



CHECK AGAINST DELIVERY

**Remarks to be delivered by Bharat Masrani, Group President
and Chief Executive Officer, TD Bank Group**

Annual Meeting of Shareholders, March 30, 2017, Toronto

Thank you Brian. Good morning.

I'm delighted to report on TD's performance in 2016, and to provide you with an update on our plans for future growth.

But first, let me address comments made recently in the media about our people and sales practices.

Since the stories first appeared, I've joined my leadership team in listening to our colleagues from across the country on this issue. So many of them have told us that these reports are not their experience; not their TD. And I agree.

Indeed, our people believe deeply in what we do – and how we do things.

Still, the experiences expressed by some of our colleagues concern me – they go against the very fiber of our culture. When you join TD, you make a commitment to treat everyone with respect – and help bring out the best in each other. That's the environment we work hard to foster.

While we have sales goals to help manage our business, people behaving unethically in order to achieve these goals would be inconsistent with who we are as an institution, and I don't believe we have a widespread problem of that type of behavior.

I know the last few weeks have not been easy on our people – but their focus on serving our customers never faltered. I want to thank them for everything they do, and I am very proud to call them my colleagues.



With regards to our sales practices, we know that:

- out of the approximately 13 million Canadian personal banking customers –
- and more than 100 million interactions –
- through tens of thousands of TD bankers last year –
- we received a few hundred complaints related to our sales practices that were escalated beyond the initial channel. Of those that impacted our customers, less than 100 had compliance concerns, and these were investigated and addressed.

I also want to assure you: we take the concerns raised very seriously and are reviewing all of them.

As always, at TD, if we can improve how we do things, we will. Indeed we routinely conduct reviews of our business for this very purpose.

As we have done in the past with matters of such importance, we will be relying on our Board as well as the objective advice from a leading professional services firm to make sure we really test ourselves. This is, after all, what it means to be the Better Bank.

At the end of the day, our success depends on the success of our customers and colleagues, and we are committed to doing the right thing.

I say this to you as TD's CEO. But I also say this to you as someone who has dedicated 30 years to TD – to the vision our Bank embraces -- to the values our people exude.

TD makes a positive difference -- in the lives and livelihoods of our customers, communities and colleagues.

And that is exactly what we will continue to do.



As I'll highlight today, we have a great business model, a winning strategy and an amazing team. All of this enables TD to focus on what matters most to those we serve, and in turn, compete, win and grow year in, year out.

Indeed, 2016 marked the 7th consecutive year of record reported earnings -- \$8.9 billion.

Earnings per share also increased for the 7th straight year.

Revenue grew across all of our businesses and markets – driven by good execution and solid organic growth.

We set ourselves up for future success – in large part by improving TD's legendary customer experience – all while managing our expenses in a disciplined way.

Some notable innovations include:

TD for Me, which provides personalized experiences – in real time -- for Canadian customers based on their location and interest.

TD MySpend, which enables customers to easily track their spending habits -- also in real time.

And, in the US, our latest Digital Platform delivers a new world of possibilities for our customers.

All this helps to explain why TD is one of the world's leading online financial services firms. In fact, late last year, we crossed a major milestone with 11 million active digital customers.



TD is also one of the world's safest banks. We continue to receive the highest rating of the big five Canadian banks by Moody's. Our approach to managing risk remains an underlying competitive advantage for us.

Shareholders benefited from a dividend payout of \$2.16 per share – an increase of 8 percent from the previous year.

Once again, TD stood out for Total Shareholder Return – having delivered above average TSR among our Canadian peers over the short, medium and long-term.

Our First Quarter results continued to reflect the fundamental strength of our business.

Earnings of \$2.5 billion -- represent a 14 percent increase from a year ago. We raised our dividend by 9 percent -- to 60 cents per quarter per fully paid common share, reflecting the confidence our Board has in TD's future.

For us, success is measured in other ways too.

Banking is – and should always be – about helping people achieve their goals and fulfill their aspirations.

In 2016, we were particularly proud of helping tens of thousands of customers find a new place to call home and hundreds of thousands of people get behind the wheel of a new car.

TD invested in the "Big Dreams" of small businesses, and provided billions of dollars in loans to our commercial clients.

Two hundred thousand customers were provided peace of mind by TD Insurance, after an unexpected event.

Tens of thousands of clients planning to enjoy life after work opened up retirement accounts with the help of TD Wealth.



And TD Securities continued to support our clients' strategic goals, in part as the number one Canadian equity underwriter last year.

