

Quarterly Highlights

Q3 2022

Financial Results (YoY)

- **Net income** \$3.2B, down 9%, reflecting the net loss from mitigation of interest rate volatility to closing capital on First Horizon acquisition (adj.¹ \$3.8B, up 5%)
- **EPS** of \$1.75, down 9% (adj.¹ \$2.09, up 6%).
- **Canadian Retail earnings:** \$2.3B, up 6%.
 - Canadian P&C \$1,678MM, up 12%
 - Wealth \$393MM, down 12%
 - Insurance \$182MM, up 3%
- **U.S. Retail earnings (incl. Schwab):** US\$1,122MM, up 7% (adj.¹ US\$1,139MM, up 8%) (C\$ up 11% and adj.¹ up 13%).
 - U.S. Retail Bank: US\$896MM, up 1% (adj.¹ US\$913MM, up 2%) (C\$ up 5% and adj.¹ up 7%).
- **Wholesale Banking** net income \$271MM, down 18%.
- **Corporate** net loss \$752MM; adj.¹ net loss \$175MM.

Revenue, Expenses, Credit, Capital

- **Revenue:** Reported revenue includes the net loss from mitigation of interest rate volatility to closing capital on First Horizon acquisition. Reported and adjusted¹ revenue increased 2% and 8% YoY, respectively, reflecting margin and volume growth in the personal and commercial banking businesses.
- **Expenses:** Up 9% driven by higher employee-related expenses and higher spend supporting business growth. Adjusted¹ expenses increased 8%.
 - Adjusted¹ expenses up 9.9% excl. the partners' share of SCP PCL, or 8.7% excl. the partners' share of SCP PCL and FX.
- **PCL:** Provision of \$351MM.
- **CET1 14.9%:** Up 22 bps QoQ primarily reflecting strong internal capital generation (+42bps) and issuance of common shares under DRIP (+12bps), partially offset by higher RWA net of FX (-22 bps) and mitigation of interest rate volatility to closing capital on First Horizon acquisition (-10bps).
- **Risk-Weighted Assets (RWA) increased 1.4% QoQ,** reflecting higher Credit Risk RWA and Market Risk RWA.

Items of Interest

- **First Horizon acquisition update** – Summary of "Progress to Date" and "Next Steps" for the First Horizon acquisition (QRP slide 7).
- **Mitigation of interest rate volatility to closing capital on First Horizon acquisition** (QRP slide 17, MD&A p.6, FS&N note 8).
- **Cowen acquisition** (MD&A p.6, FS&N note 8).
- **Sale of Schwab Common Shares** – In order to provide the capital required for the Cowen acquisition, TD sold 28.4 million non-voting shares of Schwab (MD&A p.6, FS&N note 7).
- **Canadian Real Estate Secured Lending Portfolio** – Additional details provided (QRP slide 35).
- **Proposed Tax Measures in the Canadian Federal Budget** – On August 9, 2022, the first draft of the legislation was released by the Ministry of Finance. The Bank is continuing to monitor the status of the Budget proposals and draft legislation and will determine the impact to the Bank's results when the legislation is substantively enacted (MD&A p.13, FS&N note 16)
- **Interest rate benchmark reform** - Refinitiv announced the calculation and publication of all tenors of CDOR will cease on June 28, 2024. Additional details provided on the Bank's exposure to CDOR (MD&A p.46, FS&N note 3).

Financial Results (C\$MM)

		Q3/2022	QoQ	YoY
EPS²	Reported	\$ 1.75	-15%	-9%
	Adjusted ¹	\$ 2.09	3%	6%
Net Income	Reported	3,214	-16%	-9%
	Adjusted ¹	3,813	3%	5%
Revenue	Reported	10,925	-3%	2%
	Adjusted ¹	11,603	5%	8%
PCL Ratio³		0.17%	+16 bps	+19 bps
PCL – Total		351	+324	+388
PCL – Impaired		340	+26	+98
PCL – Performing		11	+298	+290
Insurance Claims		829	40%	-1%
Expenses	Reported	6,096	1%	9%
	Adjusted ¹	6,033	1%	8%
CET 1 Ratio⁴		14.9%	+22 bps	+42 bps
Net Interest Margin (NIM)^{2,5}	Reported	1.74%	+10 bps	+18 bps
	Adjusted ¹	1.73%	+9 bps	+17 bps

Loans (Average balances)

	Q3/2022	QoQ	YoY
Canadian Retail⁶ (C\$)	518	3%	9%
Personal	414	3%	8%
Commercial	105	4%	15%
U.S. Retail (US\$)	166	3%	0%
Personal	80	3%	8%
Commercial	86	2%	-7%
Wholesale (Gross Lending) (C\$)	72	13%	21%
Total (C\$)	804	4%	9%

Deposits (Average balances)

	Q3/2022	QoQ	YoY
Canadian Retail⁶ (C\$)	478	1%	7%
Personal	269	3%	8%
Commercial	167	-1%	4%
Wealth	41	-4%	8%
U.S. Retail (US\$)	388	0%	3%
Personal	134	0%	8%
Commercial	110	-2%	2%
Sweep Deposits	144	0%	-2%
Total (C\$)	977	1%	7%

Except as noted, figures reflect year-over-year change. ENR: Q3 2022 Earnings News Release, MD&A: Q3 2022 Management's Discussion and Analysis, SFI: Q3 2022 Supplemental Financial Information, SRD: Q3 2022 Supplementary Regulatory Disclosure, FS&N: Q3 Interim Consolidated Financial Statements and Notes, QRP: Q3 2022 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 "How We Performed" in the Bank's Q3 2022 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 Q3 2022 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.
- Net interest margin (NIM) is calculated by dividing net interest income by average interest-earning assets. 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.
- Numbers may not add due to rounding.

