down 14 bps YoY.
 - Operating leverage of 175 bps

ENR Table 10 (p. 11) and SFI (p. 10)

- U.S. Retail:** U.S. Retail Bank net income up 123% on lower PCL and higher revenue.
 - Revenue up 8% reflecting accelerated fee amortization from PPP loan forgiveness, growth in deposit volumes, higher valuation of certain investments, and fee income growth from rising customer activity, partially offset by lower deposit margins.
 - NIM of 2.21% up 5 bps QoQ on higher investment income and PPP loan forgiveness.
 - PCL recovery of US\$62MM, higher by \$12MM QoQ on a smaller recovery in performing PCL this quarter.
 - Expenses increased 3%, primarily reflecting higher incentive-based compensation and higher investments in the business, partially offset by productivity gains.
 - Efficiency ratio of 58.2%.
 - Operating leverage of 500 bps

ENR Table 11 (p. 13) and SFI (p. 11)

- Net income down 14% from a strong Q4 2020, reflecting lower revenue and higher expenses, partially offset by lower PCL.
- Revenue down 8% reflecting decline in trading-related revenue from Q4 2020's elevated levels, partially offset by higher lending revenue, advisory fees and equity underwriting.
- PCL recovery of \$77MM, lower QoQ reflecting recoveries in impaired and performing PCL.
- Expenses increased 13% primarily reflecting higher employee-related costs from continued investment in Wholesale Bank's U.S. dollar strategy and higher variable compensation.

ENR Table 12 (p. 14) and SFI (p. 12)

- Net loss for the quarter of \$150MM. The YoY decrease was primarily attributable to a net gain on sale of the Bank's investment in TD Ameritrade of \$1,421 million (\$2,250 million after-tax) in the prior year, partially offset by lower net corporate expenses and a higher contribution from other items.

We're in this together – Anchored by our proven business model and propelled by our forward-focused strategy, we are supporting our customers, communities and colleagues through these challenging times.

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6. Refer to footnote 1 on page 1.

7. Refer to footnote 2 on page 1.

8. U.S. Retail segment net interest income and average interest-earning assets used in the calculation of this metric are non-GAAP financial measures. For additional information about these metrics, refer to Table 18 in the 2021 MD&A, which is incorporated by reference.

9. U.S. Retail PCL ratio including only the Bank's contractual portion of credit losses in the U.S. strategic cards portfolio as an annualized percentage of credit volume.

10. Wholesale Banking trading-related revenue (TEB) is a non-GAAP financial measure that is part of the total Bank's trading-related revenue (TEB) disclosed in Table 10 in the 2021 MD&A, which is incorporated by reference.