

## **Q&A**

### **Why is TD making this change in presentation?**

We are making these changes based on investor and analyst feedback, in order to further assist investors' understanding of our segment results (in particular, those of our U.S. strategic cards portfolio). These are solely related to the presentation of certain income statement line items at the segment level, and are not changes in the TD consolidated or segment net income.

### **What segment or business does this relate to and what are you changing?**

As previously disclosed, TD's U.S. strategic cards portfolio<sup>1</sup> comprises agreements with certain U.S. retailers pursuant to which TD is the U.S. issuer of retailer-branded and private label consumer credit cards. Under the terms of the individual agreements, the Bank and the retailers share in the profits generated by the relevant portfolios after credit losses. Historically, TD has presented the gross amount of revenue and credit losses related to these portfolios in the U.S. Retail segment's statement of income, with the retailers' share of revenue and credit losses recorded as a single amount in non-interest expenses. Such gross presentation will continue for the reporting of the consolidated statement of income of the Bank.

Starting in the first quarter of 2016, the amount of revenue and credit losses attributable to TD under the agreements will be recorded in the statement of income for the U.S. Retail segment and the retailers' share of revenue and credit losses will be recorded in the Corporate segment, along with an offsetting amount in non-interest expenses reported in the Corporate segment. There will be no change to net income of either of these segments or to the Bank's consolidated statement of income as a result of this revised presentation.

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<sup>1</sup>TD offers private label and co-brand credit cards through relationships with retail programs nationwide to provide credit card products to their U.S. customers.

