TD Group US Holdings LLC
Net Stable Funding Ratio Disclosure

For the three months ended June 30, 2023

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1.0 Overview

The following public disclosure is specific to TD Group US Holdings LLC (hereafter referred to as TDGUS and, together with its consolidated subsidiaries, referred to collectively as the Company). TDGUS is a wholly owned subsidiary of The Toronto-Dominion Bank (TD), a Schedule I bank chartered under the Bank Act (Canada). TDGUS is TD's top-tier U.S. bank holding company and "Intermediate Holding Company" (IHC) under Regulation YY of the Board of Governors of the Federal Reserve System (Federal Reserve).

TDGUS is subject on a consolidated basis to the Net Stable Funding Ratio Rule (NSFR Rule) of the Federal Reserve, and its U.S. banking subsidiaries, TD Bank, N.A. (TDBNA) and TD Bank USA, N.A. (TDBUSA), are each subject on a consolidated basis to the NSFR Rule of the Office of the Comptroller of the Currency (OCC). The NSFR Rule sets forth minimum standards designed to ensure that banking organizations maintain adequate levels of stable funding over a 1-year period. The NSFR rule requires a banking organization to maintain an amount of available stable funding equal to or greater than the banking organization's projected minimum funding needs, or required stable funding, over a one-year time horizon. Starting in 2023, the Federal Reserve also requires bank holding companies subject to the NSFR Rule to disclose publicly, on a semi-annual basis, information about the average NSFR over a calendar quarter (NSFR Public Disclosure Rule). This disclosure is based on the Company's interpretation of the NSFR Rule and the NSFR Public Disclosure Rule, which may be subject to change as the Company receives additional clarification and interpretive guidance from the Federal Reserve and as the NSFR Rule evolves over time.

TDGUS' businesses include TD's U.S. retail banking business and wholesale banking business. The U.S. retail banking business line refers to the personal and commercial banking activities conducted under TDBNA and TDBUSA. The U.S. wholesale banking business line, including broker-dealer activities, refers to the institutional banking activities conducted under Toronto Dominion Holdings (U.S.A.), Inc.

2.0 Centralized Liquidity Risk Management

Liquidity risk is the risk of having insufficient cash or collateral to meet financial obligations and an inability to, in a timely manner, raise funding or monetize assets at non-distressed prices. Financial obligations can arise from deposit withdrawals, debt maturities, commitments to provide credit or liquidity support, or the need to pledge additional collateral. The Company strives at all times to hold sufficient liquidity to fund potential decreases in cash inflows associated with a systemic disruption in debt and capital markets resulting in reduced funding access, increased funding costs or reduced asset marketability, and/or potential increases in net cash outflows associated with a firm-specific event resulting in a loss of market confidence and an associated inability to appropriately fund or manage the balance sheet.

The TDGUS Board Risk Committee regularly reviews the Company's liquidity position and approves the Company's liquidity risk management policy and framework on at least an annual basis. The Company's Liquidity Risk Appetite, as defined by its selected target survival horizons, asset funding and asset pledging disciplines, and related liquidity risk strategies, is established and approved by the TDGUS Board Risk Committee such that the Company can effectively manage exposure to liquidity risk.

TD employs a "three lines of defense" framework for managing liquidity risk. TD's Asset & Liability Committee, as the first line of defense, oversees the global liquidity risk management program. Specifically for the Company, the Treasury and Balance Sheet Management U.S. group is centrally responsible for measuring, monitoring, and managing liquidity risks.

Risk Management, as the second line of defense, is responsible for the ownership and maintenance of the board policies for liquidity risk management, along with associated limits, standards, and processes which are designed such that consistent and efficient liquidity management approaches are applied across TD. Specifically for the Company, the Market Risk U.S. group, within the Risk Management function, provides oversight, independent risk assessment, and effective challenge of the U.S. liquidity risk management program, including regular reviews of the adequacy and effectiveness of liquidity risk management processes.

The Internal Audit group, as the third line of defense, provides independent and objective assurance to the TDGUS Board Risk Committee regarding the reliability and effectiveness of key elements of the Company's liquidity risk management, internal control, and governance processes.

