# TD Bank Group
# Fixed Income Investor Presentation

Q2 2018

# Caution Regarding Forward-Looking Statements

From time to time, the Bank (as defined in this document) makes written and/or oral forward-looking statements, including in this document, in other filings with Canadian regulators or the United States (U.S.) Securities and Exchange Commission (SEC), and in other communications. In addition, representatives of the Bank may make forward-looking statements orally to analysts, investors, the media, and others. 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 ("2017 MD&A") in the Bank's 2017 Annual Report under the heading "Economic Summary and Outlook", for the Canadian Retail, U.S. Retail and Wholesale Banking segments under headings "Business Outlook and Focus for 2018", and for the Corporate segment, "Focus for 2018", and in other statements regarding the Bank's objectives and priorities for 2018 and beyond and strategies to achieve them, the regulatory environment in which the Bank operates, and the Bank'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 Bank 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 Bank'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: credit, market (including equity, commodity, foreign exchange, interest rate, and credit spreads), liquidity, operational (including technology and infrastructure), reputational, insurance, strategic, regulatory, legal, environmental, capital adequacy, and other risks. Examples of such risk factors include the general business and economic conditions in the regions in which the Bank operates; the ability of the Bank to execute on key priorities, including the successful completion of acquisitions and dispositions, business retention plans, and strategic plans and to attract, develop, and retain key executives; disruptions in or attacks (including cyber-attacks) on the Bank's information technology, internet, network access, or other voice or data communications systems or services; the evolution of various types of fraud or other criminal behaviour to which the Bank is exposed; the failure of third parties to comply with their obligations to the Bank or its affiliates, including relating to the care and control of information; 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 and the bank recapitalization "bail-in" regime; exposure related to significant litigation and regulatory matters; increased competition, including through internet and mobile banking and non-traditional competitors; changes to the Bank's credit ratings; changes in currency and interest rates (including the possibility of negative interest rates); increased funding costs and market volatility due to market illiquidity and competition for funding; critical accounting estimates and changes to accounting standards, policies, and methods used by the Bank; existing and potential international debt crises; and the occurrence of natural and unnatural catastrophic events and claims resulting from such events. The Bank cautions that the preceding list is not exhaustive of all possible risk factors and other factors could also adversely affect the Bank's results. For more detailed information, please refer to the "Risk Factors and Management" section of the 2017 MD&A, as may be updated in subsequently filed quarterly reports to shareholders and news releases (as applicable) related to any transactions or events discussed under the heading "Significant Events" in the relevant MD&A, which applicable releases may be found on www.td.com. All such factors should be considered carefully, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements, when making decisions with respect to the Bank and the Bank cautions readers not to place undue reliance on the Bank's forward-looking statements.

Material economic assumptions underlying the forward-looking statements contained in this document are set out in the 2017 MD&A under the headings "Economic Summary and Outlook", for the Canadian Retail, U.S. Retail, and Wholesale Banking segments, "Business Outlook and Focus for 2018", and for the Corporate segment, "Focus for 2018", each as may be updated in 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 Bank's shareholders and analysts in understanding the Bank'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 Bank 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.

# Contents

# TD Snapshot

TD

## Our Businesses

### Canadian Retail

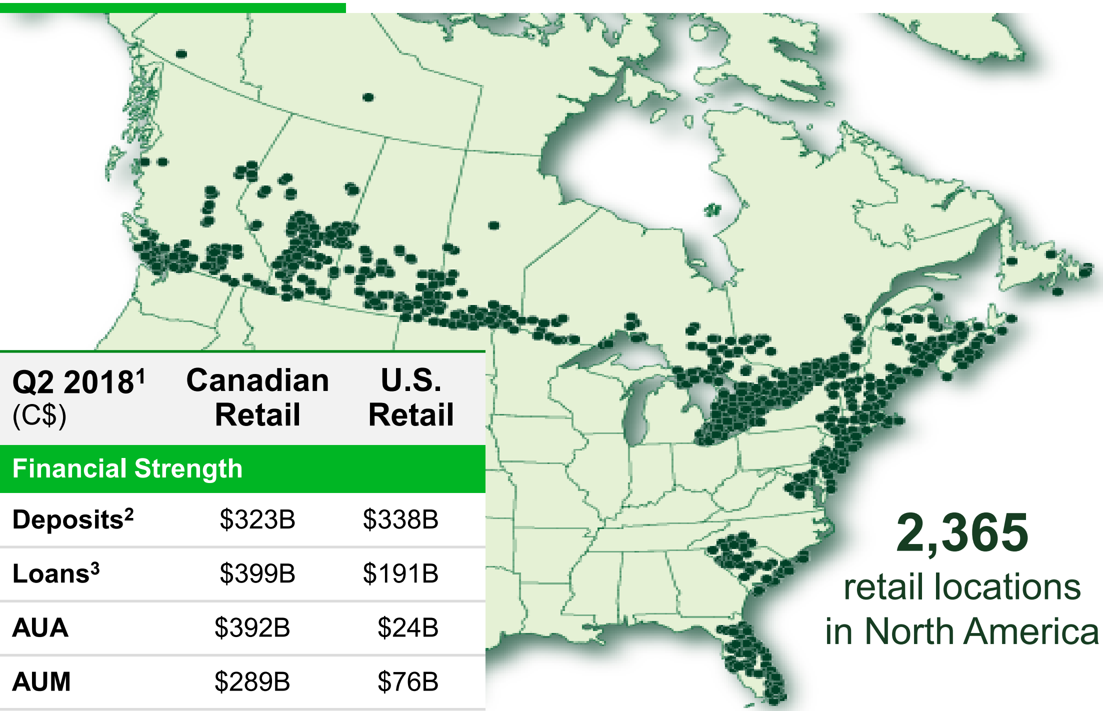
- Personal banking, credit cards and auto finance
- Small business and commercial banking
- Direct investing, advice-based wealth businesses, and asset management
- Property, casualty, life and health insurance

### U.S. Retail

- Personal banking, credit cards and auto finance
- Small business and commercial banking
- Corporate and specialty banking
- Wealth private client services
- Strategic relationship with TD Ameritrade

### Wholesale Banking

- Research, investment banking and capital market services
- Global transaction banking
- Presence in key global financial centres including New York, London and Singapore



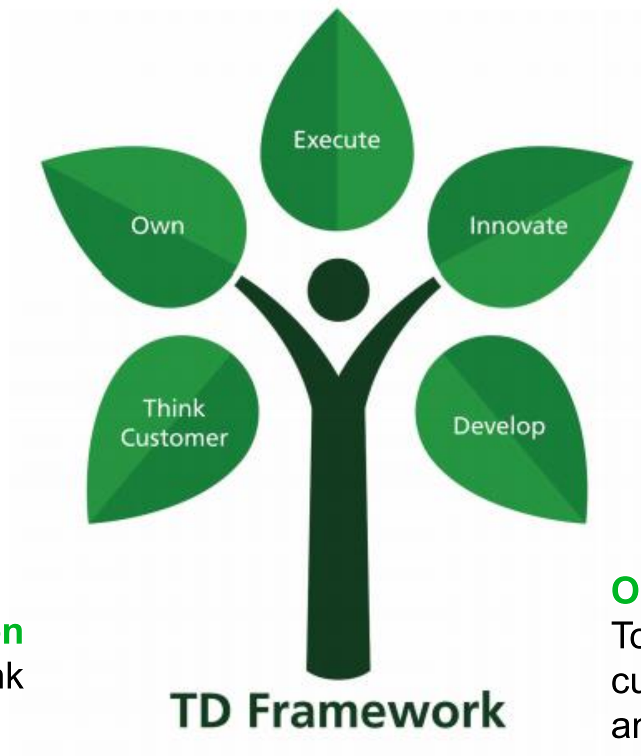
| Q2 2018[1] (C$) | Canadian Retail | U.S. Retail |
|---|---|---|
| **Financial Strength** | | |
| **Deposits[2]** | $323B | $338B |
| **Loans[3]** | $399B | $191B |
| **AUA** | $392B | $24B |
| **AUM** | $289B | $76B |
| **Earnings[4]** | $7.0B | $3.6B |
| **Network Highlights** | | |
| **Employees[5]** | 38,051 | 26,382 |
| **Customers** | >15MM | >9MM |
| **Branches** | 1,121 | 1,244 |
| **ATMs** | 3,157 | 2,596 |
| **Mobile Users** | 4.4MM | 2.8MM |

**2,365**
retail locations in North America

**15**
TD Securities offices worldwide

1. Q2/18 is the period from February 1, 2018 to April 30, 2018.
2. Total Deposits based on total of average personal and business deposits during Q2/18. U.S. Retail deposits include TD Ameritrade Insured Deposit Accounts (IDAs), Canadian Retail deposits include personal, business and wealth deposits.
3. Total Loans based on total of average personal and business loans during Q2/18.
4. For trailing four quarters ended Q2/18.
5. Average number of full-time equivalent staff in these segments during Q2/18.

# TD Framework




**Our vision**
Be the better bank

**Our purpose**
To enrich the lives of our customers, communities and colleagues

**Our shared commitments**

**Think like a customer**
Provide legendary experiences and trusted advice

**Act like an owner**
Lead with integrity to drive business results and contribute to communities

**Execute with speed and impact**
Only take risks we can understand and manage

**Innovate with purpose**
Simplify the way we work

**Develop our colleagues**
Embrace diversity and respect one another

# TD Strategy

## We will be the premier Canadian retail bank, a peer-leading U.S. retail bank, and a leading Wholesale business


### Customer-centric Experiences

- Personal, connected and human
- Proactive advice and solutions
- Convenient and timely omni-channel interactions

### One TD

- Strong partnership across teams
- Deliver the entire Bank seamlessly to our customers
- Deepen customer relationships

### Operational Excellence

- Efficient end-to-end processes
- Leading operations and technology team

### Unique and Inclusive Employee Culture

- Colleagues who live the TD Framework
- Opportunities beyond expectations, work that matters, inspiring leadership

### Strong Risk Culture

- Well understood risk appetite
- Proactive, balanced risk taking including for new and emerging risks

# Competing in Attractive Markets

## Country Statistics

- 10th largest economy
- Nominal GDP of C$2.2 trillion
- Population of 37 million

## Canadian Banking System

- One of the soundest banking systems in the world[1]
- Market leadership position held by the "Big 5" Canadian Banks
- Canadian chartered banks account for more than 74% of the residential mortgage market[2]
- Mortgage lenders have recourse to both borrower and property in most provinces

## TD's Canadian Businesses

- Network of 1,121 branches and 3,161 ATMs[3]
- Composite market share of 21%
- Ranked #1 or #2 in market share for most retail products[4]
- Comprehensive wealth offering with significant opportunity to deepen customer relationships
- Top three investment dealer status in Canada

## Country Statistics

- World's largest economy
- Nominal GDP of US$19.5 trillion
- Population of 323 million

## U.S. Banking System

- Over 9,000+ banks with market leadership position held by a few large banks
- The 5 largest banks have assets > 50% of the U.S. economy
- Mortgage lenders have limited recourse in most jurisdictions

## TD's U.S. Businesses

- Network of 1,244 stores and 2,601 ATMs[3]
- Operations in 4 of the top 10 metropolitan statistical areas and 7 of the 10 wealthiest states[5]
- Operating in a US$1.9 trillion deposits market[6]
- Access to nearly 82 million people within TD's footprint[7]
- Expanding U.S. Wholesale business with presence in New York and Houston

1. World Economic Forum, Global Competitiveness Reports 2008-2018.
2. Includes securitizations. As per Canada Mortgage and Housing Corporation (CMHC).
3. Total ATMs includes branch / store, remote, mobile and TD Branded ATMs.
4. Market share ranking is based on most current data available from CBA, OSFI, Strategic Insight for Direct Investing and IFIC, as at May 2018 Market Share Summary (internally produced report).
5. State wealth based on current Market Median Household Income.
6. Deposits capped at $500MM in every county within TD's U.S. banking footprint based on 2017 FDIC Summary of Deposits.
7. Market Population in each of the metropolitan statistical areas within TD's U.S. banking footprint.

