



TD Bank Group Fixed Income Investor Presentation

Q3 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 events or transactions discussed under the headings "Significant Events" and "Significant Events and Pending Acquisitions" 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.

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Our Businesses

Canadian Retail

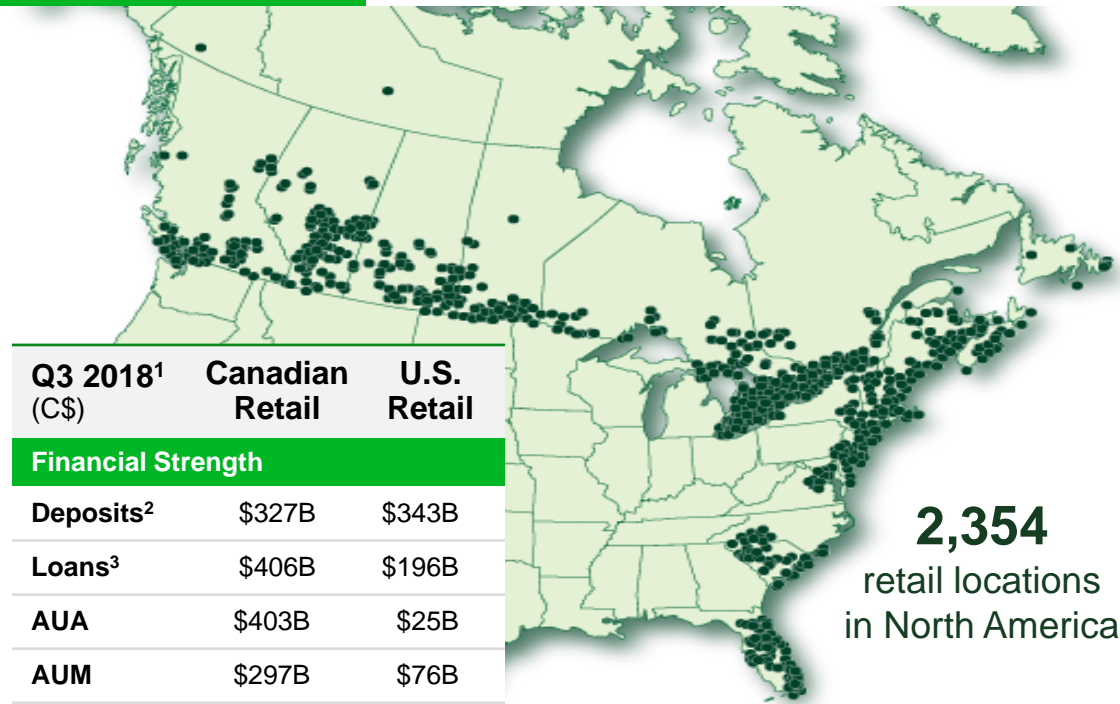
- Personal banking, credit cards and auto finance
- Small business and commercial banking
- Direct investing, advice-based wealth businesses, and asset management
- Property, casualty, life and health insurance

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



Q3 2018 ¹ (C\$)	Canadian Retail	U.S. Retail
Financial Strength		
Deposits²	\$327B	\$343B
Loans³	\$406B	\$196B
AUA	\$403B	\$25B
AUM	\$297B	\$76B
Earnings⁴	\$7.1B	\$3.9B

Network Highlights		
Employees⁵	38,838	26,804
Customers	>15MM	>9MM
Branches	1,108	1,246
ATMs	3,262	2,620
Mobile Users	4.5MM	2.9MM



2,354
retail locations
in North America

15
TD Securities
offices worldwide

1. Q3/18 is the period from May 1, 2018 to July 31, 2018.
 2. Total Deposits based on total of average personal and business deposits during Q3/18. 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 Q3/18.
 4. For trailing four quarters ended Q3/18.
 5. Average number of full-time equivalent staff in these segments during Q3/18.

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

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 world¹
- Market leadership position held by the “Big 5” Canadian Banks
- Canadian chartered banks account for more than 74% of the residential mortgage market²
- Mortgage lenders have recourse to both borrower and property in most provinces

TD's Canadian Businesses

- Network of 1,108 branches and 3,262 ATMs³
- Composite market share of 21%
- Ranked #1 or #2 in market share for most retail products⁴
- 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 1,246 stores and 2,620 ATMs³
- Operations in 4 of the top 10 metropolitan statistical areas and 7 of the 10 wealthiest states⁵
- Operating in a US\$1.9 trillion deposits market⁶
- Access to nearly 82 million people within TD's footprint⁷
- 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



Q3 2018 C\$ except otherwise noted		Canadian Ranking ⁴	North American Ranking ⁵
Total assets	\$1,293B	1 st	5 th
Total deposits	\$839B	1 st	5 th
Market capitalization	\$140.9B	2 nd	6 th
Reported net income (<i>trailing four quarters</i>)	\$11.1B	2 nd	5 th
Adjusted net income¹ (<i>trailing four quarters</i>)	\$11.7B	n/a	n/a
Average number of full-time equivalent staff	85,258	2 nd	6 th
Common Equity Tier 1 capital ratio²	11.7%	1 st	5 th
Moody's Bail-inable Senior Debt Ratings³	Aa3	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 Third 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 \$392 million after-tax, Charges associated with Scottrade transaction of \$199 million after-tax, the dilution gain on Scottrade transaction of \$204 million after-tax, amortization of intangibles of \$265 million after tax.

2. See slide 22, footnote 1.

3. For bail-inable senior debt of The Toronto-Dominion Bank, as at July 31, 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 Q3/18 results ended July 31, 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 Q2/18 results ended June 30, 2018.

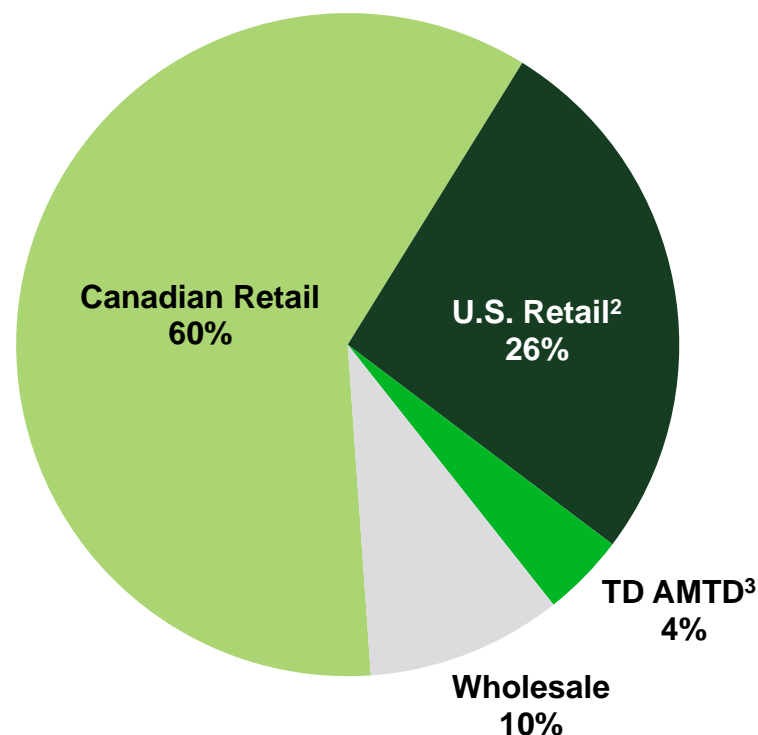
Diversified Business Mix



Three key business lines

- **Canadian Retail** robust retail banking platform in Canada with proven performance
- **U.S. Retail** top 10 bank⁴ in the U.S. with significant organic growth opportunities
- **Wholesale Banking** North American dealer focused on client-driven businesses

Fiscal 2017 Reported Earnings Mix¹



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 July 31, 2018 (October 31, 2017 – 41.27%).

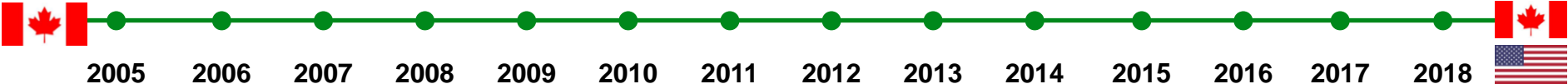
4. Based on total deposits as of December 31, 2017. Source: SNL Financial, Largest Banks and Thrifts in the U.S. by total deposits.