Our efforts to enrich our customers' lives extend into the communities where they work and live.

Last year, we contributed more than \$100 million to help thousands of communities across North America become stronger, and more vibrant.

I'm especially proud of the generous spirit of TD colleagues. More than 30,000 are registered with our volunteer network.

Their actions, in fact, speak to the driving force behind TD's long-term success – our people. All 83,000 of them care deeply about helping our customers and communities thrive.

Our job – our obligation – at TD – is to help bring out their best – so they can perform at their highest level. We do this, in large part, by creating an inclusive environment where meaningful work and growth opportunities abound.

Resilient organizations, like TD, pay special attention to the next generation of leaders. We offer wide-ranging programs – from internships to mentorships – that help recent graduates gain the experience to succeed. We are proud to stand out as an employer of choice on both sides of the border.

Our fundamentals point to a successful future.

But, as I like to say, staying power doesn't always mean staying the same. The capacity to adapt has always been one of TD's greatest competitive strengths.

Indeed, in recent years, our organization has evolved in a number of ways to ensure future growth.

We conducted an enterprise-wide review to optimize our assets and operations.



We intensified our focus on managing our expenses to free up additional resources to sustain our winning ways.

This includes supporting new growth opportunities. Wealth is a good example. An aging population is demanding more products and services related to their retirement. We are responding, in part, by expanding our team of investment advisors.

We are building scalable IT platforms and solutions that our businesses can use to reduce complexity and costs. And we are innovating with purpose to make it easier for our customers to bank with us, and for our colleagues to focus more of their energies on serving them.

I already talked about some of the "Big I" innovations – TD for Me ... TD MySpend.

But we're also producing a steady stream of "small i" innovations – things that come with less fanfare – but can have a big impact on our business and brand.

For instance, we've introduced finger print authentication on our mobile app. And, in the US, we have voice authentication capabilities in our contact centres, increasing customer convenience and security.

We're also making it easier for our colleagues to focus on what they do best – serve our customers and clients. Colleagues, for instance, can now download internal apps to simplify a wide range of tasks.

Our Insurance business has also implemented a paperless claims process, which saves us significant time, resources – and about 250 trees a year.

Another important, ongoing evolution is the diversification of our earnings mix. That's testament to a wide array of growth engines embedded in our businesses and across the markets where we operate.



But we're also transforming distribution channels into revenue streams. Today, a growing percentage of our sales come from digital channels. And the momentum is building... consider this one example from the US: 15 per cent of checking account sales are now done digitally, up from 9 per cent a year ago, and digital credit card sales are now over 20 per cent.

But life is not without its challenges.

Canada's economy is transforming in ways that limit its medium-term growth prospects.

Our aging population is a factor.

We are also on the back end of a commodity super-cycle.

And the housing market, which has played a central role in economic activity in recent years, will be hard-pressed to continue to do so for many reasons including: stricter mortgage lending rules and regulations.

Clearly the GTA housing market remains an exception. Homes prices have risen on average by 19 percent over the past twelve months, placing increased pressure on affordability. A sharp correction could have a significant impact on the economy. A more likely scenario, however, is that rising US interest rates will place upward pressure on Canadian rates. This, in turn, could be the catalyst to bring GTA housing activity down to a more sustainable pace.

Our Canadian retail business is a fantastic growth engine with a powerful brand. Think about its potential in just one way: more than 50 percent of Torontonians have a relationship with us.

But given the size and scale of our Canadian operations, we are not immune to growth in the overall economy, which could be negatively impacted by some of the reasons I noted earlier.



The US will help offset some of this slower growth. Strong employment figures, a more robust housing market, growing confidence among consumers and business owners and rising interest rates are promising signals for our deposit-rich institution.

TD has the scale, a fantastic brand built on service and convenience, and a diverse business mix to capitalize on the growing momentum in the world's largest economy.

Two recent US acquisitions will strengthen our ability to benefit from the positive economic climate, attract and deepen customer relationships and drive organic growth.

The purchase of Albert Fried & Company enables TD Securities to integrate prime brokerage into its client service offering, a key plank for our ongoing US expansion.

And our partnership with TD Ameritrade to acquire Scottrade Financial Services provides both firms with greater scale and opportunities to fuel our growth strategies.

More broadly, other forces require our industry to adapt. TD included.

New and emerging regulatory requirements will demand significant resources to ensure financial institutions remain compliant.

The competitive landscape is transforming at an unprecedented pace. And customer relationships are evolving. The ability to foster a culture of innovation will be a big difference between industry leaders and laggards. It's why we continue to accelerate our own digital transformation.