# Top 10 North American Bank

| Q2 2018<br>C$ except otherwise noted | TD | Canadian Ranking[4] | North American Ranking[5] |
|---|---|---|---|
| **Total assets** | $1,284B | 1st | 5th |
| **Total deposits** | $830B | 1st | 5th |
| **Market capitalization** | $133B | 2nd | 6th |
| **Reported net income *(trailing four quarters)*** | $10.8B | 2nd | 5th |
| **Adjusted net income[1] *(trailing four quarters)*** | $11.5B | n/a | n/a |
| **Average number of full-time equivalent staff** | 83,060 | 2nd | 6th |
| **Common Equity Tier 1 capital ratio[2]** | 11.8% | 2nd | 5th |
| **Moody's long-term debt (deposits) rating[3]** | Aa2 | n/a | n/a |

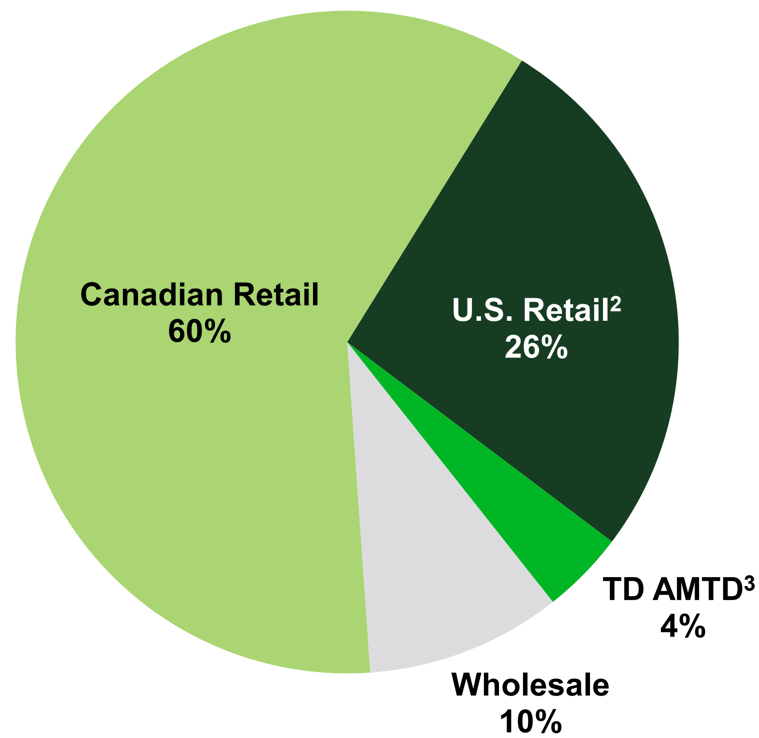
1. The Bank prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), the current generally accepted accounting principles (GAAP), and refers to results prepared in accordance with IFRS as the "reported" results. The Bank also utilizes non-GAAP financial measures to arrive at "adjusted" results (i.e. reported results excluding "items of note") to assess each of its businesses and measure overall Bank performance. Please see "How the Bank Reports" in the First Quarter Earnings News Release and MD&A as well as the 2017 MD&A for further explanation, reported basis results, a list of the items of note and a reconciliation of non-GAAP measures. Trailing four quarter items of note: Impact of U.S. tax reform of $453 million after-tax, Charges associated with Scottrade transaction of $181 million after-tax, the dilution gain on Scottrade transaction of $204 million after-tax, the loss on the sale of the Direct Investing business in Europe of $40 million after-tax, amortization of intangibles of $256 million after tax.
2. See slide 22, footnote 1.
3. For long term debt (deposits) of The Toronto-Dominion Bank, as at April 30, 2018. Credit ratings are not recommendations to purchase, sell, or hold a financial obligation inasmuch as they do not comment on market price or suitability for a particular investor. Ratings are subject to revision or withdrawal at any time by the rating organization.
4. Canadian Peers – defined as other 4 big banks (RY, BMO, BNS and CM). Based on Q2/18 results ended April 30, 2018.
5. North American Peers – defined as Canadian Peers and U.S. Peers. U.S. Peers – defined as Money Center Banks (C, BAC, JPM) and Top 3 Super-Regional Banks (WFC, PNC, USB), based on Q1/18 results ended March 31, 2018.

# Diversified Business Mix

## Three key business lines

- **Canadian Retail** robust retail banking platform in Canada with proven performance
- **U.S. Retail** top 10 bank[4] in the U.S. with significant organic growth opportunities
- **Wholesale Banking** North American dealer focused on client-driven businesses

## Fiscal 2017 Reported Earnings Mix[1]




1. For the purpose of calculating contribution by each business segment, earnings from the Corporate segment are excluded.
2. For financial reporting purposes, TD Ameritrade is part of the U.S. Retail business segment, but it is shown separately here for illustrative purposes.
3. TD had a reported investment in TD Ameritrade of 41.24% as at April 30, 2018 (October 31, 2017 – 41.27%).
4. Based on total deposits as of December 31, 2017. Source: SNL Financial, Largest Banks and Thrifts in the U.S. by total deposits.

# Growing platform / North American scale…

## Increasing Retail Focus

- Acquired 51% of Banknorth
- TD Waterhouse USA / Ameritrade transaction
- Privatized TD Banknorth
- Acquired Commerce Bank
- Commerce Bank integration
- Acquired Riverside & TSFG
- Acquired Chrysler Financial and MBNA credit card portfolio
- Acquired Target credit card portfolio & Epoch; and announced agreement with Aimia and CIBC
- Became primary issuer of Aeroplan Visa; acquired ~50% of CIBC's Aeroplan portfolio
- Completed strategic credit card relationship with Nordstrom
- Completed acquisition of Scottrade Bank
- Completed acquisition of Layer 6

2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018

- Exited select businesses (structured products, non-franchise credit, proprietary trading)
- Partnering with TD Bank, America's Most Convenient Bank to expand U.S. presence
- Achieved Primary Dealer status in the U.S.[1]
  -----------------
  Participated in largest Canadian IPO in 14 years and one of the largest bond placements in Canadian history[2]
- Expanded product offering to U.S. clients and grew our energy sector presence in Houston
- Acquired Albert Fried & Company, a New York-based broker-dealer
- Maintained top-two dealer status in Canada[3]

## From Traditional Dealer To Client-Focused Dealer

1. Primary dealers serve as trading counterparties of the New York Fed in its implementation of monetary policy. For more information please visit https://www.newyorkfed.org/
2. Nalcor Energy Muskrat Falls Project (C$5 billion bond placement) and PrairieSky Royalty (C$1.7 billion initial public offering). Please see "Business Highlights" in the Wholesale Banking Business Segment Analysis of the Bank's 2014 Annual Report.
3. Ranked #2 in Equity block trading: block trades by value on all Canadian exchanges, Source: IRESS; #1 in Equity options block trading: block trades by number of contracts on the Montreal Stock Exchange, Source: Montreal Exchange; #1 in Government and corporate debt underwriting: excludes self-led domestic bank deals and credit card deals, bonus credit to lead, Source: Bloomberg; #2 in Syndicated loans: deal volume awarded equally between the book-runners, on a rolling twelve-month basis, Source: Bloomberg; #2 in M&A announced: Canadian targets, on a rolling twelve-month basis, Source: Thomson Reuters; #1 in Equity underwriting, Source: Bloomberg. All rankings are for calendar year-to-date April 30, 2018 unless otherwise noted. Rankings reflect TD Securities' position among Canadian peers in Canadian product markets.

# Connected Experiences

## Consistent Strategy

### How we compete

- Enabling seamless interactions between customers and the entire organization
- Leveraging industry leading Experience Design Center of Excellence to create rich experiences for our customers and colleagues
- Empowering colleagues with digital capabilities to create enterprise value and interact confidently with customers
- Modernizing platforms that enable us to be more agile in exceeding our customers' expectations

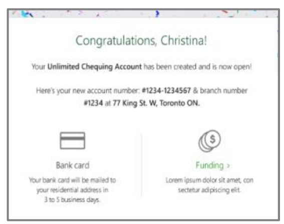
## Q2 2018 Highlights

**12 MILLION**
ACTIVE ONLINE & MOBILE CUSTOMERS

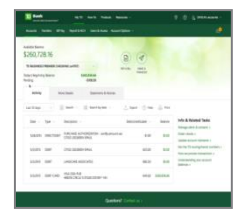
**4.4 MILLION**
CANADIAN MOBILE USERS

**2.8 MILLION**
U.S. MOBILE USERS

## Digital Enhancements

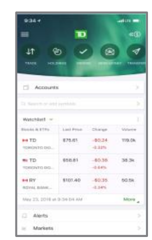



**EasyApply platform offers an industry-leading mobile optimized online account opening experience for some accounts with no need to visit a branch**



**Next Generation digital servicing platform is designed to make banking easier and more secure for U.S. online and mobile customers**


**Apply for a mortgage prequalification and secure a 120 day rate hold online or via mobile**



**Canadian mobile app now features several enhancements including a market watch-list and the ability to switch from a banking to an investing view with a simple click**

# The Better Bank

THE READY COMMITMENT

**Our Purpose:** To enrich the lives of our customers, communities and colleagues

The Ready Commitment targets

**$1 billion by 2030**

TD is refocusing our community giving in four areas that support change and will open doors for an inclusive tomorrow.

### Financial Security
Helping increase access to the opportunities people need to improve their financial security

### Vibrant Planet
Helping elevate the quality of our environment to ensure both people and economies can thrive

### Connected Communities
Creating opportunities for everyone to participate and be included in their community

### Better Health
Supporting more equitable health outcomes through investing in innovative solutions

# Corporate Responsibility Performance

## Highlights

- **TD's low carbon commitment will target $100B by 2030** to support the transition to a low-carbon economy, drive innovation, accelerate renewable energy technologies, and foster understanding and dialogue.
- Among 16 global banks participating in the UNEP FI program to pilot the FSB's task force's **climate related financial disclosure** recommendations.
- **Issued a US$1B green bond in 2017**, one of the largest green bonds ever issued by a bank. TD Securities has participated in underwriting over $15B in green bonds since 2010.
- **82% of employees report being engaged** at work, and 85% of employees say they are proud to work for TD.
- **Recognized** by external ratings organizations, including the Bloomberg Gender Equality Index, Great Place to Work Institute, and DiversityInc.
- **High performer in sustainability indices**, including the Dow Jones Sustainability Index, FTSE4Good, Sustainalytics and CDP.
- **Risk management is embedded** in TD's culture and strategy; we only take risks we can understand and manage.

**Low Carbon Commitment**
targets $100B by 2030 to support low-carbon transition.

**Early UN PRI signatory**
and UNEP FI disclosure taskforce member

**Top Green Bond underwriter**
among Canadian banks

**World-first WELL certification**
for providing workplace wellness features

**39% women**
in senior management in Canada

**Over 300,000 trees**
planted through TD Tree Days since 2010

**First N.A.-based carbon neutral bank**
committed to 100% renewable energy

**Highest-rated Canadian bank**
among global safest banks per Global Finance magazine

**Donated $107MM in 2017**
to support non-profits across North America and U.K.

For further information about Corporate Responsibility, please visit http://www.td.com/corporateresponsibility/.

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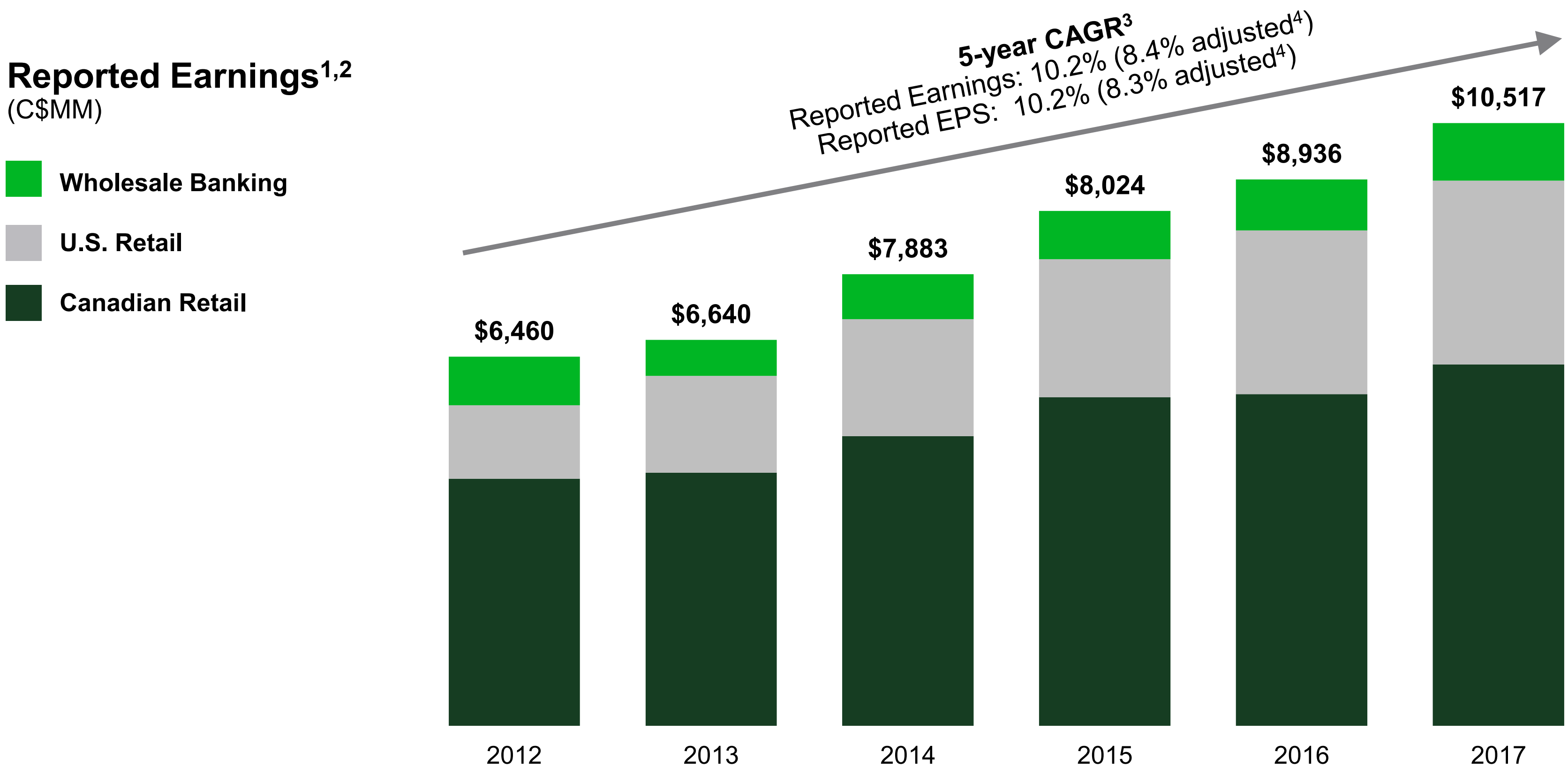
# Consistent Earnings Growth