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 Scotiabank
 Completed acquisition of Layer 6 and Greystone Managed Investments Inc.



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 history²

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 Canada³

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. 10
 Rankings reflect TD Securities' position among Canadian peers in Canadian product markets.

Connected Experiences

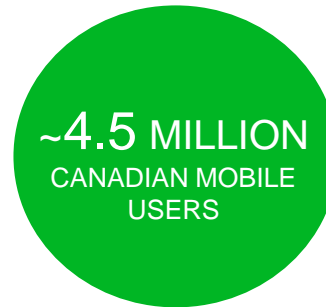


Consistent Strategy

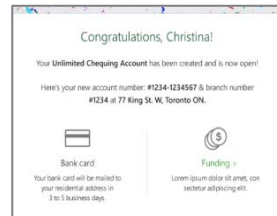
How we compete

- 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

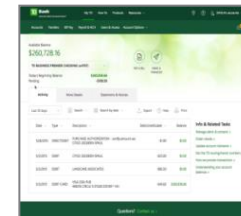
Q3 2018 Highlights



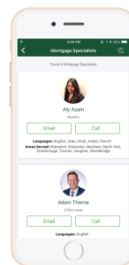
Digital Enhancements



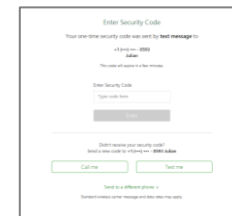
EasyApply platform offers an industry-leading mobile optimized online account opening experience for some accounts with no need to visit a branch



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



Our Mortgage Concierge service uses geolocation technology to connect customers with nearby mobile mortgage specialists



One-Time Password authentication simplifies customers' experience, improves security and reduces fraud.

The Ready Commitment: Targeting \$1 billion in community giving by 2030

The Ready Commitment targets

\$1 billion by 2030

Opening doors
for a more inclusive tomorrow



Financial Security



Vibrant Planet



Connected Communities



Better Health

Q3 Highlight: Launched The Ready Challenge



Each year, up to **\$10 million**
in grants towards social innovation

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.

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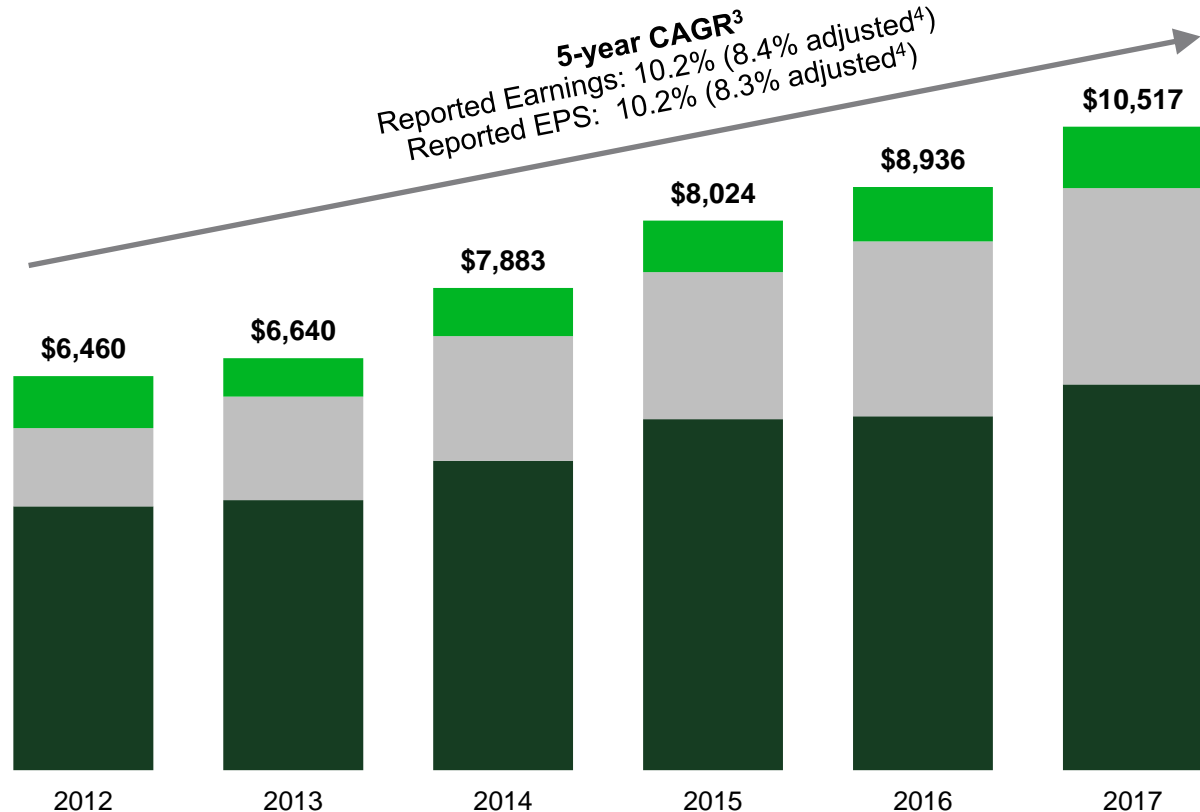
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Consistent Earnings Growth



Targeting 7-10% adjusted EPS growth over the medium term⁴

Reported Earnings^{1,2} (C\$MM)



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.

Q3 2018 Highlights



Total Bank Reported Results (YoY)

EPS up 13%

- Adjusted¹ EPS up 10%

Revenue up 6%

Expenses up 5%

Segment Reported Earnings (YoY)

Canadian Retail up 7%

U.S. Retail up 27% (up 29% adjusted)¹

Wholesale down 24%

Financial Highlights \$MM

Reported	Q3/18	Q2/18	Q3/17
Revenue	9,885	9,467	9,286
PCL	561	556	505
Expenses	5,117	4,822	4,855
Net Income	3,105	2,916	2,769
Diluted EPS (\$)	1.65	1.54	1.46

Adjusted ¹	Q3/18	Q2/18	Q3/17
Net Income	3,127	3,062	2,865
Diluted EPS (\$)	1.66	1.62	1.51

Segment Earnings \$MM

Q3/18	Reported	Adjusted ¹
Retail ²	2,995	3,013
Canadian Retail	1,852	1,852
U.S. Retail	1,143	1,161
Wholesale	223	223
Corporate	(113)	(109)

1. See slide 7, footnote 1. Third quarter items of note: Charges associated with Scottrade transaction of \$18 million after tax, amortization of intangibles of \$65 million after tax and the impact from U.S. tax reform of (\$61) million after tax.

2. "Retail" comprises the Canadian Retail and U.S. Retail segments. See the Bank's Third Quarter 2018 Earnings News Release and MD&A.

High Quality Loan Portfolio



Balances (C\$B unless otherwise noted)

	Q2/18	Q3/18
Canadian Retail Portfolio	\$401.3	\$409.1
Personal	\$328.5	\$335.1
Residential Mortgages	190.4	191.8
Home Equity Lines of Credit (HELOC)	79.5	83.4
Indirect Auto	22.8	23.8
Unsecured Lines of Credit	9.9	9.9
Credit Cards	18.0	17.9
Other Personal	7.9	8.3
Commercial Banking (including Small Business Banking)	\$72.8	\$74.0
U.S. Retail Portfolio (all amounts in US\$)	US\$ 149.2	US\$ 150.8
Personal	US\$ 67.1	US\$ 68.5
Residential Mortgages	22.4	23.0
Home Equity Lines of Credit (HELOC) ¹	9.5	9.5
Indirect Auto	22.4	22.5
Credit Cards	12.2	12.9
Other Personal	0.6	0.6
Commercial Banking	US\$ 82.1	US\$ 82.3
Non-residential Real Estate	17.0	16.8
Residential Real Estate	5.8	5.9
Commercial & Industrial (C&I)	59.3	59.6
FX on U.S. Personal & Commercial Portfolio	42.6	45.2
U.S. Retail Portfolio (C\$)	\$191.8	\$196.0
Wholesale Portfolio²	\$49.2	\$51.1
Other³	\$0.6	\$0.5
Total⁴	\$642.9	\$656.7

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.

