

Capital Position – Basel III¹

(\$ millions) As at	Line #	2015				2014				2013 Q4	Cross Reference ²	OSFI Template
		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
Common Equity Tier 1 Capital (CET1)												
Common shares plus related contributed surplus	1	\$ 20,457	\$ 20,387	\$ 20,289	\$ 19,982	\$ 19,961	\$ 19,796	\$ 19,646	\$ 19,462	\$ 19,341	A1+A2+B	1
Retained earnings	2	32,053	30,764	29,362	28,373	27,585	26,970	26,134	25,108	24,565	C	2
Accumulated other comprehensive income (loss)	3	10,209	10,477	7,569	9,956	4,936	3,834	4,206	4,874	3,166	D	3
Common Equity Tier 1 Capital before regulatory adjustments	4	62,719	61,628	57,220	58,311	52,482	50,600	49,986	49,444	47,072		6
Common Equity Tier 1 Capital regulatory adjustments												
Goodwill (net of related tax liability)	5	(19,143)	(19,150)	(17,767)	(18,639)	(16,709)	(16,220)	(13,867)	(14,058)	(13,280)	E1+E2-E3	8
Intangibles (net of related tax liability)	6	(2,192)	(2,273)	(2,254)	(2,432)	(2,355)	(2,327)	(2,299)	(2,307)	(2,097)	F1-F2	9
Deferred tax assets excluding those arising from temporary differences	7	(367)	(412)	(595)	(604)	(485)	(536)	(525)	(488)	(519)	G	10
Cash flow hedge reserve	8	(1,498)	(1,296)	(1,271)	(1,658)	(711)	(607)	(791)	(954)	(1,005)	H	11
Shortfall of provisions to expected losses	9	(140)	(118)	(132)	(71)	(91)	(101)	(96)	(93)	(116)	I	12
Gains and losses due to changes in own credit risk on fair valued liabilities	10	(188)	(136)	(94)	(115)	(98)	(77)	(84)	(96)	(89)	J	14
Defined benefit pension fund net assets (net of related tax liability)	11	(104)	(17)	(16)	(17)	(15)	(61)	(60)	(60)	(389)	K	15
Investment in own shares	12	(4)	(24)	-	-	(7)	-	-	-	(183)		16
Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	13	(1,125)	(1,041)	(951)	(1,167)	(1,046)	(1,080)	(3,293)	(3,544)	(3,572)	L1+L2+L3	19
Amounts exceeding the 15% threshold												22
of which: significant investments in the common stocks of financials	14	-	-	-	-	-	-	-	(31)	-		23
of which: deferred tax assets arising from temporary differences	15	-	-	-	-	-	-	-	(10)	-		25
Total regulatory adjustments to Common Equity Tier 1 Capital	16	(24,761)	(24,467)	(23,080)	(24,703)	(21,517)	(21,009)	(21,015)	(21,641)	(21,250)		28
Common Equity Tier 1 Capital	17	37,958	37,161	34,140	33,608	30,965	29,591	28,971	27,803	25,822		29
Additional Tier 1 capital instruments												
Directly issued qualifying Additional Tier 1 instruments plus stock surplus	18	2,202	2,201	2,047	1,501	1,001	1,001	-	-	-	M+N	30/31