## Targeting 7-10% adjusted EPS growth over the medium term[4]




1. For the purpose of calculating contribution by each business segment, earnings from the Corporate segment are excluded.
2. Effective Q1 2014, retail segments were realigned into Canadian Retail and U.S. Retail. For details of the retail segments, see slides 4 and 9. The segment realignment along with implementation of new IFRS standard and amendments, and impact of the stock dividend announced on December 5, 2013 were applied retroactively to 2012 and 2013 results.
3. Compound annual growth rate for the five-year period ended October 31, 2017.
4. See slide 8 footnote 1 for definition of adjusted results.

# Q2 2018 Financial Highlights

## Total Bank Reported Results (YoY)

**EPS up 18%**

- Adjusted EPS up 21%[1]

**Revenue up 12%**

- **Revenue (TEB) up 6%**

**Expenses up 1%**

## Segment Reported Earnings (YoY)

**Canadian Retail up 17%**

**U.S. Retail up 16% (up 24% adjusted)[1]**

**Wholesale up 8%**

## Financial Highlights $MM

| Reported | Q2/18 | Q1/18 | Q2/17 |
|---|---|---|---|
| **Revenue** | 9,467 | 9,360 | 8,473 |
| **PCL** | 556 | 693 | 500 |
| **Expenses** | 4,822 | 4,846 | 4,786 |
| **Net Income** | **2,916** | **2,353** | **2,503** |
| **Diluted EPS** ($) | **1.54** | **1.24** | **1.31** |

| Adjusted[1] | Q2/18 | Q1/18 | Q2/17 |
|---|---|---|---|
| **Net Income** | 3,062 | 2,946 | 2,561 |
| **Diluted EPS** ($) | 1.62 | 1.56 | 1.34 |

## Segment Earnings $MM

| Q2/18 | Reported | Adjusted[1] |
|---|---|---|
| **Retail[2]** | 2,812 | 2,885 |
| *Canadian Retail* | *1,833* | *1,833* |
| *U.S. Retail* | *979* | *1,052* |
| **Wholesale** | 267 | 267 |
| **Corporate** | (163) | (90) |

1. See slide 8, footnote 1. Second quarter items of note: Charges associated with Scottrade transaction of $73 million after-tax, and amortization of intangibles of $73 million after tax.
2. "Retail" comprises the Canadian Retail and U.S. Retail segments. See the Bank's Second Quarter 2018 Earnings News Release and MD&A.

# High Quality Loan Portfolio

## Balances (C$B unless otherwise noted)

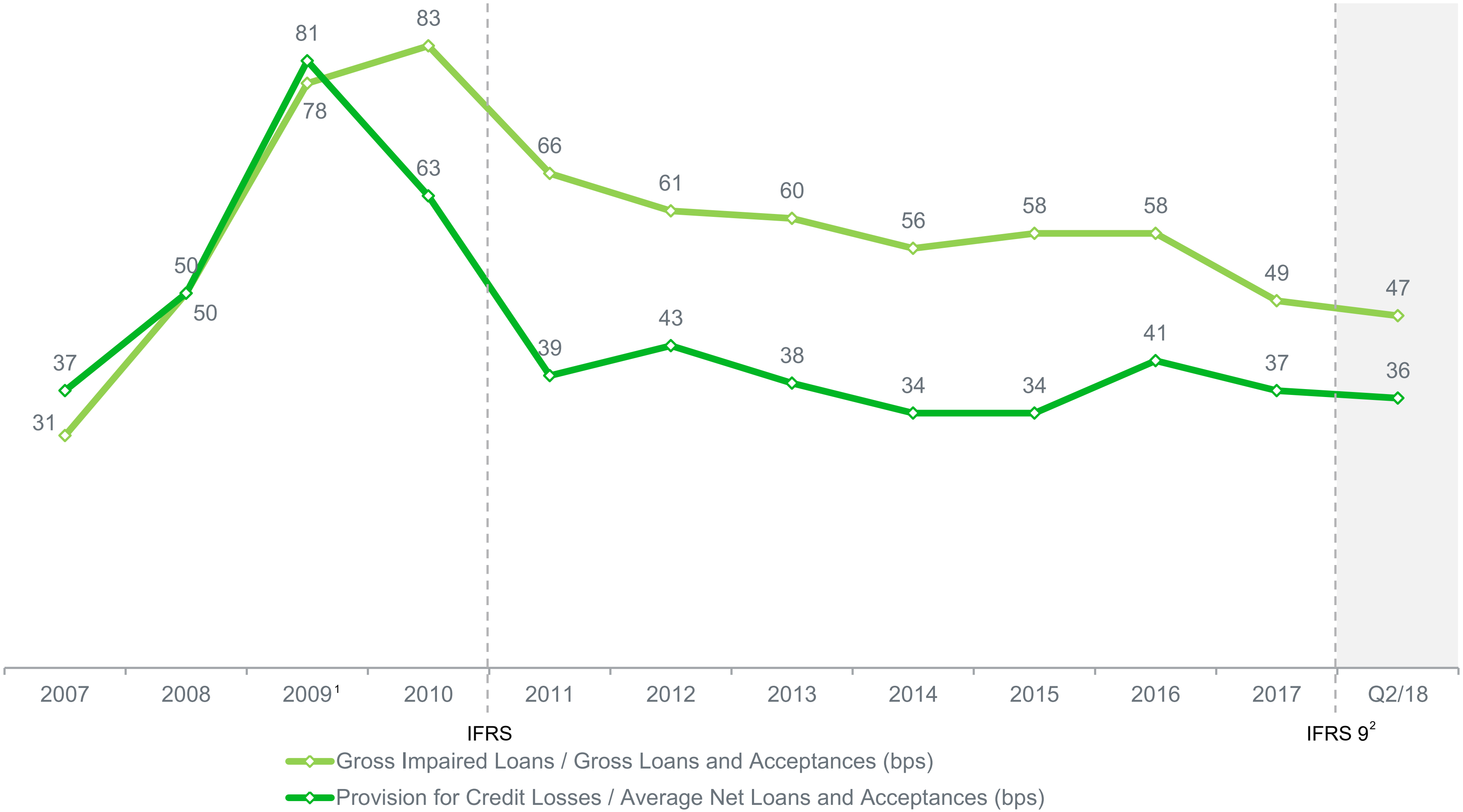
| | Q1/18 | Q2/18 |
|---|---|---|
| **Canadian Retail Portfolio** | **$395.6** | **$401.3** |
| **Personal** | **$325.3** | **$328.5** |
| Residential Mortgages | 190.6 | 190.4 |
| Home Equity Lines of Credit (HELOC) | 76.8 | 79.5 |
| Indirect Auto | 22.5 | 22.8 |
| Unsecured Lines of Credit | 9.9 | 9.9 |
| Credit Cards | 17.8 | 18.0 |
| Other Personal | 7.7 | 7.9 |
| **Commercial Banking (including Small Business Banking)** | **$70.3** | **$72.8** |
| **U.S. Retail Portfolio** (all amounts in US$) | **US$ 149.9** | **US$ 149.4** |
| **Personal** | **US$ 67.7** | **US$ 67.2** |
| Residential Mortgages | 22.2 | 22.4 |
| Home Equity Lines of Credit (HELOC)[1] | 9.6 | 9.5 |
| Indirect Auto | 22.8 | 22.4 |
| Credit Cards | 12.4 | 12.2 |
| Other Personal | 0.7 | 0.6 |
| **Commercial Banking** | **US$ 82.2** | **US$ 82.2** |
| Non-residential Real Estate | 17.1 | 17.0 |
| Residential Real Estate | 5.9 | 5.8 |
| Commercial & Industrial (C&I) | 59.2 | 59.3 |
| **FX on U.S. Personal & Commercial Portfolio** | 34.5 | 42.4 |
| **U.S. Retail Portfolio** (C$) | **$184.4** | **$191.8** |
| **Wholesale Portfolio**[2] | **$47.3** | **$49.3** |
| **Other**[3] | **$0.6** | **$0.6** |
| **Total**[4] | **$627.9** | **$642.9** |

1. U.S. HELOC includes Home Equity Lines of Credit and Home Equity Loans
2. Wholesale portfolio includes corporate lending, other Wholesale gross loans and acceptances and loans booked in the corporate segment.
3. Other includes acquired credit impaired loans.
4. Includes loans measured at fair value through other comprehensive income

Note: Some amounts may not total due to rounding

# Strong Credit Quality

## GIL and PCL Ratios (bps)




1. Effective Q1/ 09 ratios exclude Debt Securities Classified as Loans and Acquired Credit Impaired.
2. Effective November 1, 2017, the Bank adopted IFRS 9, which replaces the guidance in IAS 39. The Bank has made the decision not to restate comparative period financial information and has recognized any measurement differences between the previous carrying amount and the new carrying amount on November 1, 2017 through an adjustment to opening retained earnings. As such, fiscal 2018 results reflect the adoption of IFRS 9, while prior periods reflect results under IAS 39.

# Canadian Personal Banking

| Canadian Personal Banking[1] | Q2/18 Gross Loans ($B) | GIL ($MM) | GIL / Loans |
|---|---|---|---|
| Residential Mortgages | 190 | 253 | 0.13% |
| Home Equity Lines of Credit (HELOC) | 80 | 114 | 0.14% |
| Indirect Auto | 23 | 60 | 0.26% |
| Credit Cards | 18 | 136 | 0.76% |
| Unsecured Lines of Credit | 10 | 31 | 0.31% |
| Other Personal | 8 | 15 | 0.19% |
| **Total Canadian Personal Banking** | **$329** | **$609** | **0.19%** |
| Change vs. Q1/18 | $4 | ($50) | (0.01%) |

## Highlights

- Credit quality remains strong in the Canadian personal portfolio

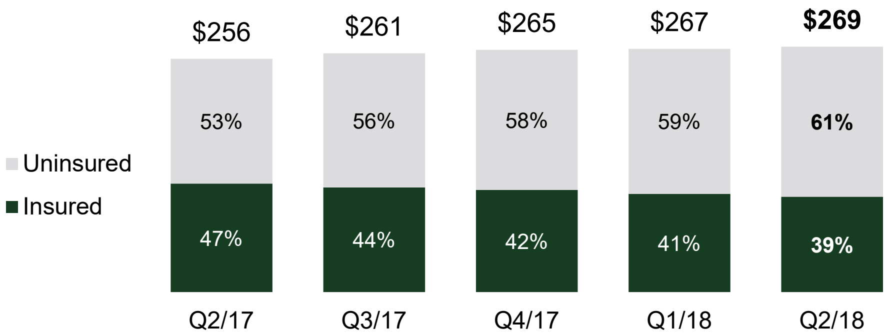
**Canadian RESL Portfolio – Loan to Value by Region[2, 3]**

| | Q1/18 | | | Q2/18 | | |
|---|---|---|---|---|---|---|
| | Mortgage | HELOC | Total RESL | Mortgage | HELOC | Total RESL |
| **Atlantic** | 61% | 47% | 57% | 62% | 47% | 58% |
| **BC** | 49% | 40% | 46% | 49% | 40% | 46% |
| **Ontario** | 53% | 43% | 49% | 53% | 43% | 50% |
| **Prairies** | 65% | 51% | 60% | 65% | 52% | 61% |
| **Quebec** | 63% | 53% | 60% | 62% | 54% | 60% |
| **Canada** | **56%** | **44%** | **52%** | **56%** | **45%** | **52%** |

1. Excludes acquired credit impaired loans
2. RESL Portfolio Loan to Value is calculated with the Teranet-National Bank House Price Index™ and weighted by the balance. The Teranet-National Bank House Price Index™ is a trademark of Teranet Enterprises Inc. and National Bank of Canada and have been licensed for internal use by The Toronto-Dominion Bank's real estate secured lending team only.
3. The territories are included as follows: Yukon is included in British Columbia; Nunavut is included in Ontario; and Northwest Territories is included in the Prairies region.