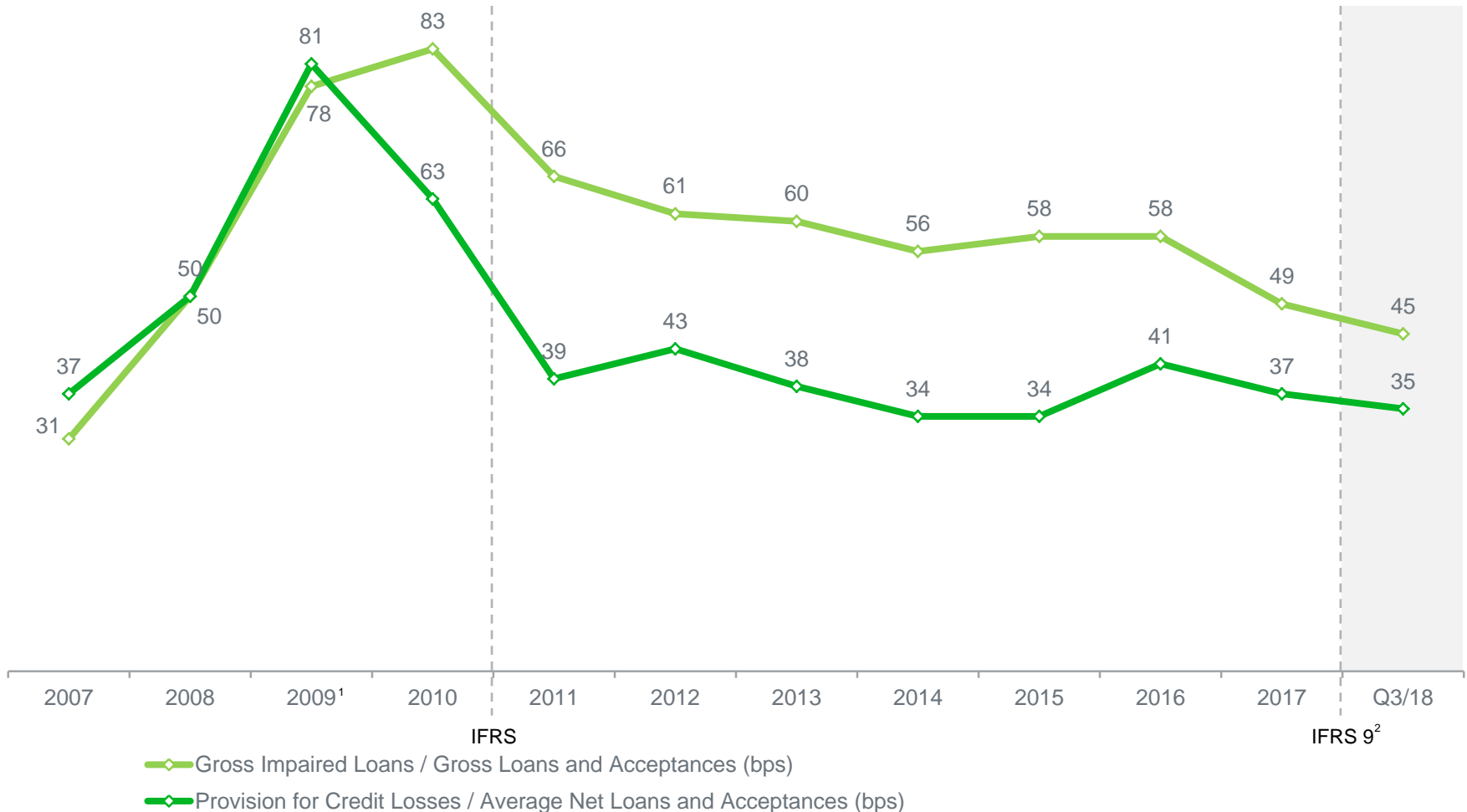
4. Includes loans measured at fair value through other comprehensive income

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	Q3/18		
	Gross Loans (\$B)	GIL (\$MM)	GIL / Loans
Residential Mortgages	\$192	\$241	0.13%
Home Equity Lines of Credit (HELOC)	83	124	0.15%
Indirect Auto	24	59	0.25%
Credit Cards	18	119	0.67%
Unsecured Lines of Credit	10	31	0.31%
Other Personal	8	14	0.17%
Total Canadian Personal Banking	\$335	\$588	0.18%
Change vs. Q2/18	\$6	(\$22)	(0.01%)

Highlights

- Credit quality remains strong in the Canadian Personal portfolio

Canadian RESL Portfolio – Loan to Value by Region^{1, 2}

	Q2/18			Q3/18		
	Mortgage	HELOC	Total RESL	Mortgage	HELOC	Total RESL
Atlantic	62%	47%	58%	61%	47%	58%
BC	49%	40%	46%	49%	40%	46%
Ontario	53%	43%	50%	53%	43%	49%
Prairies	65%	52%	61%	65%	52%	60%
Quebec	62%	54%	60%	62%	54%	60%
Canada	56%	45%	52%	56%	45%	52%

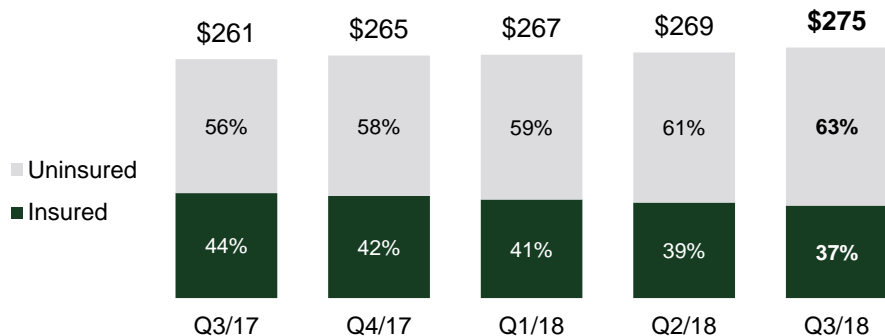
1. RESL Portfolio Loan to Value is calculated with the Teranet-National Bank House Price Index™ and weighted by the balance. The Teranet-National Bank House Price Index™ is a trademark of Teranet Enterprises Inc. and National Bank of Canada and have been licensed for internal use by The Toronto-Dominion 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.

Canadian Real Estate Secured Lending Portfolio



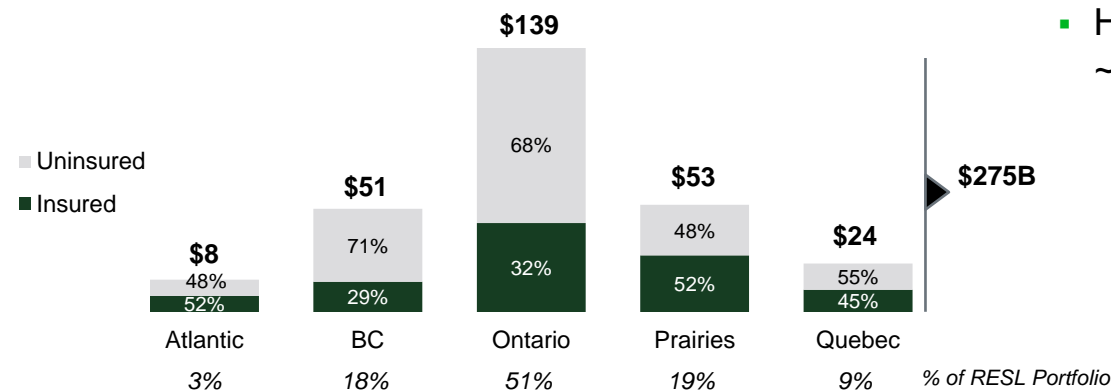
Quarterly Portfolio Volumes \$B



Canadian RESL Portfolio – Loan to Value¹

	Q3/17	Q4/17	Q1/18	Q2/18	Q3/18
Uninsured	49%	50%	51%	52%	52%
Insured	52%	52%	52%	52%	52%

Regional Breakdown² \$B



Highlights

Canadian RESL credit quality remains strong

- Uninsured and insured portfolio loan-to-value rates stable

87% of RESL portfolio is amortizing

- 57% of HELOC portfolio is amortizing

Condo credit quality consistent with broader portfolio

- Condo borrower RESL outstanding of \$44.5B with 39% 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.