3.0 NSFR Disclosure Requirements

The NSFR Public Disclosure Rule requires TDGUS to disclose publicly, on a semi-annual basis, quantitative information about its NSFR calculation and a qualitative discussion of the factors that have a significant effect on its NSFR. The NSFR Public Disclosure Rule became effective for TDGUS starting with information as of the first calendar quarter of 2023.

The NSFR Rule requires a covered company to maintain a ratio of Available Stable Funding (ASF) to Required Stable Funding (RSF) of at least 100% on an ongoing basis. Available Stable Funding (ASF) is measured by evaluating the stability of a banking organization's funding sources, which may include deposits, capital, and other types of wholesale funding. Required Stable Funding (RSF) is measured by evaluating the liquidity characteristics of a banking organization's assets, derivatives, and off-balance-sheet exposures.

Within this disclosure, the unweighted amounts of eligible ASF represent quarterly average balances prior to the application of prescribed regulatory haircuts and caps. The weighted amounts of eligible ASF represent the unweighted amount multiplied by the respective haircuts and caps. The unweighted amounts of cash outflows and cash inflows represent quarterly average balances prior to the application of prescribed regulatory cash outflows and cash inflows rates. The weighted amounts of cash outflows and cash inflows represent the unweighted amount multiplied by the respective rates.

3.1 Quantitative Disclosure Requirements

Results Overview and Changes Over Time:
The table below provides the simple average of the daily TDGUS NSFRs for the quarter ended June 30, 2023. For calendar Q2 2023, TDGUS had an average NSFR of 102.23%, with average weighted eligible ASF of $272.1 billion and RSF of $266.2 billion. The average TDGUS NSFR increased 0.3% from the prior quarter mainly due to ongoing business activities.

Figure 1: Q2 2023 ***TDGUS Net Stable Funding Ratio Disclosure Template***

April 01,2023 to June 30,2023 In millions of U.S. dollars		Average Unweighted Amount					Average Weighted Amount
		Open Maturity	< 6 months	6 months to < 1 year	≥ 1 year	Perpetual	
ASF ITEM							
1	Capital and securities:	0	1,802	330	74,829	0	74,994
2	NSFR regulatory capital elements	0	0	0	55,452	0	55,452
3	Other capital elements and securities	0	1,802	330	19,378	0	19,543
4	Retail funding:	229,686	2,823	5,834	1,556	0	184,927
5	Stable deposits	75,416	933	1,829	434	0	74,681
6	Less stable deposits	67,003	1,884	4,005	1,120	0	66,611
7	Sweep deposits, brokered reciprocal deposits, and brokered deposits	87,267	6	0	2	0	43,635
8	Other retail funding	0	0	0	0	0	0
9	Wholesale funding:	5,512	61,311	149	11,674	0	12,170
10	Operational deposits	587	0	0	0	0	293
11	Other wholesale funding	4,925	61,311	149	11,674	0	11,877
	Other liabilities:						
12	NSFR derivatives liability amount					0	
13	Total derivatives liability amount					46	
14	All other liabilities not included in categories 1 through 13 of this table	390	4,832	714	9,030	0	0
15	**TOTAL ASF**						272,092
RSF ITEM							
16	Total high-quality liquid assets (HQLA)	15,543	20,068	5,303	124,358	0	9,220
17	Level 1 liquid assets	15,531	18,533	3,646	67,260	0	0
18	Level 2A liquid assets	0	1,534	1,656	56,614	0	8,971
19	Level 2B liquid assets	12	1	1	484	0	249
20	Zero percent RSF assets that are not level 1 liquid assets or loans to financial sector entities or their consolidated subsidiaries	0	3,879	701	8,805	0	0
21	Operational deposits placed at financial sector entities or their consolidated subsidiaries	432	266	0	0	0	349
22	Loans and securities:	5,019	89,047	13,130	241,890	323	237,894