Directly issued capital instruments subject to phase out from Additional Tier 1	19	3,211	3,240	3,484	3,941	3,941	4,364	4,911	4,911	5,524	O1+O2+O3+O4	33
Additional Tier 1 instruments issued by subsidiaries and held by third parties subject to phase out	20	399	398	368	388	444	429	490	490	552	P	34/35
Additional Tier 1 capital instruments before regulatory adjustments	21	5,812	5,839	5,899	5,830	5,386	5,794	5,401	5,401	6,076		36
Additional Tier 1 capital instruments regulatory adjustments												
Investment in own Additional Tier 1 instruments	22	(2)	-	-	-	-	-	-	-	-		37
Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	23	(352)	(352)	(352)	(352)	(352)	(352)	(352)	(352)	(352)	Q+R	40
Total regulatory adjustments to Additional Tier 1 Capital	24	(354)	(352)	(352)	(352)	(352)	(352)	(352)	(352)	(352)		43
Additional Tier 1 Capital	25	5,458	5,487	5,547	5,478	5,034	5,442	5,049	5,049	5,724		44
Tier 1 Capital	26	43,416	42,648	39,687	39,086	35,999	35,033	34,020	32,852	31,546		45
Tier 2 capital instruments and provisions												
Directly issued qualifying Tier 2 instruments plus related stock surplus	27	2,489	1,497	-	-	-	-	-	-	-	S	46
Directly issued capital instruments subject to phase out from Tier 2	28	5,927	5,927	5,927	5,927	6,773	6,773	6,774	6,774	7,564	T	47
Tier 2 instruments issued by subsidiaries and held by third parties subject to phase out	29	207	207	207	207	237	237	237	237	297	U1+U2	48/49
Collective allowances	30	1,731	1,629	1,498	1,536	1,416	1,389	1,632	1,633	1,472	V	50
Tier 2 Capital before regulatory adjustments	31	10,354	9,260	7,632	7,670	8,426	8,399	8,643	8,644	9,333		51
Tier 2 regulatory adjustments												
Investment in own Tier 2 instruments	32	-	-	-	-	-	-	-	-	(19)		52
Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	33	(170)	(170)	(170)	(170)	(170)	(170)	(170)	(170)	(170)	W	55
Total regulatory adjustments to Tier 2 Capital	34	(170)	(170)	(170)	(170)	(170)	(170)	(170)	(170)	(189)		57
Tier 2 Capital	35	10,184	9,090	7,462	7,500	8,256	8,229	8,473	8,474	9,144		58
Total Capital	36	53,600	51,738	47,149	46,586	44,255	43,262	42,493	41,326	40,690		59
Common Equity Tier 1 Capital RWA³	37	382,360	369,495	343,596	355,597	328,393	316,716	313,238	312,972	286,355		60a
Tier 1 Capital RWA³	38	383,301	370,461	344,252	356,352	329,268	317,526	313,238	312,972	286,355		60b
Total Capital RWA³	39	\$ 384,108	\$ 371,289	\$ 344,813	\$ 356,999	\$ 330,581	\$ 318,743	\$ 313,238	\$ 312,972	\$ 286,355		60c