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Industry-Leading Credit Ratings

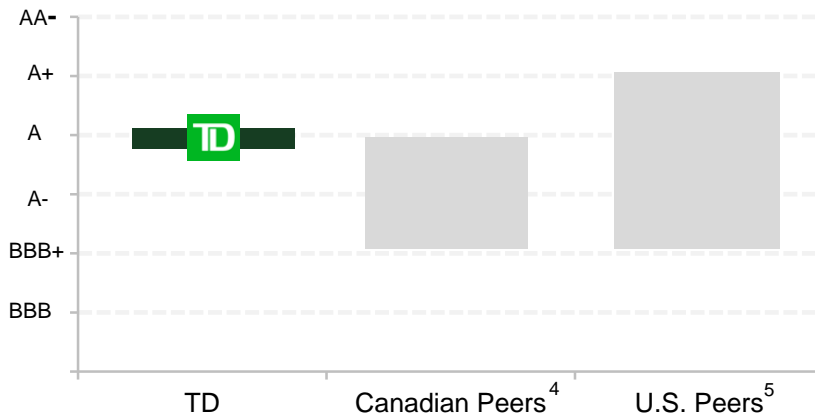


Issuer Ratings¹

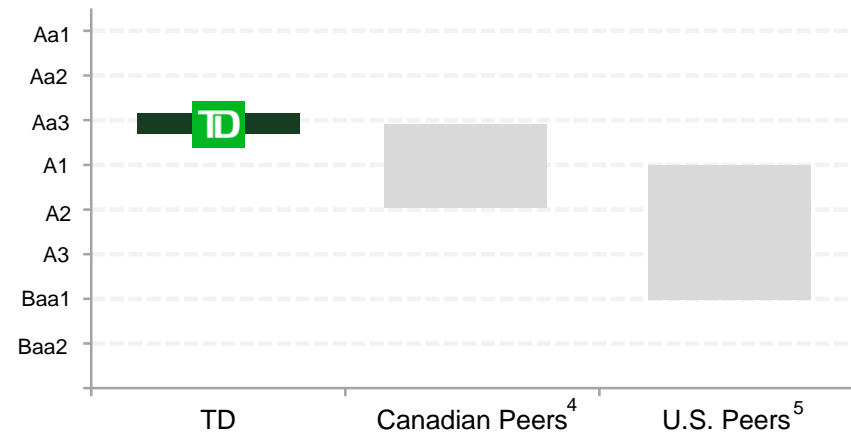
Rating Agencies	Senior Debt Ratings ²	Outlook	Legacy Senior Debt Ratings ³
S&P	A	Stable	AA-
Moody's	Aa3	Stable	Aa1
DBRS	Aa (low)	Positive	AA

Ratings vs. Peer Group¹

S&P Senior Debt² / HoldCo⁶ Rating



Moody's Senior Debt² / HoldCo⁶ Rating



1. See slide 8, footnote 3

2. Subject to conversion under the bank recapitalization "bail-in" regime

3. Includes: (a) senior debt issued prior to September 23, 2018; and (b) senior debt issued on or after September 23, 2018 which is excluded from the bank recapitalization "bail-in" regime

4. Canadian peers defined as RY, BNS, BMO and CM.

5. U.S. peers defined as BAC, BBT, C, JPM, PNC, USB and WFC

6. Ratings reflect holding company senior unsecured ratings

Strong Capital & Liquidity Positions



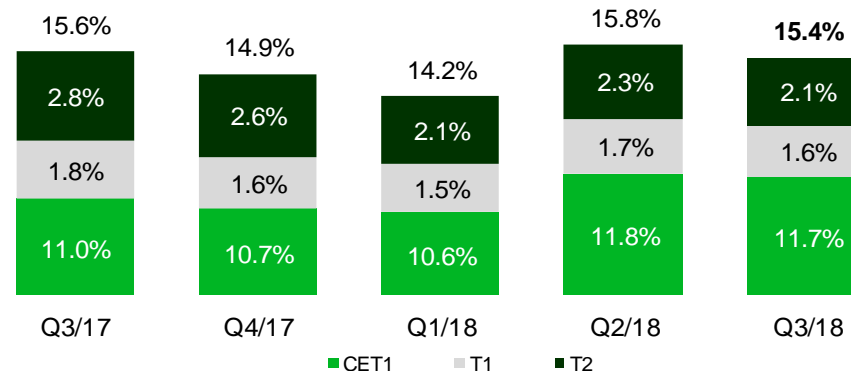
Highlights

- Common Equity Tier 1 ratio of 11.7%
- Leverage ratio of 4.1%
- Liquidity coverage ratio of 127%
- Completed purchase of approximately 20 million common shares under NCIB
- Tier 1 and Total Capital ratios were 13.3% and 15.4%, respectively

Common Equity Tier 1¹

Q2 2018 CET1 Ratio		11.8%
Internal capital generation		43
Impact of repurchase of common shares		(35)
Organic RWA increase and other		(24)
Q3 2018 CET1 Ratio		11.7%

Total Capital Ratio¹



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.

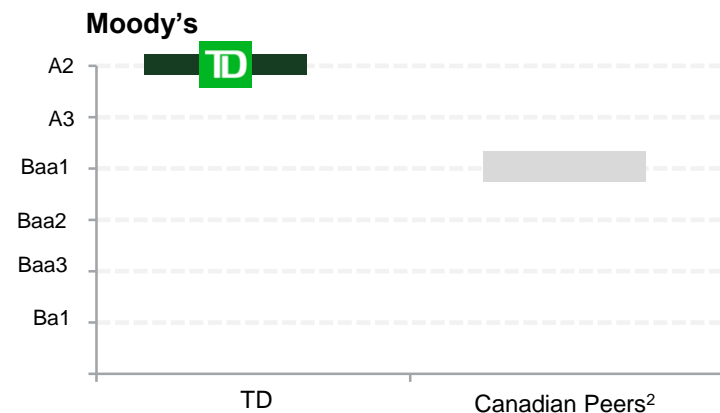
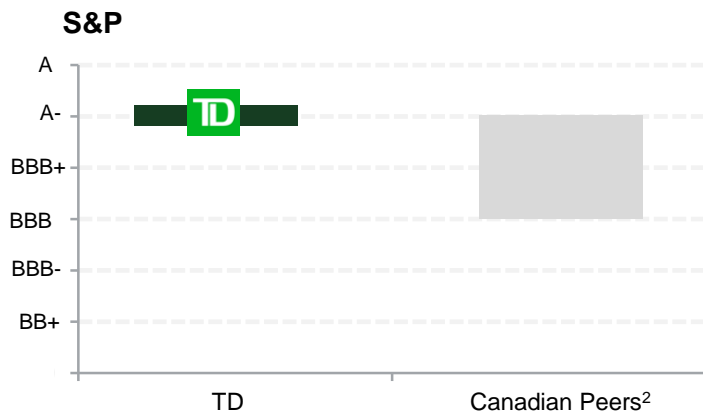
2. Effective in the second quarter of 2018, OSFI implemented a revised methodology for calculating the regulatory capital floor. The revised floor is based on the Basel II standardized approach, with the floor factor transitioned in over three quarters. The factor increases from 70% in the second quarter 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.