# Canadian Real Estate Secured Lending Portfolio

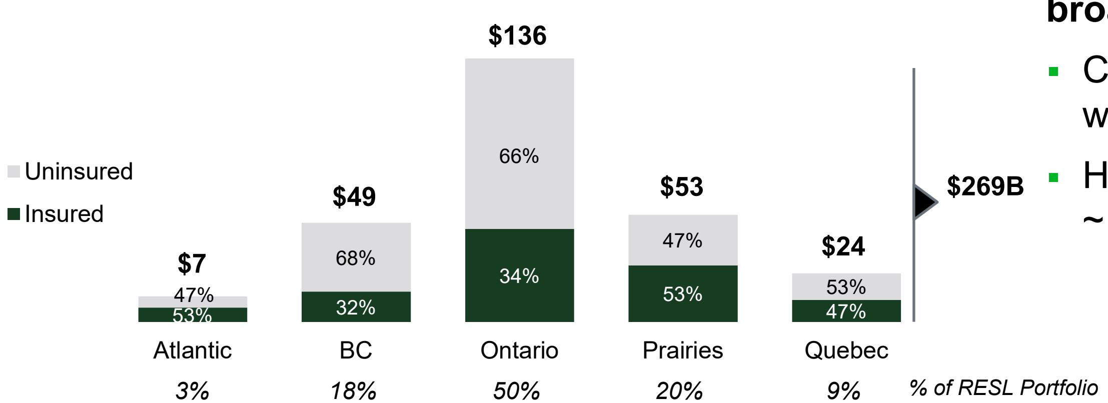
## Quarterly Portfolio Volumes $B




**Canadian RESL Portfolio – Loan to Value[1]**

| | Q2/17 | Q3/17 | Q4/17 | Q1/18 | Q2/18 |
|---|---|---|---|---|---|
| **Uninsured** | 50% | 49% | 50% | 51% | 52% |
| **Insured** | 54% | 52% | 52% | 52% | 52% |

## Regional Breakdown[2] $B




## Highlights

**Canadian RESL credit quality remains strong**

- Gross impaired loan formations and gross impaired loans reduced year-over-year
- PCL remains stable in the quarter
- Uninsured and insured portfolio loan-to-value rates stable

**87% of RESL portfolio is amortizing**

- 55% of HELOC portfolio is amortizing

**Condo credit quality consistent with broader portfolio**

- Condo borrower RESL outstanding of $43B with 41% insured
- Hi-rise condo construction loans stable at ~1.3% of the Canadian commercial portfolio

1. RESL Portfolio Loan to Value is calculated with the Teranet-National Bank House Price Index™ and weighted by the balance. The Teranet-National Bank House Price Index™ is a trademark of Teranet Enterprises Inc. and National Bank of Canada and have been licensed for internal use by The Toronto-Dominion Bank's real estate secured lending team only.
2. The territories are included as follows: Yukon is included in British Columbia; Nunavut is included in Ontario; and Northwest Territories is included in the Prairies region.

# Contents

# Strong Capital Position

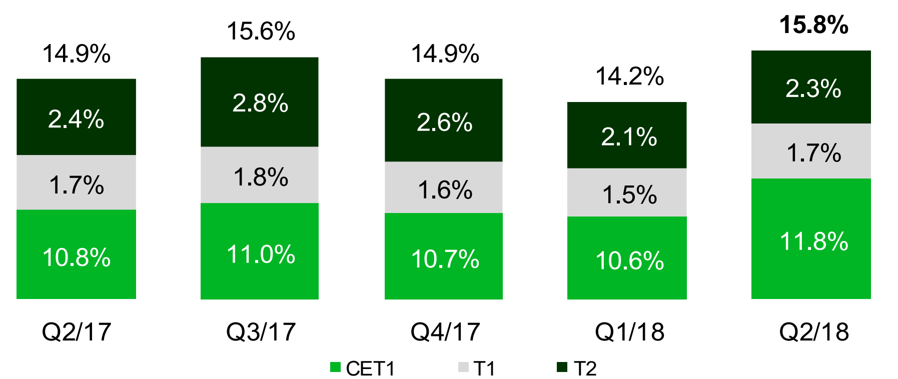
## Highlights

- Common Equity Tier 1 ratio of 11.8%
- Leverage ratio of 4.1%
- Tier 1 and Total Capital ratios were 13.5% and 15.8%, respectively

## Common Equity Tier 1[1]

| | |
|---|---|
| **Q1 2018 CET1 Ratio** | **10.6%** |
| Internal capital generation | 37 |
| Regulatory floor RWA decrease | 120 |
| Organic RWA increase and other | (34) |
| **Q2 2018 CET1 Ratio** | **11.8%** |

## Total Capital Ratio[1]




1. Amounts are calculated in accordance with the Basel III regulatory framework, and are presented based on the "all-in" methodology. The CVA capital charge is being phased in until the first quarter of 2019. For fiscal 2017, the scalars for inclusion of CVA for CET1, Tier 1, and Total Capital RWA were 72%, 77%, and 81%, respectively. For fiscal 2018, the corresponding scalars are 80%, 83%, and 86%, respectively.
2. Effective in the second quarter of 2018, OSFI implemented a revised methodology for calculating the regulatory capital floor. The revised floor is based on the Basel II standardized approach, with the floor factor transitioned in over three quarters. The factor increases from 70% in the second quarter of 2018, to 72.5% in the third quarter, and 75% in the fourth quarter. Under the revised methodology, the Bank is no longer constrained by the capital floor.

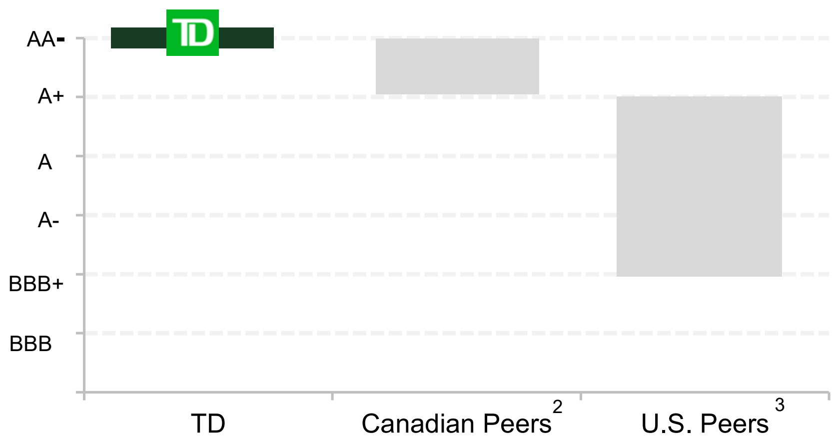
# Industry-Leading Credit Ratings

## Issuer Ratings[1]

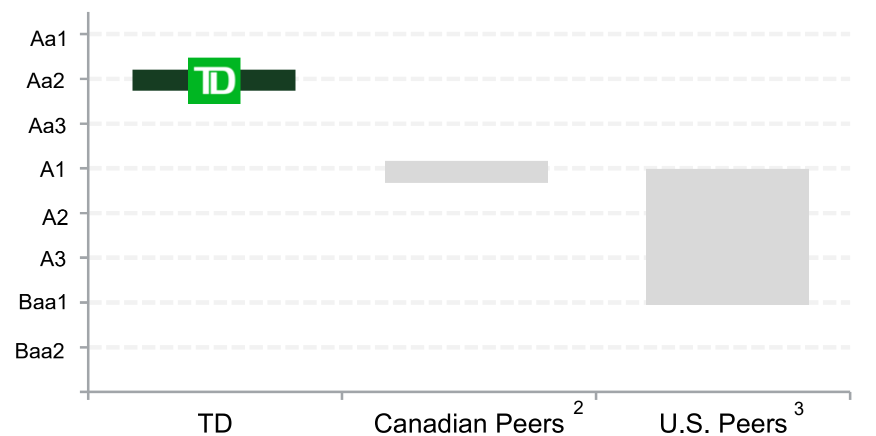
| | Moody's | S&P | DBRS |
|---|---|---|---|
| Ratings | Aa2 | AA- | AA |
| Outlook | Negative | Stable | Stable |

## Ratings vs. Peer Group

S&P Long-Term Debt Rating




Moody's Long-Term Debt Rating

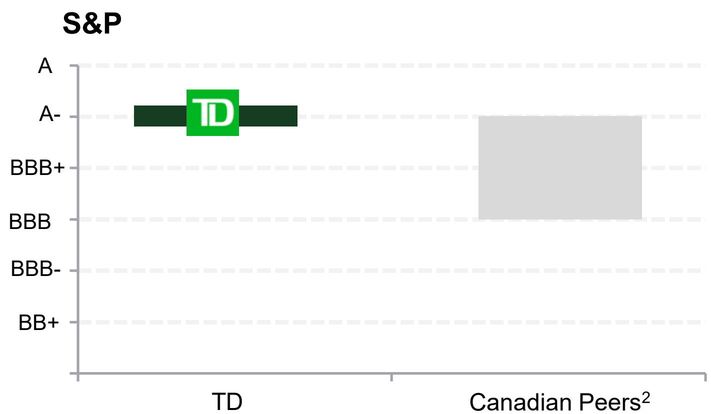


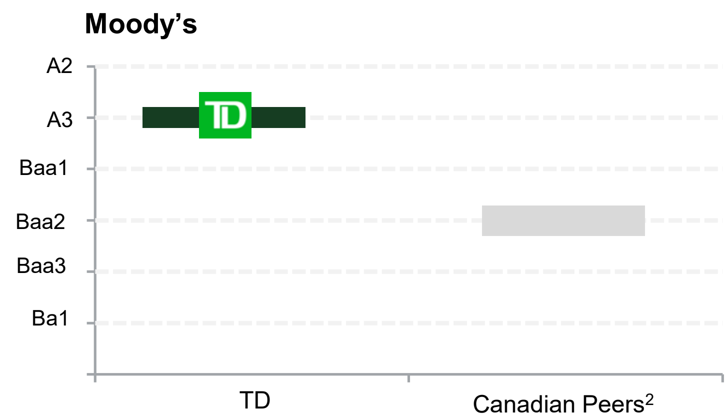

1. See slide 8, footnote 3.
2. In the context of long-term debt ratings, Canadian peers defined as RY, BNS, BMO and CM.
3. In the context of long-term debt ratings, U.S. peers defined as BAC, BBT, C, CITZ, JPM, MTB, PNC, STI, USB and WFC.