¹ Capital position has been calculated using the "all-in" basis.

² Cross referenced to the Reconciliation with Balance Sheet Under Regulatory Scope of Consolidation table on page 79.

³ Effective the third quarter of 2014, each capital ratio has its own RWA measure due to the OSFI prescribed scalar for inclusion of the CVA. For the third and fourth quarters of 2014, the scalars for inclusion of CVA for CET1, Tier 1 and Total Capital RWA were 57%, 65%, and 77%, respectively. For fiscal 2015, the scalars are 64%, 71%, and 77%, respectively.

Capital Position – Basel III (Continued)

(\$ millions, except as noted)
As at

Line #	2015				2014				2013	OSFI Template	
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4		
Capital Ratios¹											
Common Equity Tier 1 Capital (as percentage of CET1 Capital RWA)	40	9.9 %	10.1 %	9.9 %	9.5 %	9.4 %	9.3 %	9.2 %	8.9 %	9.0 %	61
Tier 1 (as percentage of Tier 1 Capital RWA)	41	11.3	11.5	11.5	11.0	10.9	11.0	10.9	10.5	11.0	62
Total Capital (as percentage of Total Capital RWA)	42	14.0	13.9	13.7	13.0	13.4	13.6	13.6	13.2	14.2	63
Buffer requirement (minimum CET1 requirement plus capital conservation buffer plus global systemically important banks (G-SIBs) buffer plus domestic systemically important banks (D-SIBs) buffer requirement expressed as percentage of RWA)	43	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	64
of which: capital conservation buffer requirement	44	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	65
Common Equity Tier 1 available to meet buffers (as percentage of RWA)	45	9.9	10.1	9.9	9.5	9.4	9.3	9.2	8.9	9.0	68
OSFI all-in target (minimum plus conservation buffer plus D-SIB surcharge (if applicable))											
Common Equity Tier 1 all-in target ratio	46	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	69
Tier 1 all-in target ratio	47	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	70
Total Capital all-in target ratio	48	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	71
Amounts below the thresholds for deduction (before risk weighting)											
Non-significant investments in the capital of other financials	49	\$ 538	\$ 527	\$ 674	\$ 1,689	\$ 1,006	\$ 741	\$ 1,044	\$ 819	\$ 934	72
Significant investments in the common stock of financials	50	3,909	3,820	3,509	3,478	3,201	3,067	3,226	3,108	3,034	73
Mortgage servicing rights	51	20	18	15	10	9	17	–	–	–	74
Deferred tax assets arising from temporary differences (net of related tax liability)	52	1,664	1,453	1,047	1,276	948	979	1,088	1,062	922	75
Applicable caps on the inclusion of allowances in Tier 2											
Allowance eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap)	53	1,731	1,629	1,498	1,536	1,416	1,389	1,633	1,633	1,472	76
Cap on inclusion of allowances in Tier 2 under standardized approach	54	2,511	2,384	2,145	2,240	1,983	1,895	1,866	1,868	1,621	77
Capital instruments subject to phase-out arrangements (only applicable between January 1, 2013 to January 1, 2022)											
Current cap on Additional Tier 1 instruments subject to phase out arrangements	55	4,726	4,726	4,726	4,726	5,401	5,401	5,401	5,401	6,076	82
Amounts excluded from Additional Tier 1 due to cap (excess over cap after redemptions and maturities)	56	–	–	–	–	–	–	128	813	567	83
Current cap on Tier 2 instruments subject to phase out arrangements	57	6,134	6,134	6,134	6,134	7,010	7,010	7,010	7,010	7,887	84
Amounts excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)	58	48	859	849	1,676	804	784	845	858	–	85
Capital Ratios – transitional basis²											
Risk-weighted assets	59	\$ 405,997	\$ 392,371	\$ 362,871	\$ 364,957	\$ 347,005	\$ 333,679	\$ 330,255	\$ 326,853	\$ 307,840	
Common Equity Tier 1 Capital	60	45,712	44,920	41,994	41,565	39,095	38,179	38,022	36,977	37,011	
Tier 1 Capital	61	45,712	44,920	41,994	41,565	39,095	38,179	38,022	36,977	37,011	
Total Capital	62	55,618	53,765	49,233	48,796	47,032	46,072	45,276	44,131	44,500	
Common Equity Tier 1 (as percentage of RWA)	63	11.3 %	11.4 %	11.6 %	11.4 %	11.3 %	11.4 %	11.5 %	11.3 %	12.0 %	
Tier 1 Capital (as percentage of RWA)	64	11.3	11.4	11.6	11.4	11.3	11.4	11.5	11.3	12.0	
Total Capital (as percentage of RWA)	65	13.7	13.7	13.6	13.4	13.6	13.8	13.7	13.5	14.5	
Capital Ratios for significant bank subsidiaries											
TD Bank N.A.³											
Common Equity Tier 1 Capital	66	13.6	13.6	13.6	12.7	12.7	12.1	12.0	n/a	n/a	
Tier 1 Capital	67	13.7	13.7	13.7	12.9	12.9	12.3	12.2	11.1	11.3	
Total Capital	68	14.7	14.7	14.7	13.9	13.9	13.4	13.3	12.3	12.4	
TD Mortgage Corporation											
Common Equity Tier 1 Capital	69	29.4	29.4	29.4	27.8	28.0	27.8	27.0	25.8	25.5	
Tier 1 Capital	70	29.4	29.4	29.4	27.8	28.0	27.8	27.0	25.8	25.5	
Total Capital	71	30.8	30.8	30.8	29.2	29.6	29.4	28.5	27.3	27.2	

¹ The "all-in" basis of regulatory reporting includes all of the regulatory adjustments that will be required by 2019.

² The "transitional" basis of regulatory reporting allows for certain adjustments to CET1, the largest of which being goodwill, intangible assets and the threshold deductions, to be phased-in over a period of five years starting in 2014, while retaining the phase-out rules for non-qualifying capital instruments. In addition, 100% of the CVA is included for calculation of the transitional ratios.

³ On a stand-alone basis, TD Bank, N.A. reports regulatory capital to the Office of the Comptroller of the Currency (OCC) on calendar quarter ends.