Leading Non-Common Equity Capital Ratings

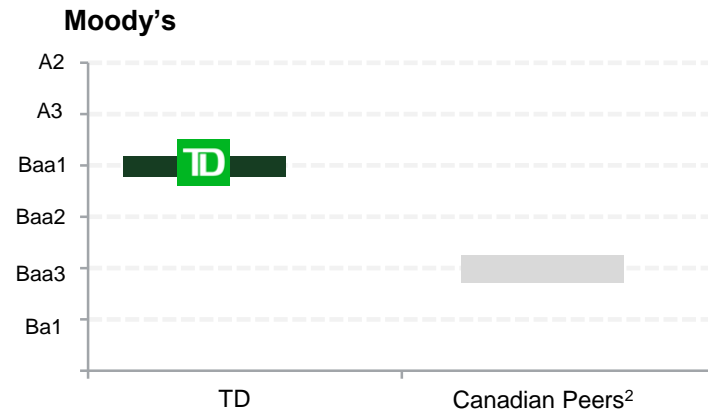
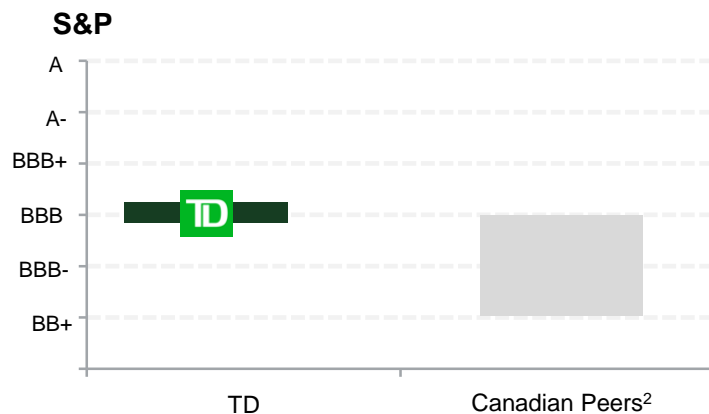


Industry leading ratings¹ for Additional Tier 1 and Tier 2 capital instruments

NVCC Tier 2 Subordinated Debt Ratings



Additional Tier 1 NVCC Preferred Share Ratings



1. Subordinated Debt and Preferred Share ratings are as at July 31, 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.

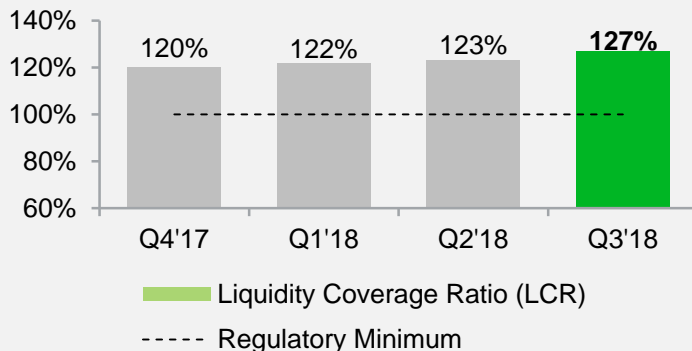
Robust Liquidity Management



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.

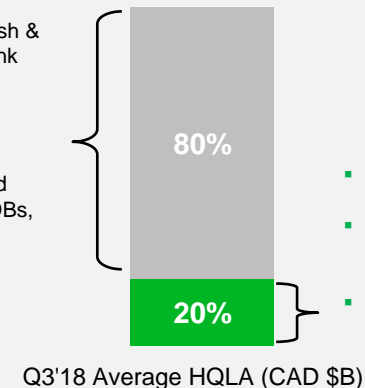
Liquidity Coverage Ratio (LCR)



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 July 31, 2018, was \$211.8 billion (April 30, 2018 – \$217.3 billion), with Level 1 assets representing 80% (April 30, 2018 – 80%).

- Level 1 Cash & Central Bank Reserve
- Level 1 Sovereign Issued/Guaranteed
- Level 1 MDBs, PSEs, Provincials
- Level 2A Sovereign Issued/Guaranteed
- Level 2A PSEs, Corp bonds, Municipals
- Level 2B Equities, Sovereigns, RMBS



Prudent liquidity management commensurate with risk appetite

Attractive Balance Sheet Composition¹



Large base of stable retail and commercial deposits

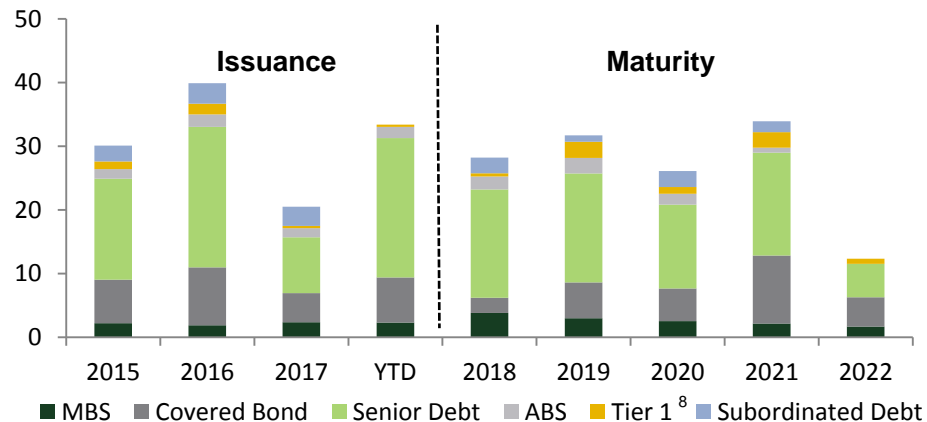
Personal and commercial deposits are TD's primary sources of funds

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

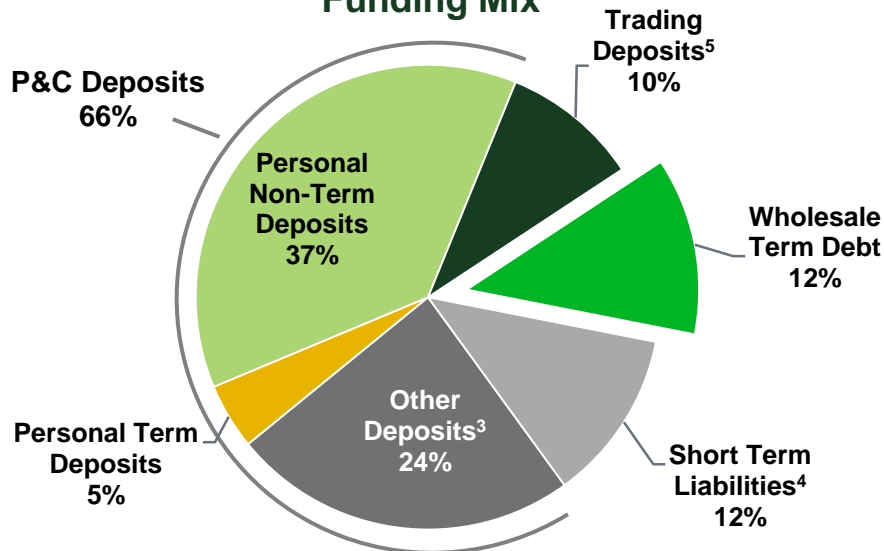
Wholesale funding profile reflects a balanced secured and unsecured funding mix

Maturity profile is manageable and well balanced

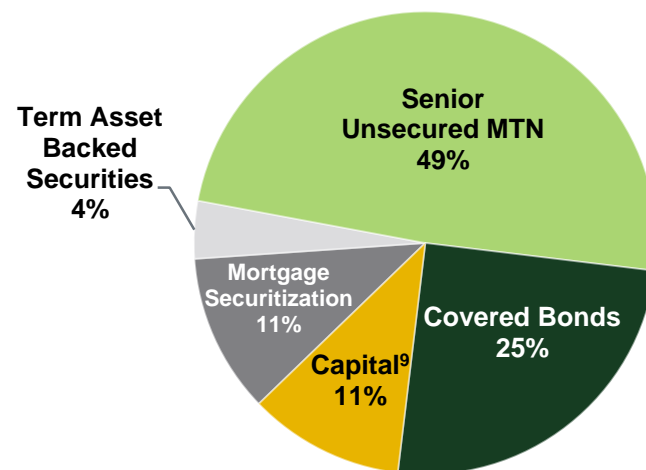
Maturity Profile^{6,7} (To first par redemption date) (C\$B)



Funding Mix²



Wholesale Term Debt



1. As of July 31, 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 Composition¹

Funding Strategy

Wholesale term funding through diversified sources across domestic and international markets