Segments

Canadian Retail (C\$MM)	Q3/2022	QoQ	YoY
Revenue	7,020	6%	7%
Net Interest Margin (NIM)	2.70%	+8 bps	+9 bps
PCL	170	+110	+70
Impaired PCL	142	-21	-12
Performing PCL	28	+131	+82
PCL Ratio	0.13%	+8 bps	+5 bps
Insurance Claims	829	40%	-1%
Expenses	2,957	1%	8%
Net Income	2,253	1%	6%

U.S. Retail (US\$MM)		Q3/2022	QoQ	YoY
Revenue	Reported	2,409	4%	11%
	Adjusted ⁷	2,409	12%	11%
Net Interest Margin (NIM) ^{7,9}		2.62%	+41 bps	+46 bps
Net Interest Margin (NIM) ex-PPP ^{7,9}		2.60%	+43 bps	+58 bps
PCL		83	+98	+157
Impaired PCL		105	+30	+52
Performing PCL		-22	+68	+105
PCL Ratio (Net ¹⁰)		0.20%	+24 bps	+38 bps
Expenses	Reported	1,332	3%	8%
	Adjusted ⁷	1,310	2%	6%
Net Income, U.S. Retail Bank	Reported	896	-1%	1%
	Adjusted ⁷	913	19%	2%
Schwab contribution		226	28%	40%
Total Net Income	Reported	1,122	4%	7%
	Adjusted ⁷	1,139	20%	8%

Wholesale Banking (C\$MM)	Q3/2022	QoQ	YoY
Revenue	1,076	-14%	-1%
Trading-Related Revenue (TEB) ^{7,11}	547	-20%	17%
PCL	25	+34	+23
Impaired PCL	-	+1	-
Performing PCL	25	+33	+23
Expenses	691	-11%	9%
Net Income	271	-25%	-18%

Corporate (C\$MM)	Q3/2022	QoQ	YoY	
Net Corporate Expenses ⁸	-196	22%	16%	
Other	21	-74%	-55%	
Net Income (Loss)	Adjusted ⁷	-175	-122%	-43%
	Reported	-752	NA	NA

Commentary (YoY)

ENR Table 7 (page 9) and SFI (page 8 and A1)

- **Canadian Retail:** Net income up 6%.
 - Revenue up 7%, reflecting volume and margin growth, higher fee-based revenue in the banking business and higher insurance volumes, partially offset by lower transaction and fee-based revenue in the wealth business.
 - NIM of 2.70%, up 8 bps QoQ; higher deposit margins reflecting rising interest rate environment, partially offset by lower loan margins.
 - PCL of \$170MM.
 - Expenses up 8% reflecting higher spend supporting business growth, including technology and employee-related expenses.
 - Operating leverage¹² of -90 bps.
- **CAD P&C:** Net income up 12%.
 - Revenue of \$4,260MM, up 12%; expenses of \$1,807MM, up 9%.
 - NIM including securitized assets of 2.59%, up 7 bps QoQ and YoY.
 - Operating leverage¹² of +289 bps.

ENR Table 8 (page 11) and SFI (page 10)

- U.S. Retail Bank reported net income up 1% (adj.⁷ up 2%).
- Reported revenue up 11% reflecting higher deposit margins and volumes, partially offset by lower income from PPP and lower loan margins.
- NIM up 41 bps QoQ, as higher deposit margins reflecting the rising interest rate environment and positive balance sheet mix were partially offset by lower PPP loan forgiveness and lower loan margins. NIM ex-PPP up 43 bps QoQ (see QRP slide 30).
- PCL of US\$83MM.
- Expenses up 8%, primarily reflecting higher employee-related expenses, higher investments in the business, and acquisition and integration-related charges for the First Horizon acquisition, partially offset by productivity savings. Adjusted⁷ expenses were up 6%.
- Operating leverage^{7,12} of +426 bps.

ENR Table 9 (page 13) and SFI (page 11)

- Net income down 18%, reflecting higher non-interest expenses and PCL.
- Revenue down 1%, reflecting lower underwriting fees and mark-downs in certain loan underwriting commitments from widening credit spreads, partially offset by higher trading-related and global transaction banking revenue.
- PCL of \$25MM.
- Expenses increased 9%, primarily reflecting the continued investments in Wholesale Banking's U.S. dollar strategy, including the hiring of banking, sales and trading, and technology professionals, partially offset by lower variable compensation.

ENR Table 10 (page 14) and SFI (page 12)

- Reported net loss for the quarter of \$752MM, compared with a reported net loss of \$205MM in the third quarter last year. The increase primarily reflects the net loss from mitigation of interest rate volatility to closing capital on First Horizon acquisition, higher net corporate expenses and a lower contribution from other items.

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7. Refer to footnote 1 on page 1.

8. Refer to footnote 2 on page 1.

9. 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 12 in the Q3 2022 MD&A, which is incorporated by reference.

10. 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.

11. Includes net interest income TEB of \$567 million, and trading income (loss) of \$(20) million. Trading-related revenue (TEB) is a non-GAAP financial measure. For additional information about this metric, refer to Table 13 in the Q3 2022 MD&A, which is incorporated by reference.

12. Operating leverage is a non-GAAP ratio that is typically calculated by dividing revenue growth by expense growth. TD calculates operating leverage as the difference between the % change in adjusted revenue (U.S. Retail in source currency) net of fair value changes in investments supporting insurance claims liabilities, and the % change in adjusted expenses (U.S. Retail in source currency) and grossed up by the retailer program partners' share of PCL for the Bank's U.S. strategic card portfolio. Collectively, these adjustments provide a measure of operating leverage that management believes is more reflective of underlying business performance.