Reconciliation with Balance Sheet Under Regulatory Scope of Consolidation

(\$ millions)
As at

Line #	2015 Q4		Cross Reference ³
	Balance Sheet ¹	Under Regulatory scope of consolidation ²	
Cash and due from banks	\$ 3,154	\$ 3,154	
Interest-bearing deposits with banks	42,483	42,446	
Trading loans, securities, and other	95,157	95,157	
Derivatives	69,438	69,402	
Financial assets designated at fair value through profit or loss	4,378	2,657	
Held-to-maturity securities	74,450	74,450	
Available-for-sale securities	88,782	87,049	
Securities purchased under reverse repurchase agreements	97,364	97,364	
Loans	547,775	547,568	
Allowance for loan losses	(3,434)	(3,434)	
<i>Eligible general allowance reflected in Tier 2 regulatory capital</i>		(1,731)	V
<i>Shortfall of allowance to expected loss</i>		(140)	I
<i>Allowances not reflected in regulatory capital</i>		(1,563)	
Other	84,826	83,012	
Investment in TD Ameritrade			
<i>Significant investments exceeding regulatory thresholds</i>		817	L1
<i>Significant investments not exceeding regulatory thresholds</i>		2,974	
<i>Imputed goodwill</i>		2,892	E2
Goodwill		16,337	E1
Other intangibles		2,651	F1
Other intangibles (Mortgage Servicing Rights)		20	
Deferred tax assets			
<i>Deferred tax assets (DTA) excluding those arising from temporary differences</i>		367	G
<i>DTA's (net of associated deferred tax liabilities (DTL)) realizable through net operating loss (NOL) carryback</i>		1,664	
<i>DTA's (net of associated DTL's) arising from temporary differences but not realizable through NOL carryback</i>		954	
<i>Other DTA/DTL adjustments⁴</i>		(1,186)	
Significant investments in financials (excluding TD Ameritrade)			
<i>Significant investments exceeding regulatory thresholds</i>		16	L2
<i>Significant investments in Additional Tier 1 Capital</i>		2	R
<i>Significant investments not exceeding regulatory thresholds</i>		56	
Defined pension benefits		104	K
Other Assets		55,344	
TOTAL ASSETS	1,104,373	1,098,825	
LIABILITIES AND EQUITY⁵			
Trading deposits	74,759	74,759	
Derivatives	57,218	57,218	
Securitization liabilities at fair value	10,986	10,986	
Other financial liabilities designated at fair value through profit or loss	1,415	1,415	
Deposits	695,576	695,576	
Other	188,754	183,206	
Deferred tax liabilities			
Goodwill		86	E3
Intangible assets (excluding mortgage servicing rights)		459	F2
Other deferred tax liabilities (Cash flow hedges and other DTL's)		5,027	
Other DTA/DTL adjustments ⁴		(5,249)	
Gains and losses due to changes in own credit risk on fair value liabilities		188	J
Liability for Preferred Shares			
<i>Capital instruments issued by subsidiaries and held by third parties</i>		18	U2
<i>Instruments not allowed for regulatory capital subject to phase out</i>		16	
Other liabilities		182,661	
Subordinated notes and debentures	8,637	8,637	
<i>Directly issued qualifying Tier 2 instruments</i>		2,489	S
<i>Directly issued capital instruments subject to phase out from Tier 2</i>		5,927	T
<i>Capital instruments issued by subsidiaries and held by third parties-Tier 2</i>		189	U1
<i>Capital instruments not allowed for regulatory capital</i>		32	
Liabilities	1,037,345	1,031,797	
Common Shares	20,294	20,294	A1
Preferred Shares	2,700	2,700	
<i>Directly issued qualifying Additional Tier 1 instruments</i>		2,200	M
<i>Directly issued capital instruments subject to phase out from Additional Tier 1</i>		500	O2
Treasury Shares - Common	(49)	(49)	A2
Treasury Shares - Preferred	(3)	(3)	O4
Contributed Surplus	214	214	
<i>Contributed surplus - Common Shares</i>		212	B
<i>Contributed surplus - Preferred Shares</i>		2	N
Retained Earnings	32,053	32,053	C
Accumulated other comprehensive income	10,209	10,209	D
<i>Cash flow hedges requiring derecognition</i>		1,498	H
<i>Net AOCI included as capital</i>		8,711	
Non-controlling interests in subsidiaries	1,610	1,610	
<i>Portion allowed for regulatory capital (directly issued)</i>		964	O3
<i>Portion allowed for regulatory capital (issued by subsidiaries and held by third parties) subject to phase out</i>		399	P
<i>Portion not allowed for regulatory capital subject to phase out</i>		247	
TOTAL LIABILITIES AND EQUITY	\$ 1,104,373	\$ 1,098,825	

¹ As per Balance Sheet on page 13.

² Legal entities excluded from the regulatory scope of consolidation included the following insurance subsidiaries: Meloche Monnex Inc. (consolidated), TD Life Insurance Company, TD Reinsurance (Barbados) Inc. and TD Reinsurance (Ireland) Limited which have total assets included in the consolidated Bank of \$5.5 billion and total equity of \$1.8 billion of which \$292 million is deducted from CET1, \$350 million is deducted from additional Tier 1 and \$170 million is deducted from Tier 2 Capital. Cross referenced (L3, Q, W) respectively, to the Capital Position - Basel III on page 77.

³ Cross referenced to the current period on the Capital Position - Basel III on pages 77 and 78.

⁴ This adjustment is related to deferred tax assets/liabilities netted for financial accounting purposes.

⁵ Included in current cap on additional Tier 1 instruments is \$1.7 billion (O1 - cross referenced to Capital Position - Basel III on page 77) related to TD Capital Trust IV (no longer consolidated as the Bank is not the primary beneficiary of the trust).