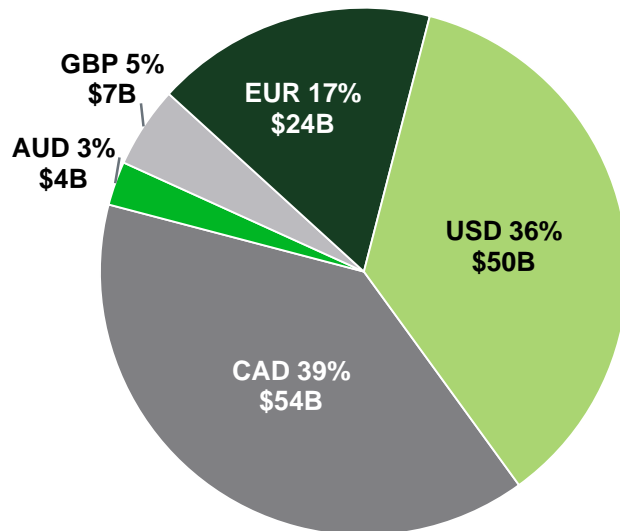
- Well-established C\$50 billion Legislative Covered Bond Program is an important pillar in global funding strategy
- Programmatic issuance for the established ABS program, backed by Canadian credit card receivables in the U.S. market

Broadening of investor base through currencies, tenor and structure diversification

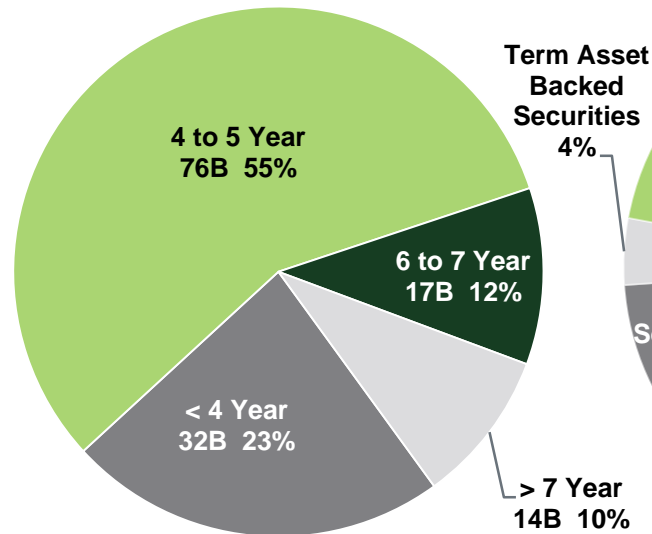
Recent transactions:

- US\$ 750MM 2-year EVGRN Credit Card ABS FRN
- GBP£ 1.0BN 3-year Covered Bond issuance FRN
- C\$ 2.25BN Deposit Note issuance at 3.005%
- EUR€ 1.50BN 5-year Senior note issuance at 0.625%

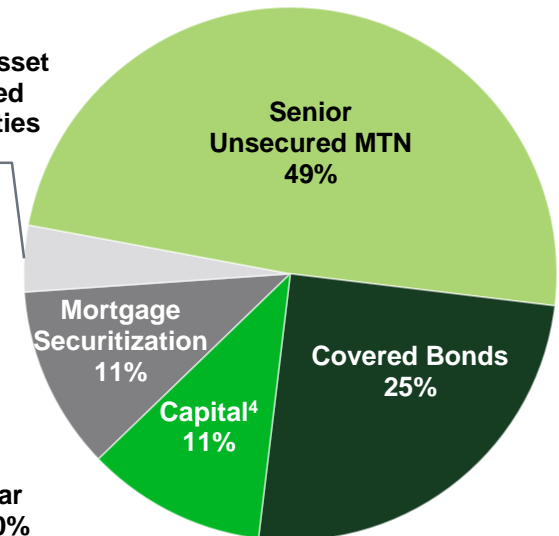
By Currency ^{2,3}



By Term ^{2,3}



Wholesale Term Debt



1. As of July 31, 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 66% of the Bank's total funding

- TD Canada Trust (TDCT) ranked #1 in Total Personal Deposits¹
- 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 10² with over 9MM customers, operating in retail stores in 15 states and the District of Columbia

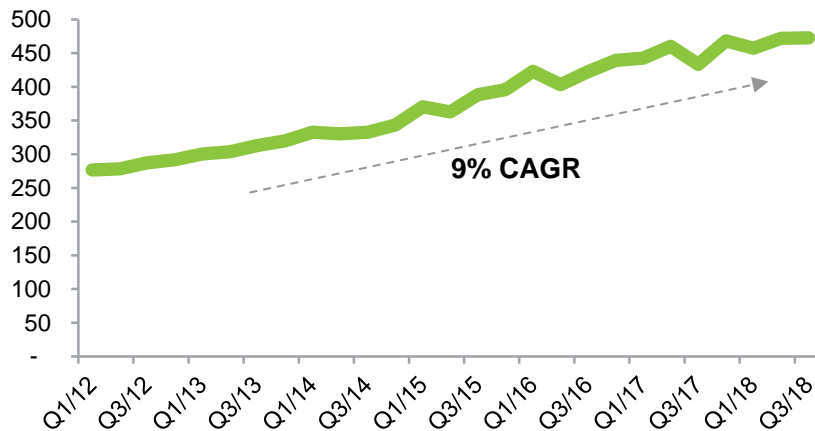
Personal and Business deposits continue to show strong growth

- Personal deposits have grown at 9% CAGR³ over the last 5 years
- Business Deposits have grown at 6% CAGR³ over the last 5 years

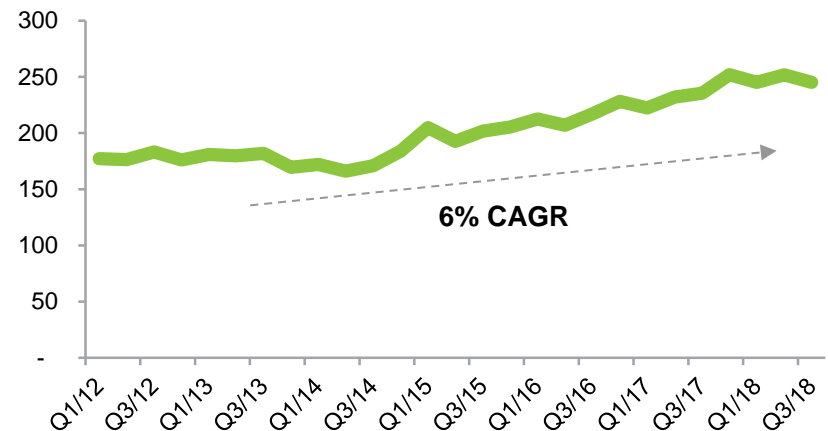
Deposits raised through personal and business banking channels remain the primary source of long-term funding for the Bank's non-trading assets

- 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 Q3 2013 to Q3 2018 on a reported basis.
 4. Business deposits exclude wholesale funding

Key Takeaways

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

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Global: Divergent Growth Marks the Forecast

- Global growth in 2018 is expected to be close to that of last year (3.8% versus 3.7% in 2017), before edging down to 3.5% in 2020. Within the G7, divergent economic performances are likely to continue through the end of this year, with Europe underperforming the U.S. and Canada.
- A strong greenback has contributed to downward pressure on emerging markets (EM) assets and currencies, prompting some central banks to raise rates to stem capital outflows. Despite this volatility, EM growth has managed to hold relatively steady at just above 5%.
- Challenges of EM nations are largely idiosyncratic in nature, but global risk sentiment could be hit if trade wars escalate further.

American Economy Kicks Into a High Gear

- Buoyed by fiscal stimulus, economic growth is expected to average just above 3% over the remainder of 2018. Momentum is expected to ebb in 2019, with growth through the year averaging 2.4% (Q4/Q4) as the benefits of fiscal stimulus become more muted. By 2020, the outlook is more uncertain, depending on the potential run off of a number of temporary spending measures.
- Given strong near term momentum, the Fed is expected to raise rates twice more this year, and three times next, bringing the fed funds rate to 3.25% by the end of 2019.