23	Loans to financial sector entities secured by level 1 liquid assets	0	26,257	1,608	0	0	804
24	Loans to financial sector entities secured by assets other than level 1 liquid assets and unsecured loans to financial sector entities	698	42,459	0	7,394	4	13,872
25	Loans to wholesale customers or counterparties that are not financial sector entities and loans to retail customers or counterparties	1,957	12,348	11,078	188,157	319	177,791
26	Of which: With a risk weight no greater than 20 percent under Regulation Q (12 CFR part 217)	0	0	0	12,646	42	8,247
27	Retail mortgages	0	0	0	0	0	0
28	Of which: With a risk weight of no greater than 50 percent under Regulation Q (12 CFR part 217)	0	0	0	0	0	0
29	Securities that do not qualify as HQLA	2,364	7,983	444	46,339	0	45,427
	Other assets:						
30	Commodities					0	0
31	Assets provided as initial margin for derivative transactions and contributions to CCPs' mutualized loss-sharing arrangements					2,186	1,858
32	NSFR derivatives asset amount					415	415
33	Total derivatives asset amount					461	
34	RSF for potential derivatives portfolio valuation changes					50	3
35	All other assets not included in the categories 16-33 of this table, including nonperforming assets	1	6,765	8,292	3,903	0	11,969
36	Undrawn commitments					88,965	4,448
37	**TOTAL RSF prior to application of required stable funding adjustment percentage**						266,156
38	**Required stable funding adjustment percentage**						100 %
39	**TOTAL adjusted RSF**						266,156
40	**NET STABLE FUNDING RATIO**						102.23 %

3.2 Qualitative Disclosure Requirements

The main drivers of the NSFR

The Company continues to maintain a stable average NSFR above the regulatory minimum of 100%, and Deposits from retail and commercial customers are the main contributors of ASF.

Composition of eligible ASF and RSF

Under the NSFR Rule, ASF factors have been assigned based on the relative stability of each category of NSFR regulatory capital element or NSFR liability relative to the NSFR's one-year time horizon. The rule assigns ASF factor to NSFR regulatory capital elements and NSFR liabilities based on characteristics relating to the stability of the funding.

During the quarter, the average weighted eligible ASF for TDGUS was $272.1 billion. This includes $75.0 billion of Capital and securities, $184.9 billion retail funding, which comprised primarily of retail deposits, commercial deposits, and brokered sweep deposits. The average weighted eligible ASF for wholesale funding was $12.2 billion.

Under the NSFR Rule, NSFR assets, derivative exposures and commitments are grouped into broad categories and assigned RSF factors to determine the overall amount of stable funding to maintain. The rule assigns RSF factors based on liquidity characteristics of the underlying exposure.

During the quarter, the average weighted eligible RSF for TDGUS was $266.2 billion. This includes $237.9 billion of loans and securities, $9.2 billion of HQLA, and $14.2 billion of other assets.

Concentration of funding sources and ASF

The Company's primary source of funding is deposits. Deposits are originated from retail and small business customers, as well as commercial clients. They also include non-affiliated sweep deposits received by TDBNA and TDBUSA from a broker-dealer subsidiary of The Charles Schwab Corporation (Schwab sweep deposits), a substantial portion of which are considered to be a stable, low-cost, and consistent source of funding. Additionally, to fund the U.S. wholesale banking business, the Company uses secured financing activities, such as repurchase agreements and securities lending, as well as unsecured funding, via commercial paper issuances.

Deposits are the primary source of ASF, along with capital and securities. While deposits make up the majority of the ASF balances in the TDGUS NSFR, the profile of the deposits remains well diversified across a broad client base and industries.

Concentration of RSF

The primary driver of RSF are loans and securities from TD's retail & commercial banking segments. This portfolio consisting of credit cards, commercial loans, and mortgages, as well as a portfolio of investment-grade securities.

Capped Liquidity Considerations

Under the NSFR Rule, the amount of eligible ASF held by TDBNA and TDBUSA (the two banking subsidiaries of TDGUS) in excess of each banking subsidiary's standalone minimum NSFR requirement must be excluded from the reported TDGUS eligible ASF, effectively resulting in caps on TDBNA and TDBUSA's contributions of their respective eligible ASF to TDGUS.