# Leading Non-Common Equity Capital Ratings

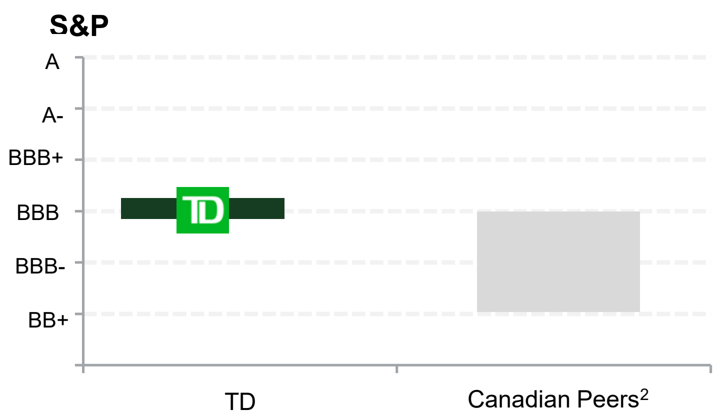
## Industry leading ratings[1] for Additional Tier 1 and Tier 2 capital instruments

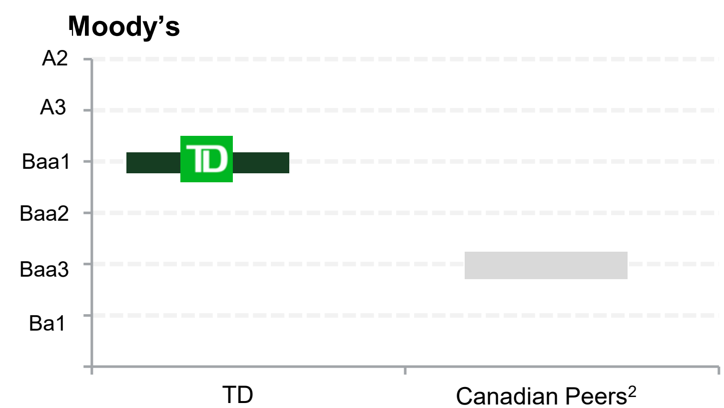
### NVCC Tier 2 Subordinated Debt Ratings




### Additional Tier 1 NVCC Preferred Share Ratings



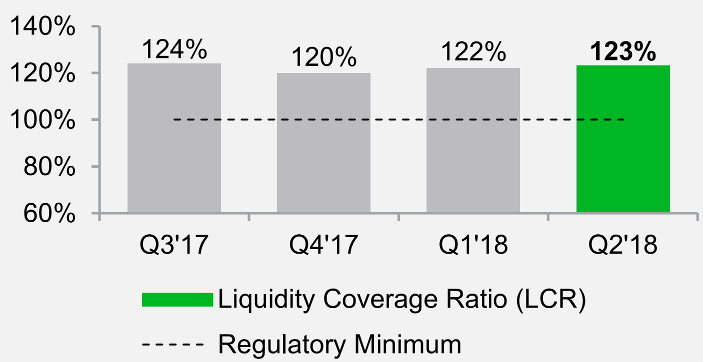

1. Subordinated Debt and Preferred Share ratings are as at April 30, 2018. Credit ratings are not recommendations to purchase, sell, or hold a financial obligation inasmuch as they do not comment on market price or suitability for a particular investor. Ratings are subject to revision or withdrawal at any time by the rating organization.
2. In the context of subordinated debt and preferred share ratings, Canadian peers defined as RY, BNS, BMO and CM.

# Robust Liquidity Management

## Liquidity Risk Management Framework

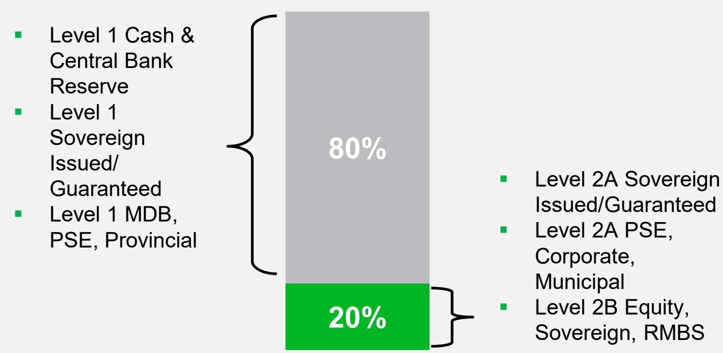
- Target a 90-day survival horizon under a combined Bank-specific and market-wide stress scenario, and a minimum buffer over regulatory requirements prescribed by the OSFI Liquidity Adequacy Requirements (LAR) guideline.
- Manage structural liquidity exposure by match funding to asset term or market depth.
- We maintain a comprehensive contingency funding plan to enhance preparedness for recovery from potential liquidity stress events.

## Liquidity Coverage Ratio (LCR)




## High Quality Liquid Assets (HQLA)

- TD holds a variety of liquid assets commensurate with liquidity needs in the organization.
- The average eligible HQLA of the Bank for the purpose of LCR reporting for quarter ended April 30, 2018, was $217.3 billion (January 31, 2018 – $222.0 billion), with Level 1 assets representing 80% (January 31, 2018 – 79%).



Q2'18 Average HQLA (CAD $B)

**Prudent liquidity management commensurate with risk appetite**

# Attractive Balance Sheet Composition[1]

## Large base of stable retail and commercial deposits

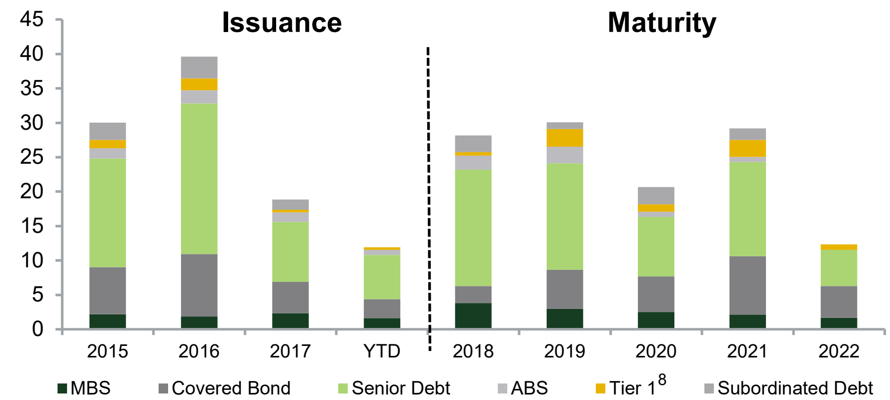
**Personal and commercial deposits are TD's primary sources of funds**

- Customer service business model delivers stable base of "sticky" and franchise deposits

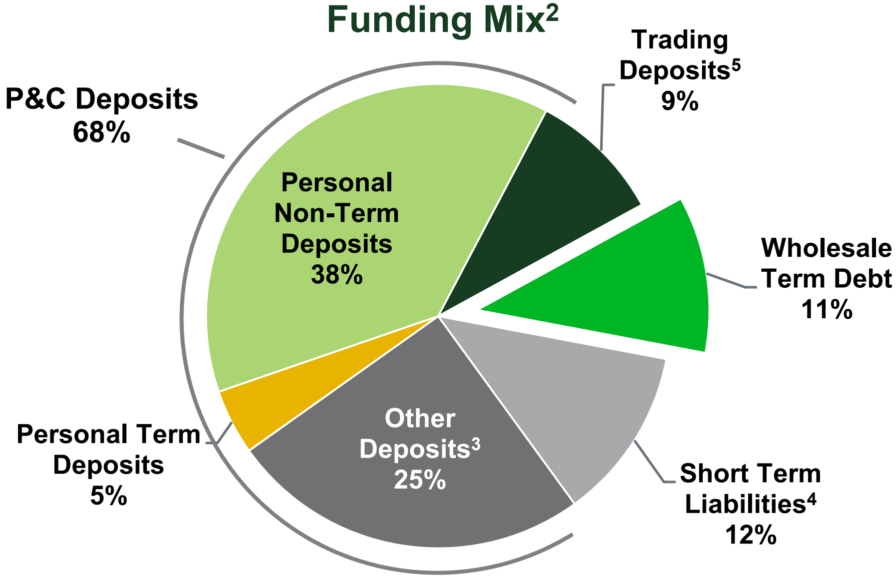
**Wholesale funding profile reflects a balanced secured and unsecured funding mix**

**Maturity profile is manageable and well balanced**

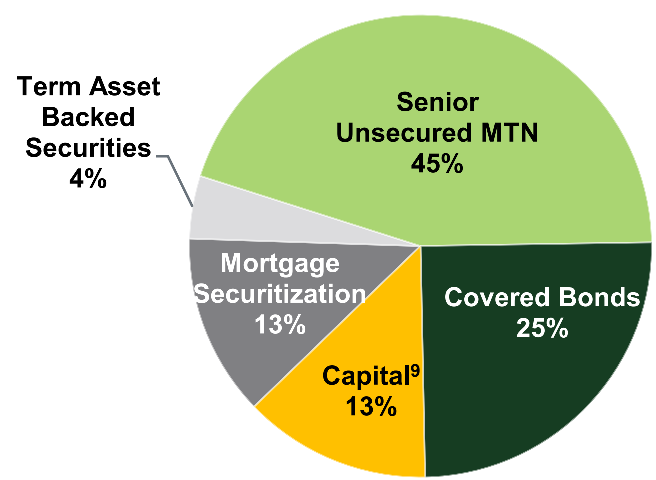
## Maturity Profile[6,7] (To first par redemption date) (C$B)




## Funding Mix[2]




## Wholesale Term Debt




1. As of April 30, 2018.
2. Excludes certain liabilities which do not create funding which are: acceptances, trading derivatives, other liabilities, wholesale mortgage aggregation business, non-controlling interest and certain equity capital: common equity and other capital instruments.
3. Bank, Business & Government Deposits less covered bonds and senior MTN notes.
4. Obligations related to securities sold short and sold under repurchase agreements.
5. Consists primarily of bearer deposit notes, certificates of deposit and commercial paper
6. For wholesale term debt that has bullet maturities. Subordinated debt includes certain private placement notes.
7. Based on first par redemption date. The timing of an actual redemption is subject to management's view at the time as well as applicable regulatory and corporate governance approvals.
8. Includes Preferred Shares and Innovative T1
9. Includes Preferred Shares, Innovative T1, and Subordinated Debt

# Wholesale Term Debt Composition[1]

## Funding Strategy

**Wholesale term funding through diversified sources across domestic and international markets**

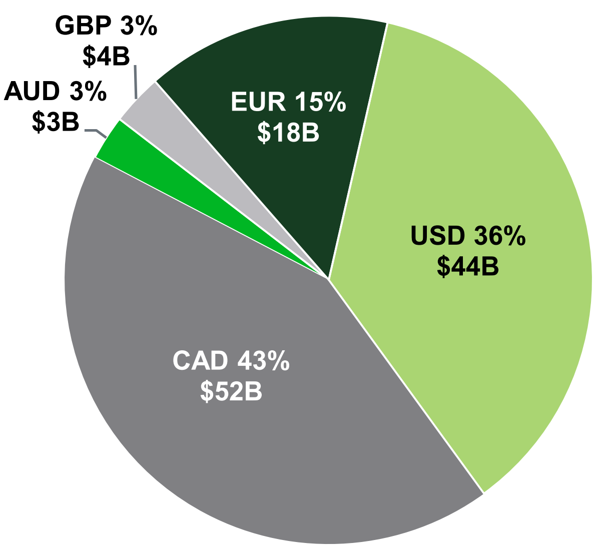
- Well-established C$40 billion Legislative Covered Bond Program is an important pillar in global funding strategy
- Programmatic issuance for the established ABS program, backed by Canadian credit card receivables in the U.S. market

**Broadening of investor base through currencies, tenor and structure diversification**

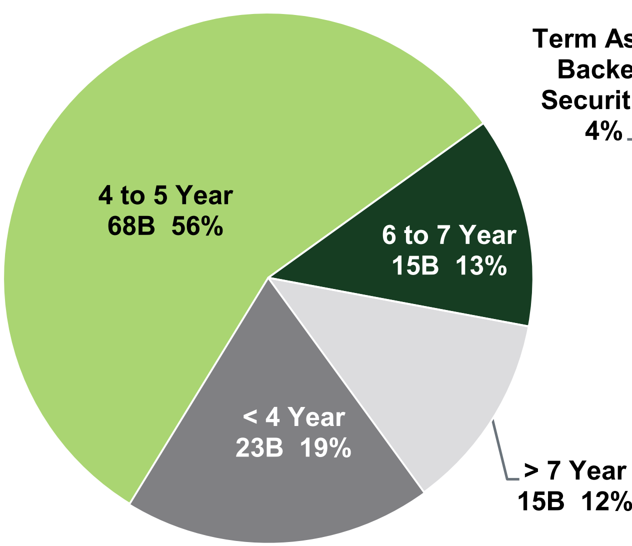
**Recent transactions:**

- US$ 600MM 3-year EVGRN Credit Card ABS at 2.95%
- C$ 1.5BN 5-year Deposit Note at 1.99%
- C$ 350MM Preferred Share issuance at 4.70%
- EUR€ 1.25BN 5-year Covered Bond issuance at 0.25%

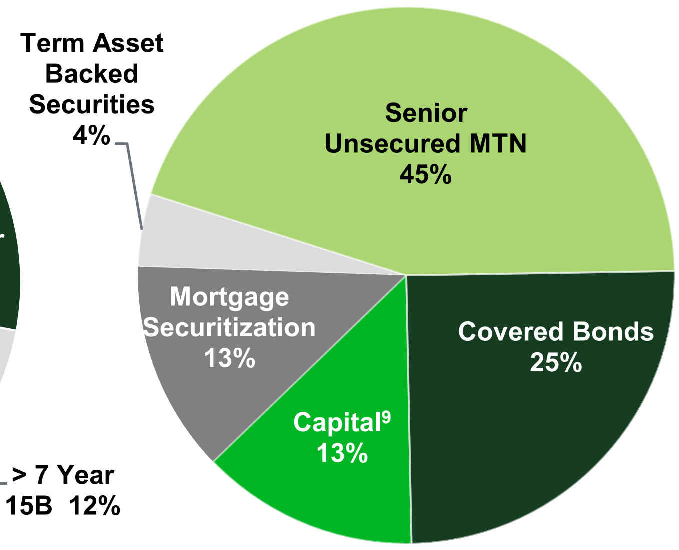
### By Currency [2,3]




### By Term [2,3]




### Wholesale Term Debt




1. As of April 30, 2018.
2. Excludes certain private placement notes.
3. In Canadian dollars equivalent.
4. Includes Preferred Shares, Innovative T1, and Subordinated Debt. Subordinated debt includes certain private placement notes.