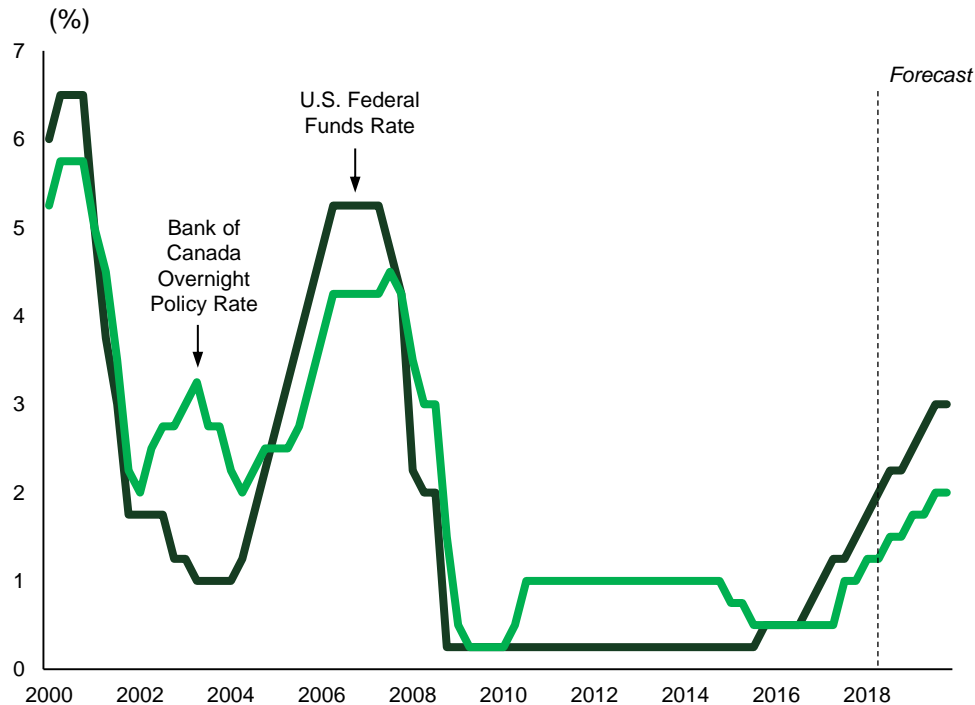
Canada: The Come Back Kid

- The Canadian economy continues to perform well with an expected 2.2 % and 2.0% growth this year and next.
- All sectors are contributing to Canadian economic growth: net trade has shaken off earlier weakness, consumer confidence and spending has bounced back, and business investment has continued to rebound. Even Housing has been come in ahead of expectations.
- The window for another Bank of Canada rate hike is open, most likely in October. We expect an additional two more follow-on hikes in 2019.

Interest Rate Outlook



Interest Rates, Canada and U.S.



- The Federal Reserve, is expected to raise interest rates two more times in 2018 followed by three hikes in 2019, bringing the federal funds rate to 3.25% by the end of the year.
- The Bank of Canada is expected to increase its policy rate by a more measured 25 bps this October, with two more hikes likely by the end of 2019.

Further interest rate increases expected

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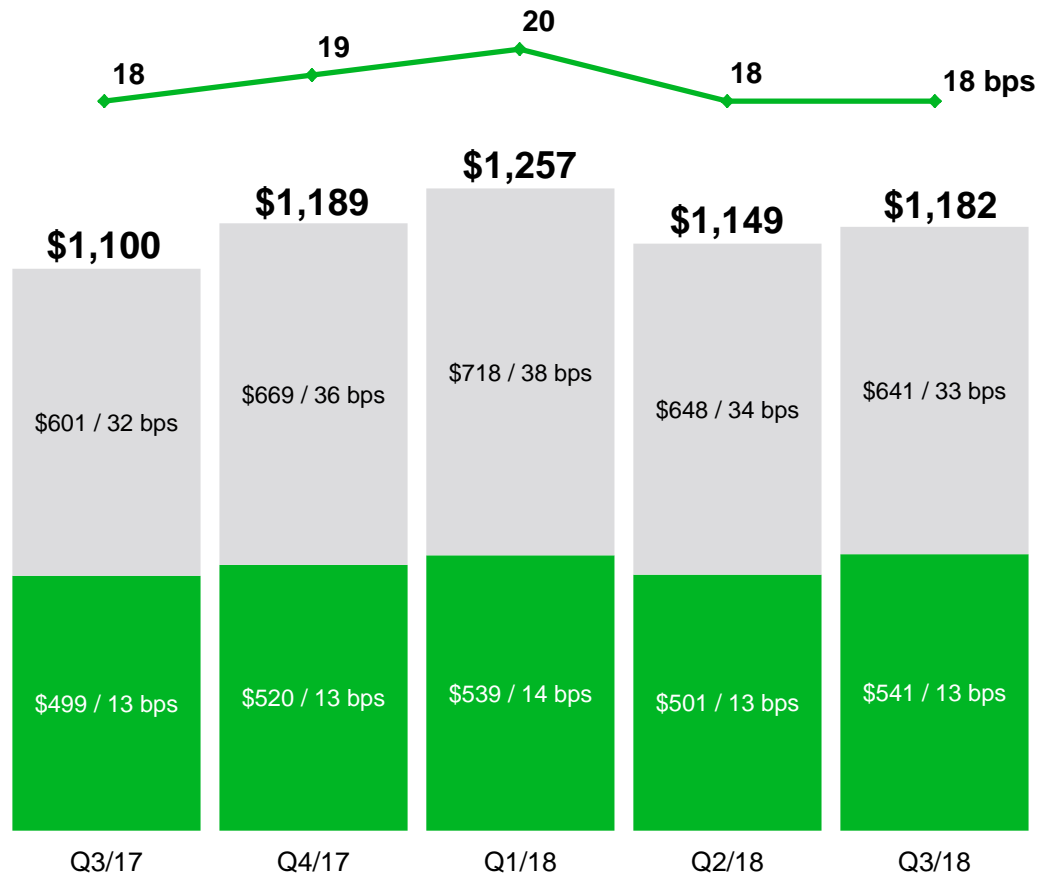


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Gross Impaired Loan Formations By Portfolio



GIL Formations¹: \$MM and Ratios²



Highlights

- Gross impaired loan formations stable quarter-over-quarter and year-over-year at 18 basis points

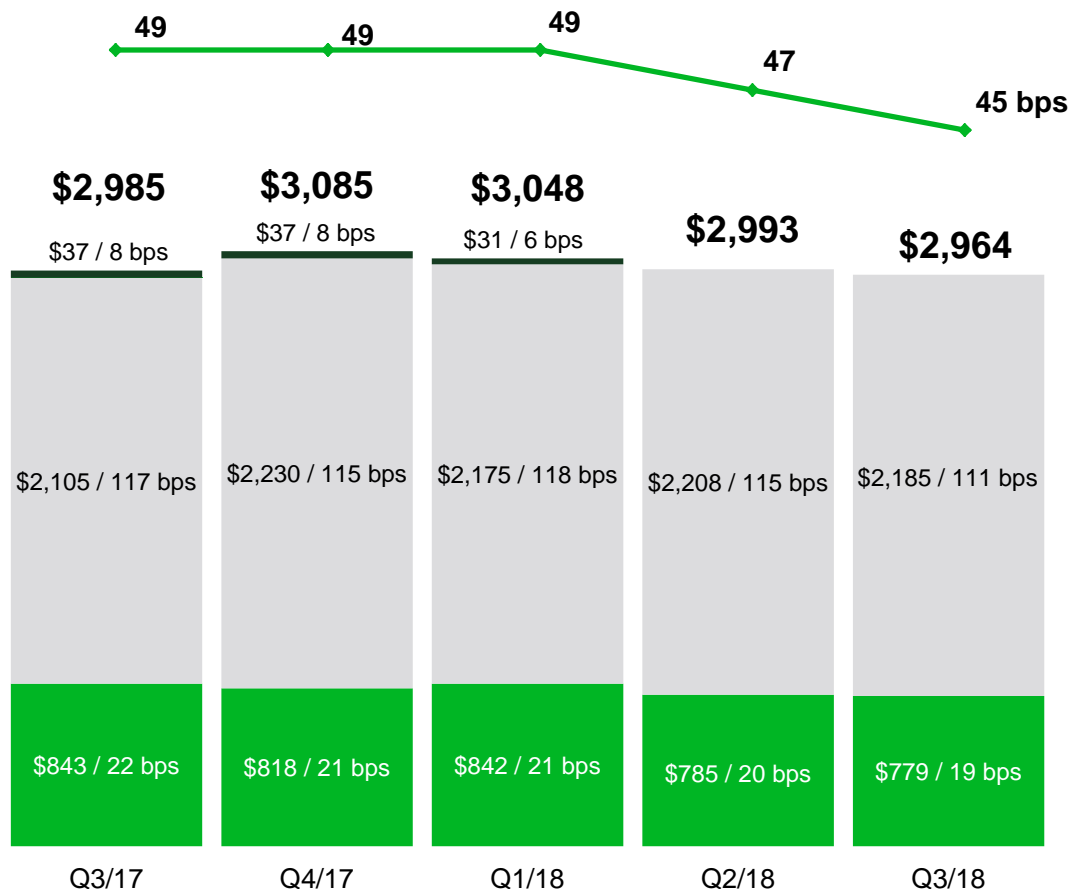
Wholesale (no impaired loans)
 U.S. Retail
 Canadian Retail