4.0 Forward Looking Information

The NSFR Rule sets forth minimum liquidity standards designed to ensure that banking organizations maintain adequate liquidity levels of stable funding over a 1-year period. Accordingly, the NSFR Rule prescribes assumptions with respect to the liquidity of certain asset classes and cash flows associated with contractual and contingent obligations. This document may contain forward-looking information based on these assumptions. These assumptions are not intended to be a forecast by the Company of expected future liquidity or cash flows, but rather reflect possible outcomes based on the requirements of the NSFR Rule. Any forward-looking information contained in this document represents the views of management only as of the date hereof and is presented only for the purpose of complying with the NSFR Public Disclosure Rule.

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 ("2022 MD&A") in TD's 2022 Annual Report under the heading "Economic Summary and Outlook", under the headings "Key Priorities for 2023" 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 "2022 Accomplishments and Focus for 2023" for the Corporate segment, and in other statements regarding TD's objectives and priorities for 2023 and beyond and strategies to achieve them, the regulatory environment in which TD operates, and TD's anticipated financial performance. Forward-looking statements are typically identified by words such as "will", "would", "should", "believe", "expect", "anticipate", "intend", "estimate", "plan", "goal", "target", "may", and "could". By their very nature, these forward-looking statements require the Company 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 Company'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, and infrastructure), model, insurance, liquidity, capital adequacy, legal, regulatory compliance and conduct, reputational, environmental and social, and other risks. Examples of such risk factors include general business and economic conditions in the regions in which the Company operates; geopolitical risk; inflation, rising rates, and recession; the economic, financial, and other impacts of pandemics, including the COVID-19 pandemic; the ability of the Company to execute on long-term strategies and shorter-term key strategic priorities, including the successful completion of acquisitions and dispositions, business retention plans, and strategic plans; technology and cyber security risk (including cyber-attacks, data security breaches or technology failures) on the Company's information technology, internet, network access or other voice or data communications systems or services; model risk; fraud activity; the failure of third parties to comply with their obligations to the Company or its affiliates, including relating to the care and control of information; and other risks arising from the Company's use of third-party service providers; the impact of new and changes to, or application of, current laws and regulations, including without limitation tax laws, capital guidelines and liquidity regulatory guidance; regulatory oversight and compliance risk; increased competition from incumbents and, new entrants (including Fintech and big technology competitors); shift in consumer attitudes and disruptive technology; exposure related to significant litigation and regulatory matters; ability of the Company to attract, develop, and retain key talent; changes to the Company's credit ratings; changes in foreign exchange rates, interest rates, credit spreads and equity prices; increased funding costs and market volatility due to market illiquidity and competition for funding; Interbank Offered Rate (IBOR) transition risk; critical accounting estimates and changes to accounting standards, policies, and methods used by the Bank; existing and potential international debt crises; environmental and social risk (including climate change); and the occurrence of natural and unnatural catastrophic events and claims resulting from such events. The Company cautions that the preceding list is not exhaustive of all possible risk factors and other factors could also adversely affect the Company's results. For more detailed information, please refer to the "Risk Factors and Management" section of the 2022 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 heading

"Significant Acquisitions", "Significant and Subsequent Events, and Pending Acquisitions" or “Significant Events and Pending Acquisitions” 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 Company and the Company cautions readers not to place undue reliance on the Company’s forward-looking statements.

Material economic assumptions underlying the forward-looking statements contained in this document are set out in TD's 2022 MD&A under the headings “Economic Summary and Outlook”, under the headings "Key Priorities for 2023" and Operating Environment and Outlook" for the Canadian Personal and Commercial Bank, U.S. Retail, Wealth management and Insurance, and Wholesale Banking segments, and under the heading "2022 Accomplishments and Focus for 2023" for the Corporate segment, each as may be updated in TD's subsequently filed quarterly reports to shareholders.

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 Company’s shareholders and analysts in understanding the Company’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 Company 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

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