# Deposit Overview

## Domestic Leader in Deposits

**Large base of personal and business deposits that make up 68% of the Bank's total funding**

- TD Canada Trust (TDCT) ranked #1 in Total Personal Deposits[1]
- TDCT remains a leader in service and convenience, leveraging the strength of our customer service business model to drive growth
- TD U.S. Retail bank ranked in the top 10[2] with over 9MM customers, operating in retail stores in 15 states and the District of Columbia

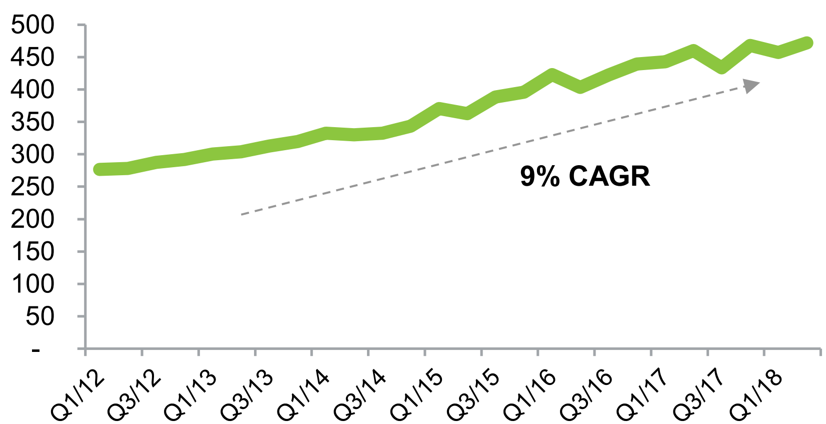
**Personal and Business deposits continue to show strong growth**

- Personal deposits have grown at 9% CAGR3 over the last 5 years
- Business Deposits have grown at 7% CAGR3 over the last 5 years

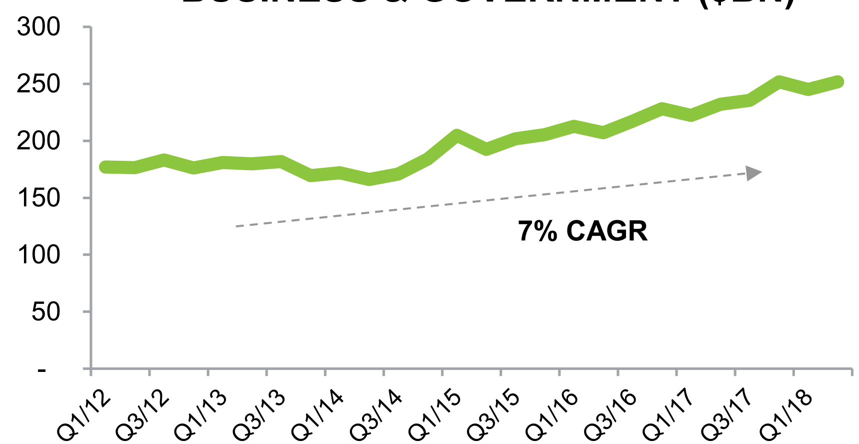
**Deposits raised through personal and business banking channels remain the primary source of long-term funding for the Bank's non-trading assets**

- Deposits enable the bank to manage its funding activities through wholesale funding markets in various channels, currencies, and tenors

**PERSONAL DEPOSITS ($BN)**




**BUSINESS & GOVERNMENT ($BN)**




1. Market share ranking is based on most current data available from OSFI as at May 2018 Market Share Summary (internally produced report).
2. Based on total deposits as of June 30, 2017. Source: SNL Financial, Largest Banks and Thrifts in the U.S. by total deposits
3. CAGR over the last 5 years is the compound annual growth rate calculated from Q2 2013 to Q2 2018 on a reported basis.
4. Business deposits exclude wholesale funding

# Bail-in Update

## Regulation Status

- On April 18, 2018, the Government of Canada published final regulations under CDIC Act and the Bank Act providing details of the bank recapitalization "bail-in" regime and final Total Loss Absorbing Capacity (TLAC) guidelines.
- The issuance regulations under the Bank Act and the conversion regulations under the CDIC Act will come into force on September 23, 2018, while the compensation regulations under the CDIC Act were brought into force immediately upon registration
- All Canadian domestic systemically important banks (D-SIBs) will have to comply with the OSFI TLAC Guideline by **November 1, 2021**.
- Under the TLAC guideline, D-SIBs will be required to maintain a minimum risk-based TLAC ratio and a minimum TLAC leverage ratio, and will also be expected to hold buffers above the minimum TLAC ratios.

## Key Features

- **No Creditor Worse Off.** CDIC will compensate investors if they incur greater losses than under a liquidation scenario. Notably, bail-in debt holders will be *pari passu* with deposits for the purposes of the liquidation calculation.
- **Flexible Conversion Multiplier:** CDIC has discretion in determining an appropriate conversion multiplier[1] which respects the creditor hierarchy.
- **One Class of Senior.** Unlike other jurisdictions, Canadian D-SIBs cannot elect to issue non bail-in unsecured senior debt. Generally speaking, all unsecured senior debt with a term of 400 or more days would be subject to bail-in[2]. Notably, the bail-in regime does not apply to secured liabilities (e.g., covered bonds), ABS or structured notes[3].
- **Equity Conversion.** Unlike some other jurisdictions bail-in is effected through equity conversion only, with no write-down option.
- **No Contractual Trigger.** Bail-in conversion is subject to regulatory determination of non-viability, not a fixed trigger.

## Expected Impact

- TD expects to meet the TLAC requirements by the implementation date in the normal course without altering our business as usual funding practices.

1. In determining the multiplier CDIC must take into consideration the requirement in the Bank Act (Canada) for banks to maintain adequate capital and that equally ranking bail-in eligible instruments must be converted in the same proportion and receive the same number of common shares per dollar of claim.
2. Debt must also be tradeable and transferrable and issued (or amended) after the regulations come into force.
3. Term as defined in the bail-in regulations

# Key Takeaways

- Strong capital base
- Industry leading credit ratings
- Proactive & disciplined risk management
- Attractive balance sheet composition
- Diverse funding strategy

# Contents

# Economic Outlook

## Global: Still-Bright Global Growth Prospects Hide Diverging Paths

- Growth momentum slowed slightly in Q1 as temporary factors took over, however, global growth is expected to remain close to last year's performance (3.8% versus 3.7%).
- Divergence in the inflation outlook across the G7, with the U.S. and Canada leading with the highest rates, could be explained by higher labor market slack in the Euro Area and a delayed pass-through to prices.
- Despite heightened protectionist rhetoric by the U.S., evidence of any negative economic impact has been muted. That said, the negative rhetoric and proposed tariffs have left their mark on global financial markets.

## U.S.: American Economy Pushing Up Against Supply Constraints

- After advancing by a better-than-expected 2.3% in Q1, the U.S economy is expected to grow at an average 3% pace over the remainder of 2018.
- Momentum should carry into 2019 with forecasted annual real GDP growth holding at 2.9%.
- Inflation is trending up and is now in line with the Fed's 2% goal. The Fed is expected to raise interest rates two more times in 2018 and three times next year, boosting the fed funds rate to 3% by the end of 2019.
- Downside risks to the outlook include the threat of escalating trade tensions and the impact of fiscal stimulus. With stimulus coming at the mature end of the business cycle, the boost to domestic demand could be muted.

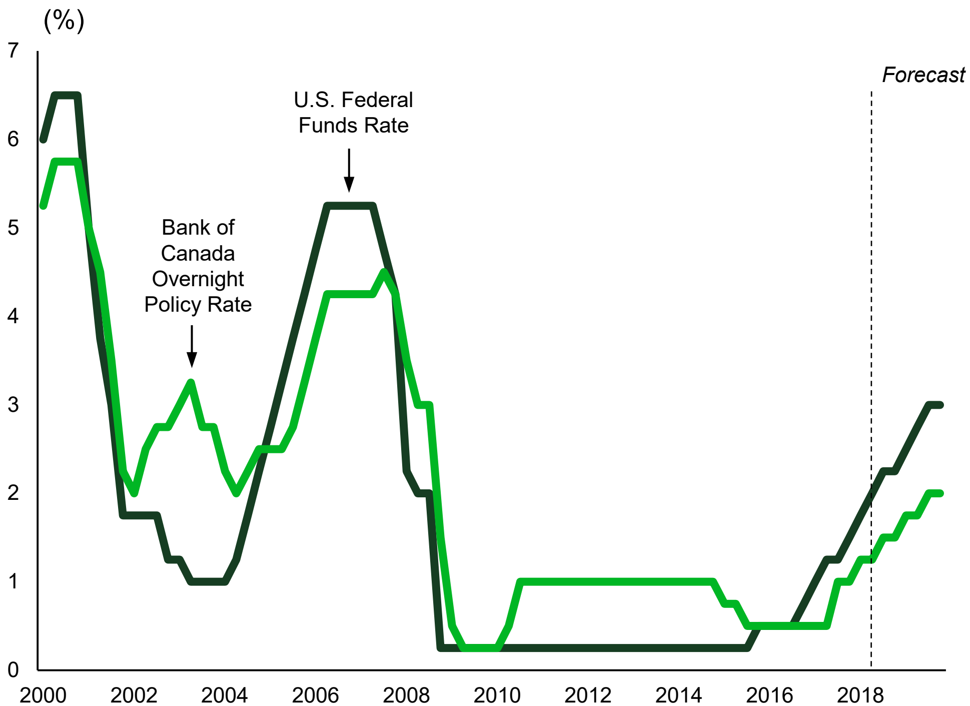
## Canada: All Roads Lead to a Cautious Bank of Canada

- Canada's growth outlook is still on track and expected to run at 2% in 2018 and 2019. Canadian investment continues to show resilience, leading the BoC to increase its estimate of medium-term trend growth.
- Higher trend growth allows the BoC to maintain its cautious stance until summer. The BoC is expected to raise interest rates in July and continue to look for a total of two more hikes by the end of 2019.
- The widening interest rate differential with the U.S. should hinder any significant appreciation of the Canadian dollar. However, a NAFTA resolution would set the stage for a relief rally and offer the BoC a tick of optimism.

Source: TD Economics, May 2018.

# Interest Rate Outlook

## Interest Rates, Canada and U.S.




- The Federal Reserve is expected to raise interest rates five more times before the end of next year, bringing the federal funds rate to 3.00%.
- By contrast, the Bank of Canada is expected to increase its policy rate by a more measured 25 bps this July, with two more hikes likely by the end of 2019.

**Further interest rate increases expected**

Source: Bloomberg, Bank of Canada, Federal Reserve. Forecast by TD Economics as of May 2018.