Customer expectations are also evolving – they hold us to the highest standard – not only in serving their interests but that of the community at large.



For instance, we know there are people who've questioned our role in the Dakota Access Pipeline.

So let me take a moment to talk about our role, and more broadly, our approach to energy financing.

TD is one of 17 banks financing the project, which will transport oil underground from North Dakota to refineries in the US.

We understand and respect concerns raised about this engagement as well as the peaceful demonstrations that most people have used to express their views.

TD was instrumental in working on behalf of the lending group to secure an independent human rights expert to conduct a review and advise the developers on how to improve their social policies and procedures moving forward.

Still, some may find it hard to reconcile our role in this project with our focus on operating in an environmentally responsible manner. We take a balanced approach.

We believe conventional energy sources like oil and gas will -- for the foreseeable future -- sustain our economy, create jobs and support a standard of living that our customers and communities want. The transition to a lower-carbon economy will be gradual. So we continue to engage in the responsible development of natural resources.

At the same time, we have been early and active supporters of the lower carbon economy.

For instance:

TD was the first North American bank to become carbon neutral – back in 2010. We are committed to a zero-net increase in greenhouse gas emissions.



Since 2006, our financing of the lower carbon economy has totaled more than \$10 billion. Ninety-seven percent of our overall lending portfolio is focused on business sectors that are not considered to be high emitters of greenhouse gases.

We became the first commercial bank in Canada to issue a green bond, and we've underwritten almost \$6.5 billion in these innovative financial instruments globally.

All this helps explain why we were the only Canadian bank to be listed on the Dow Jones Sustainability World Index last year.

Let me return to my point about other forces requiring our industry to adapt, with one final example.

Markets remain sensitive to geopolitical events, including elections in France and Germany, as well as the ongoing negotiations for Britain's exit from the European Union. A shift in US trade policy could have far-reaching implications to the global economy. And emerging threats, such as cyber-terrorism, could undermine investor and customer confidence.

So against this backdrop of potential disruption and change, TD must continue to adapt and evolve.

But our ability to adjust with the times -- is not as important as -- what we preserve over time.

For instance:

TD's focus on organic growth – consistent with our risk appetite – ensures we deliver a steady stream of predictable earnings growth for our shareholders.

Elevating our legendary experiences and providing trusted advice helps our customers gain the confidence to achieve their aspirations.



And championing inclusiveness and embracing diversity helps our colleagues and communities thrive.

So, in a nutshell, our business is built on what matters most to you.

We attract and grow fantastic people.

And we continually adapt to the world around us. But we won't abandon the things that make TD stand out in the market.

This leads me to talk more broadly about our country, Canada.

We are incredibly proud of our Canadian roots. We are excited about contributing to our nation's future success.

Our 150th birthday provides us with an opportunity to think about the kind of Canada we all want.

TD recognizes the economic and social value of green spaces. Parks benefit our health and well-being; our air quality; they reduce energy costs and enhance property values.

They also bring us together – they are the common ground that provides Canadians with a sense of community.

That's why, in celebration of Canada's 150th birthday, TD is working to revitalize and increase local greenspaces across our country. This includes projects that transform overlooked or under-used spaces to make our lives more livable.

Our modern economy is also changing many aspects of work life.

For instance, one in five Canadians work part-time, almost double what it was forty years ago.



Many people choose the freedom and flexibility that comes with part time work. For others, it's their only option. Either way, it begs some questions: are people finding it more difficult nowadays to save and plan for the future? And if so who? And why?

To help answer these questions we will conduct research and share our findings with policymakers and key stakeholders including Canada's Financial Literacy Leader. We believe a common understanding can help make Canadian households more resilient, and better able to face the future with confidence.

Let me conclude.

Great brands come with great expectations. That starts with everyone who wears the TD pin.

By joining TD, we have made a promise to you – and to ourselves -- to help enrich the lives of our customers, communities and colleagues.

That's our stated purpose. I've discussed today ways we build on our success, and learn from each other, to reinforce what we stand for, and why we stand out in the market.

Our vision and purpose will continue to guide TD and, in turn, enable us to deliver superior results for those we serve.

This includes our shareholders. We appreciate your continued support.

And, of course, we are grateful for our customers' ongoing trust and business. It's our privilege to help you achieve your financial goals and aspirations.

TD continues to move forward with confidence. We have everything it takes to compete, win and grow in what promises to be an exciting future.

Thank you.