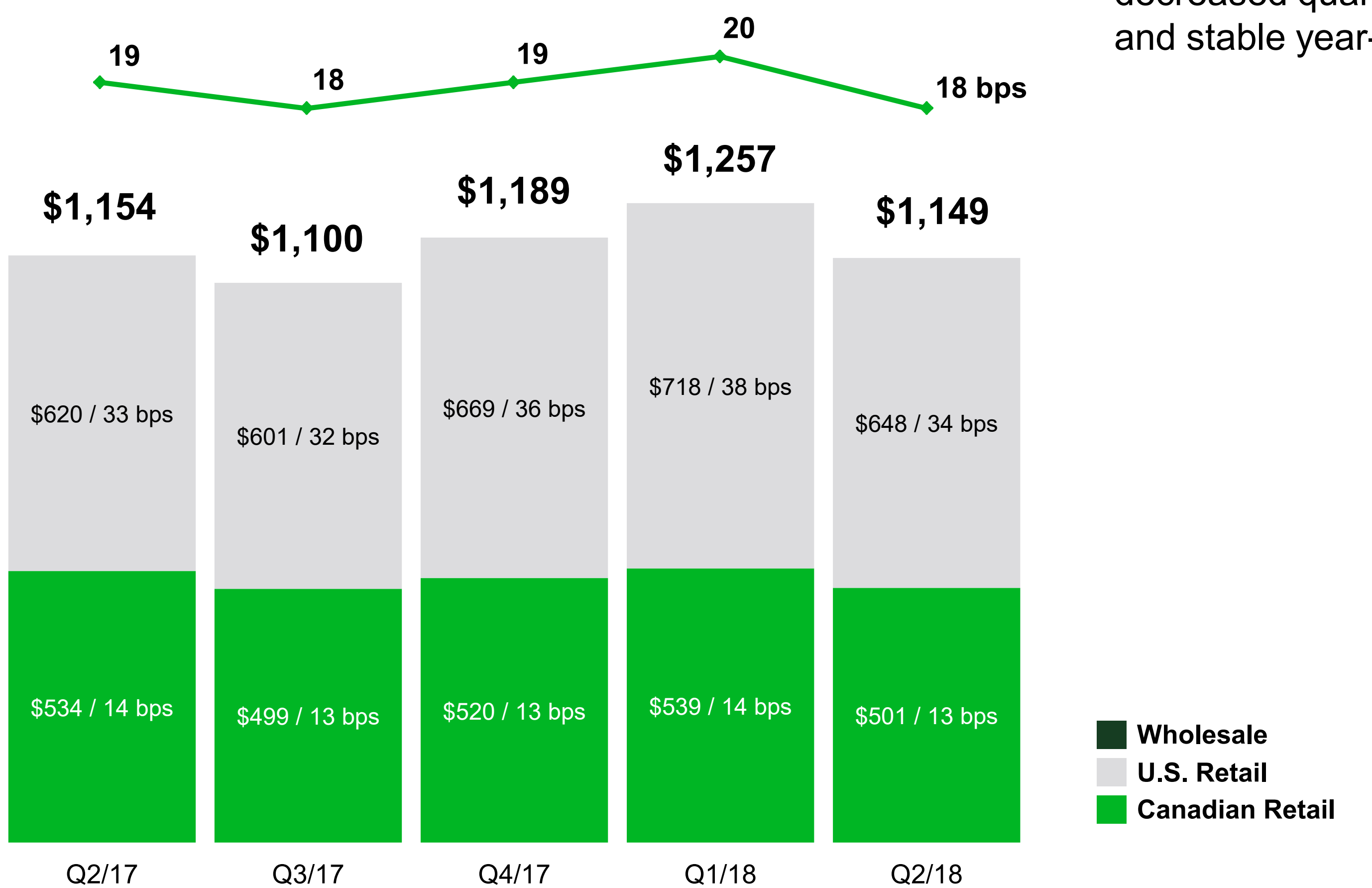
*For an economic update please refer to* ***https://economics.td.com***

# Contents

1. TD Bank Group
2. Economic Outlook
3. Treasury & Balance Sheet Management
4. **Appendix**
   - Economic Outlook
   - **Credit Quality**
   - Funding Instruments

# Gross Impaired Loan Formations
## By Portfolio

### GIL Formations[1]: $MM and Ratios[2]



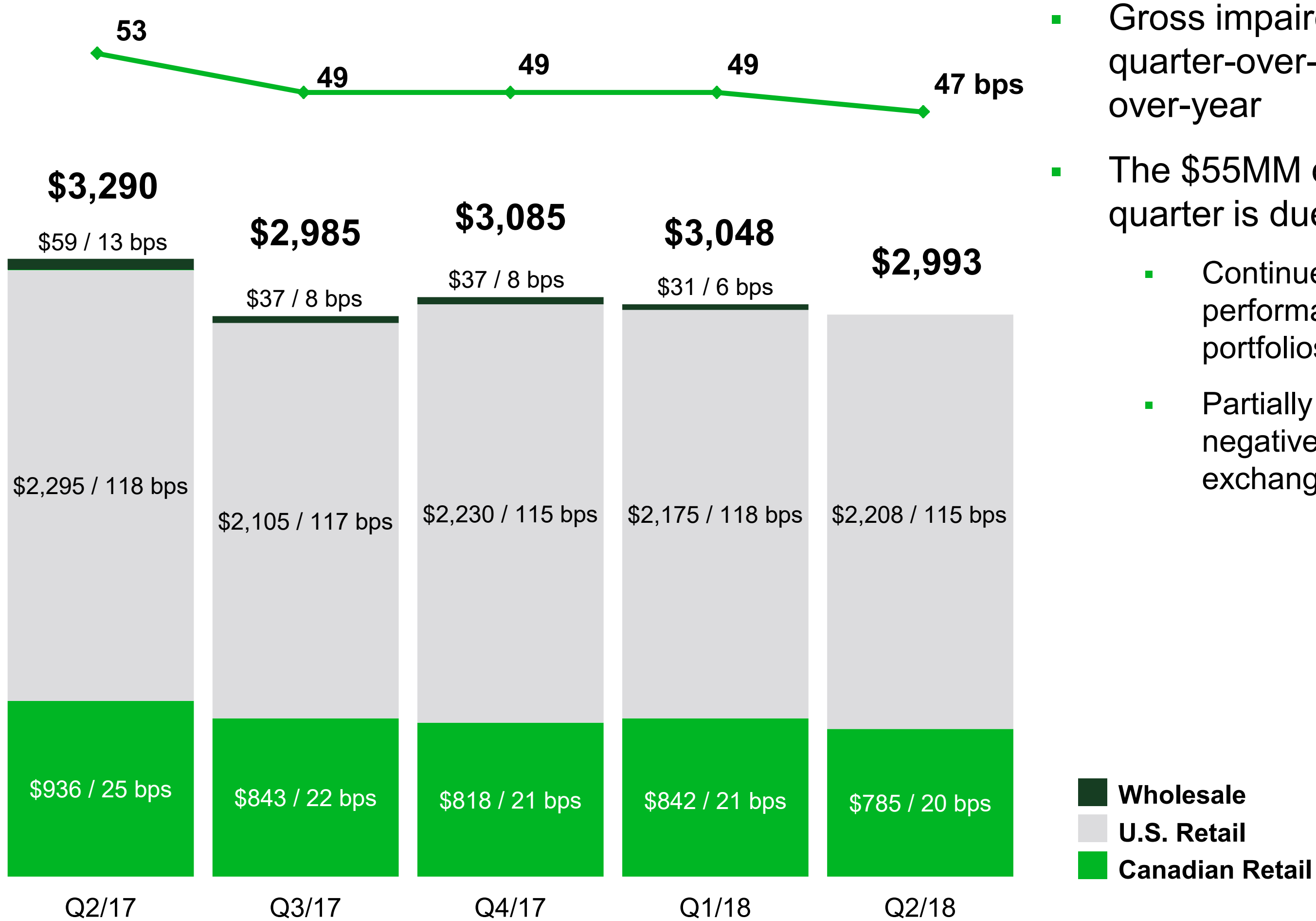

## Highlights

- Gross impaired loan formations decreased quarter-over-quarter and stable year-over-year

1. Gross Impaired Loan formations represent additions to Impaired Loans & Acceptances during the quarter; excludes the impact of acquired credit-impaired loans, and prior to November 1, 2017 excludes debt securities classified as loans under IAS 39
2. GIL Formations Ratio – Gross Impaired Loan Formations/Average Gross Loans & Acceptances

# Gross Impaired Loans (GIL)
## By Portfolio

### GIL[1]: $MM and Ratios[2]



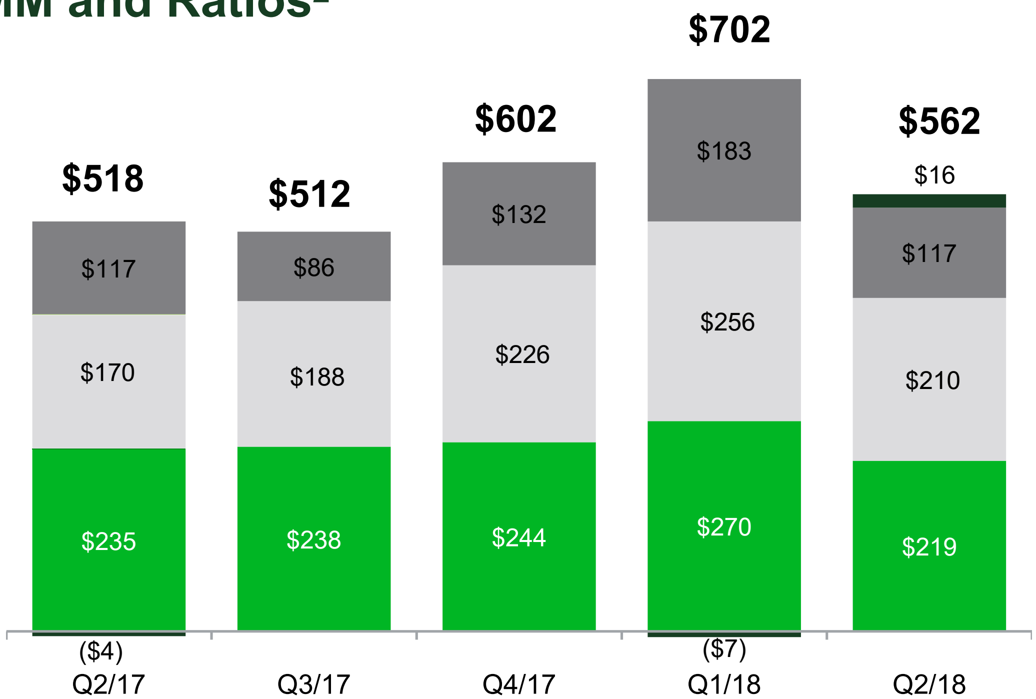

## Highlights

- Gross impaired loans decreased quarter-over-quarter and year-over-year
- The $55MM decrease in the quarter is due to:
  - Continued strong credit performance across the Bank's portfolios
  - Partially offset by an $81MM negative impact of foreign exchange

1. Gross Impaired Loans (GIL) excludes the impact of acquired credit-impaired loans and prior to November 1, 2017 excludes debt securities classified as loans under IAS39
2. GIL Ratio – Gross Impaired Loans/Gross Loans & Acceptances (both are spot) by portfolio

# Provision for Credit Losses (PCL)
## By Portfolio

### PCL[1]: $MM and Ratios[2]




| PCL Ratio | Q2/17 | Q3/17 | Q4/17 | Q1/18 | Q2/18 |
|---|---|---|---|---|---|
| Canadian Retail | 26 | 25 | 25 | 27 | 23 |
| U.S. Retail (net)[3] | 36 | 40 | 49 | 54 | 46 |
| U.S. Retail (gross)[4] | 63 | 59 | 76 | 93 | 72 |
| Wholesale | (4) | 0 | 0 | (6) | 13 |
| **Total Bank** | **35** | **33** | **39** | **45** | **36** |

### Highlights

- PCL decreased $140MM or 9 basis points quarter-over-quarter driven by:
  - Seasonal trends in the U.S. credit card and indirect auto portfolios
  - Continued strong credit performance in Canadian Retail
- The partners' share of the U.S. strategic credit card losses is booked in the Corporate segment

1. PCL excludes the impact of acquired credit-impaired loans and items of note.
2. PCL Ratio – Provision for Credit Losses on a quarterly annualized basis/Average Net Loans & Acceptances
3. Net U.S. Retail PCL ratio excludes credit losses associated with the retailer program partners' share of the U.S. Strategic Cards Portfolio, which is recorded in the Corporate Segment
4. Gross U.S. Retail PCL ratio includes the retailer program partners' share of the U.S. Strategic Cards Portfolio, which is recorded in the Corporate Segment

# Provision for Credit Losses (PCL)[1,2]
## By Business Segment

| PCL (C$MM) | Q2/17 (IAS 39) | Q1/18 (IFRS 9) | Q2/18 (IFRS 9) |
|---|---|---|---|
| **Total Bank** | **$ 518** | **$ 702** | **$ 562** |
| Impaired | $ 451 | $ 566 | $ 526 |
| Performing | 67 | 136 | 36 |
| **Canadian Retail** | **$ 235** | **$ 270** | **$ 219** |
| Impaired | 235 | 237 | 219 |
| Performing | n/a | 33 | 0 |
| **U.S. Retail** | **$ 170** | **$ 256** | **$ 210** |
| Impaired | 136 | 196 | 205 |
| Performing | 34 | 60 | 5 |
| **Wholesale** | **$ (4)** | **$ (7)** | **$ 16** |
| Impaired | (4) | 0 | (8) |
| Performing | n/a | (7) | 24 |
| **Corporate** Includes U.S. strategic cards partners' share | **$ 117** | **$ 183** | **$ 117** |
| Impaired | 84 | 133 | 110 |
| Performing | 33 | 50 | 7 |

## Highlights

- Impaired PCL decrease quarter-over-quarter reflects:
  - Continued strong credit performance in Canadian Retail
  - Seasonal trends in the U.S. credit card and indirect auto portfolios
- Performing PCL decreased $100MM quarter-over-quarter due largely to:
  - Seasonal trends in the U.S. credit card and indirect auto portfolios

1. PCL excludes the impact of acquired credit-impaired loans and items of note
2. PCL – impaired represents Stage 3 PCL under IFRS 9, performing represents Stage 1 and Stage 2 on financial assets, loan commitments, and financial guarantees

# Canadian Commercial and Wholesale Banking

| Canadian Commercial and Wholesale Banking[1] | Q2/18 Gross Loans/BAs ($B) | GIL ($MM) | GIL/ Loans |
|---|---|---|---|
| Commercial Banking[2] | 73 | 175 | 0.24% |
| Wholesale | 49 | 0 | 0.00% |
| **Total Canadian Commercial and Wholesale** | **$122** | **$175** | **0.14%** |
| Change vs. Q1/18 | $4 | ($39) | (0.04%) |

| Industry Breakdown[2] | Gross Loans/BAs ($B) | Gross Impaired Loans ($MM) |
|---|---|---|
| Real Estate – Residential | 17.9 | 11 |
| Real Estate – Non-residential | 13.6 | 5 |
| Financial | 24.0 | 0 |
| Govt-PSE-Health & Social Services | 10.3 | 16 |
| Pipelines, Oil and Gas | 5.9 | 34 |
| Metals and Mining | 1.6 | 20 |
| Forestry | 0.6 | 0 |
| Consumer[3] | 5.4 | 13 |
| Industrial/Manufacturing[4] | 6.7 | 51 |
| Agriculture | 7.5 | 6 |
| Automotive | 7.9 | 2 |
| Other[5] | 20.2 | 17 |
| **Total** | **$122** | **$175** |

## Highlights

- Canadian commercial and Wholesale Banking portfolios continue to perform well

1. Excludes acquired credit impaired loans.
2. Includes Small Business Banking and Business Visa
3. Consumer includes: Food, Beverage and Tobacco; Retail Sector
4. Industrial/Manufacturing includes: Industrial Construction and Trade Contractors; Sundry Manufacturing and Wholesale
5. Other includes: Power and Utilities; Telecommunications, Cable and Media; Transportation; Professional and Other Services; Other

# U.S. Personal Banking – U.S. Dollars

| U.S. Personal Banking[1] | Q2/18 Gross Loans ($B) | Q2/18 GIL ($MM) | Q2/18 GIL / Loans |
|---|---|---|---|
| Residential Mortgages | 22 | 366 | 1.63% |
| Home Equity Lines of Credit (HELOC)[2] | 10 | 663 | 6.96% |
| Indirect Auto | 22 | 173 | 0.77% |
| Credit Cards | 12 | 217 | 1.78% |
| Other Personal | 0.6 | 6 | 0.88% |
| **Total U.S. Personal Banking (USD)** | **$67** | **$1,425** | **2.12%** |
| Change vs. Q1/18 (USD) | ($1) | ($54) | (0.06%) |
| Foreign Exchange | $19 | $405 | |
| **Total U.S. Personal Banking (CAD)** | **$86** | **$1,830** | **2.12%** |

## Highlights

- Continued good asset quality in U.S. personal

**U.S. Real Estate Secured Lending Portfolio[1]**

Indexed Loan to Value (LTV) Distribution and Refreshed FICO Scores[3]

| Current Estimated LTV | Residential Mortgages | 1st Lien HELOC | 2nd Lien HELOC | Total |
|---|---|---|---|---|
| **>80%** | 4% | 9% | 17% | 7% |
| **61-80%** | 37% | 31% | 50% | 38% |
| **<=60%** | 59% | 60% | 33% | 55% |
| **Current FICO Score >700** | 89% | 89% | 86% | 89% |

1. Excludes acquired credit-impaired loans
2. HELOC includes Home Equity Lines of Credit and Home Equity Loans
3. Loan To Value based on authorized credit limit and Loan Performance Home Price Index as of February 2018. FICO Scores updated March 2018.

# U.S. Commercial Banking – U.S. Dollars

| U.S. Commercial Banking[1] | Q2/18 Gross Loans / BAs ($B) | GIL ($MM) | GIL/ Loans |
|---|---|---|---|
| **Commercial Real Estate (CRE)** | **23** | **114** | **0.50%** |
| Non-residential Real Estate | 17 | 90 | 0.53% |
| Residential Real Estate | 6 | 24 | 0.40% |
| **Commercial & Industrial (C&I)** | **59** | **181** | **0.31%** |
| **Total U.S. Commercial Banking (USD)** | **82** | **$295** | **0.36%** |
| Change vs. Q1/18 (USD) | 0 | $6 | 0.01% |
| Foreign Exchange | 24 | $83 | - |
| **Total U.S. Commercial Banking (CAD)** | **106** | **$378** | **0.36%** |

| Commercial Real Estate | Gross Loans/BAs (US $B) | GIL (US $MM) |
|---|---|---|
| Office | 5.5 | 42 |
| Retail | 5.3 | 24 |
| Apartments | 5.0 | 11 |
| Residential for Sale | 0.1 | 3 |
| Industrial | 1.1 | 2 |
| Hotel | 0.8 | 13 |
| Commercial Land | 0.1 | 10 |
| Other | 4.9 | 9 |
| **Total CRE** | **22.8** | **114** |

| Commercial & Industrial | Gross Loans/BAs (US $B) | GIL (US $MM) |
|---|---|---|
| Health & Social Services | 9.3 | 9 |
| Professional & Other Services | 7.8 | 39 |
| Consumer[2] | 5.9 | 40 |
| Industrial/Mfg[3] | 6.6 | 37 |
| Government/PSE | 9.7 | 3 |
| Financial | 2.0 | 20 |
| Automotive | 3.0 | 12 |
| Other[4] | 14.9 | 21 |
| **Total C&I** | **59.2** | **$181** |

## Highlights

- Sustained good credit quality in U.S. Commercial banking

1. Excludes acquired credit-impaired loans
2. Consumer includes: Food, beverage and tobacco; Retail sector
3. Industrial/Manufacturing includes: Industrial construction and trade contractors; Sundry manufacturing and wholesale
4. Other includes: Agriculture; Power and utilities; Telecommunications, cable and media; Transportation; Resources; Other

# Contents

# Canadian Registered Covered Bond Program

## Key Highlights

| | |
|---|---|
| **Covered Bond Collateral** | ▪ Canadian residential real estate property with no more than 4 residential units<br>▪ Uninsured conventional first lien assets with original loan to value ratio that is 80% or less |
| **Housing Market Risks** | ▪ Latest property valuation shall be adjusted at least quarterly to account for subsequent price adjustments using the Indexation Methodology |
| **Tests and Credit Enhancements** | ▪ Asset Coverage Test<br>▪ Amortization Test<br>▪ Valuation Calculation<br>▪ Level of Overcollateralization<br>▪ Asset Percentage<br>▪ Reserve Fund<br>▪ Prematurity Liquidity<br>▪ OSFI issuance limit relative to bonds outstanding |
| **Required Ratings and Ratings Triggers** | ▪ No less than two Rating Agencies must at all times have current ratings assigned to bonds outstanding<br>▪ All Ratings Triggers must be set for:<br>• Replacement of other Counterparties<br>• Establishment of the Reserve Fund<br>• Pre-maturity ratings<br>• Permitted cash commingling period |
| **Interest Rate and Currency Risk** | ▪ Management of interest rate and currency risk:<br>• Interest rate swap<br>• Covered bond swaps |
| **Ongoing Disclosure Requirements** | ▪ Monthly investor reports shall be posted on the program website<br>▪ Plain disclosure of material facts in the Public Offering Document |
| **Audit and Compliance** | ▪ Annual specified auditing procedures performed by a qualified cover pool monitor<br>▪ Deliver an Annual Compliance Certificate to the Canada Mortgage and Housing Corporation (CMHC) |

# TD Global Legislative Covered Bond Program

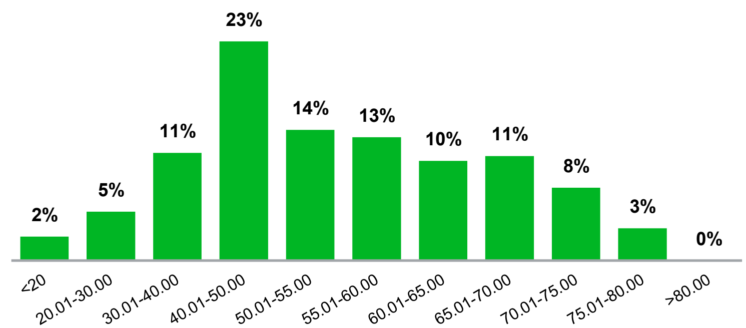
## TD Covered Bond Programme Highlights

- TD has a C$40B legislative covered bond program
- Covered bonds issuance for Canadian issuers governed by CMHC-administered guidelines
- Only uninsured Canadian residential real estate assets are eligible, no foreign assets in the pool
- Covered pool is composed of 100% amortizing mortgages
- Strong credit ratings; Aaa / AAA[1]
- Issuances capped at 4% of total assets[2], or, ~C$51B for TD
- TD has ~C$29B aggregate principal amount of Legislative covered bonds outstanding, about ~2.2% of the Bank's total assets. Ample room for future issuance
- Effective January 2017, TD joined the Covered Bond Label[3] and commenced reporting using the Harmonized Transparency Template

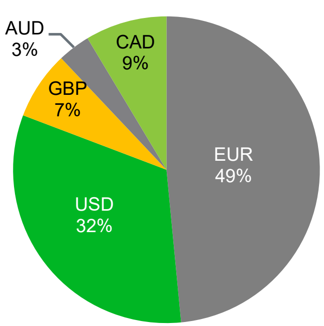
## Cover Pool as at April 30, 2018

- High quality, conventional first lien Canadian Residential mortgages originated by TD
- All loans have original LTVs of 80% or lower. Current weighted average LTV is 52.26%[4]
- The weighted average of non-zero credit scores is 771

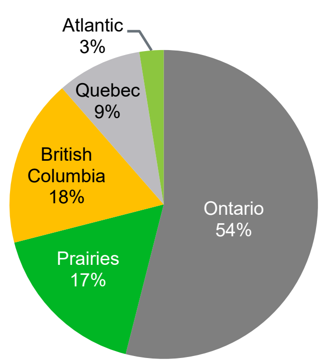
### Current LTV[4]



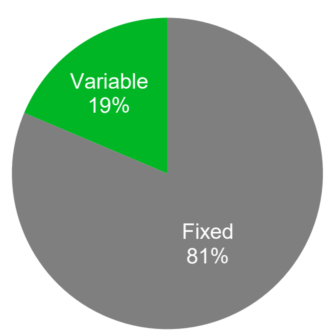

### Issuances



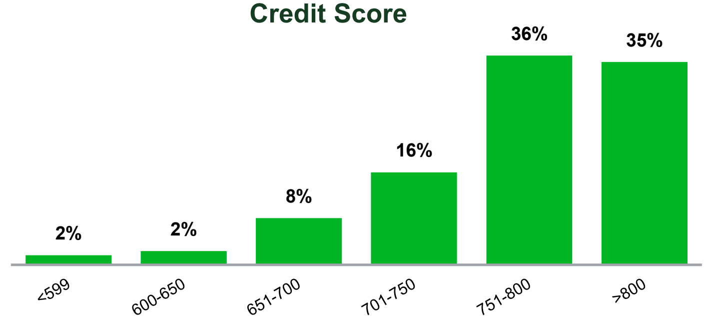

### Provincial Distribution




### Interest Rate Type




### Credit Score




1. Ratings by Moody's and DBRS, respectively. For the Covered Bond program, as at April 30, 2018. Credit ratings are not recommendations to purchase, sell, or hold a financial obligation inasmuch as they do not comment on market price or suitability for a particular investor. Ratings are subject to revision or withdrawal at any time by the rating organization.
2. Total assets are determined in accordance with the OSFI letter dated December 19, 2014 related to the Revised Covered Bond Limit Calculation for deposit-taking institutions issuing covered bonds.
3. The Covered Bond Label Foundation and its affiliates are not associated with and do not approve or endorse TD's covered bond products.
4. Current Loan to Value is calculated with the Teranet-National Bank House Price Index™ and weighted by balance. The Teranet-National Bank House Price Index™ is a trademark of Teranet Enterprises Inc. and National Bank of Canada and have been licensed for internal use by The Toronto-Dominion Bank's real estate secured lending team only.

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# TD Bank Group
# Fixed Income Investor Presentation

Q2 2018