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



GIL¹: \$MM and Ratios²



Highlights

- Gross impaired loans decreased 2 basis points quarter-over-quarter and 4 basis points year-over-year with contribution from all segments

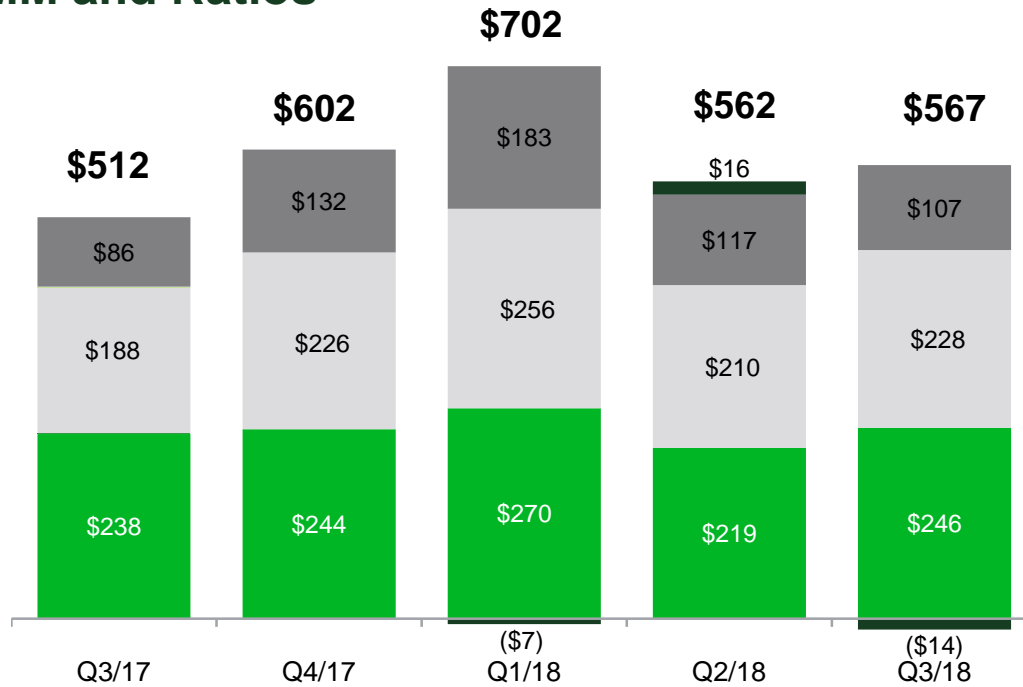


1. Gross Impaired Loans (GIL) excludes the impact of acquired credit-impaired loans and prior to November 1, 2017 excludes debt securities classified as loans under IAS39
 2. GIL Ratio – Gross Impaired Loans/Gross Loans & Acceptances (both are spot) by portfolio

Provision for Credit Losses (PCL) By Portfolio



PCL¹: \$MM and Ratios²



Highlights

- PCL stable quarter-over-quarter at 35 basis points, remaining at cyclically low levels



PCL Ratio	Q3/17	Q4/17	Q1/18	Q2/18	Q3/18
Canadian Retail	25	25	27	23	24
U.S. Retail (net) ³	40	49	54	46	47
U.S. Retail (gross) ⁴	59	76	93	72	69
Wholesale	0	0	(6)	13	(11)
Total Bank	33	39	45	36	35

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)	IAS 39	IFRS 9	
	Q3/17	Q2/18	Q3/18
Total Bank	\$ 512	\$ 562	\$ 567
Impaired	\$ 517	\$ 526	\$ 536
Performing	(5)	36	31
Canadian Retail	\$ 238	\$ 219	\$ 246
Impaired	238	219	226
Performing	n/a	0	20
U.S. Retail	\$ 188	\$ 210	\$ 228
Impaired	185	205	191
Performing	3	5	37
Wholesale	\$ 0	\$ 16	\$ (14)
Impaired	0	(8)	0
Performing	n/a	24	(14)
Corporate	\$ 86	\$ 117	\$ 107
<small>Includes U.S. strategic cards partners' share</small>			
Impaired	94	110	119
Performing	(8)	7	(12)

Highlights

- Both Impaired and Performing PCL stable quarter-over-quarter

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	Q3/18		
	Gross Loans/BAs (\$B)	GIL (\$MM)	GIL/Loans
Commercial Banking ¹	\$74	\$191	0.26%
Wholesale	52	-	0.00%
Total Canadian Commercial and Wholesale	\$126	\$191	0.15%
Change vs. Q2/18	\$4	\$16	0.01%

Industry Breakdown ¹	Gross Loans/BAs (\$B)	GIL (\$MM)
Real Estate – Residential	\$18	\$11
Real Estate – Non-residential	14	6
Financial	24	-
Govt-PSE-Health & Social Services	10	14
Pipelines, Oil and Gas	6	46
Metals and Mining	2	20
Forestry	1	-
Consumer ²	6	18
Industrial/Manufacturing ³	7	48
Agriculture	7	5
Automotive	9	1
Other ⁴	22	22
Total	\$126	\$191

Highlights

- Canadian Commercial and Wholesale Banking portfolios continue to perform well

1. Includes Small Business Banking and Business Visa.

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: 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	Gross Loans (\$B)	Q3/18	
		GIL (\$MM)	GIL / Loans
Residential Mortgages	\$23	\$360	1.57%
Home Equity Lines of Credit (HELOC) ²	9	649	7.20%
Indirect Auto	23	171	0.74%
Credit Cards	13	211	1.62%
Other Personal	1	6	1.00%
Total U.S. Personal Banking (USD)	\$69	\$1,397	2.04%
Change vs. Q2/18 (USD)	\$2	(\$28)	(0.08%)
Foreign Exchange	\$20	\$420	-
Total U.S. Personal Banking (CAD)	\$89	\$1,817	2.04%

Highlights

- Continued good asset quality in U.S. Personal Banking

U.S. Real Estate Secured Lending Portfolio¹

Indexed Loan to Value (LTV) Distribution and Refreshed FICO Scores³

Current Estimated LTV	Residential Mortgages	1 st Lien HELOC	2 nd Lien HELOC	Total
>80%	4%	8%	15%	6%
61-80%	36%	31%	52%	38%
<=60%	60%	61%	33%	56%
Current FICO Score >700	90%	90%	87%	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 May 2018. FICO Scores updated June 2018.

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



Highlights

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

U.S. Commercial Banking ¹	Q3/18		
	Gross Loans / BAs (\$B)	GIL (\$MM)	GIL/Loans
Commercial Real Estate (CRE)	\$23	\$105	0.46%
Non-residential Real Estate	17	83	0.49%
Residential Real Estate	6	22	0.37%
Commercial & Industrial (C&I)	59	178	0.30%
Total U.S. Commercial Banking (USD)	82	\$283	0.34%
Change vs. Q2/18 (USD)	-	(\$12)	(0.02%)
Foreign Exchange	25	\$85	-
Total U.S. Commercial Banking (CAD)	107	\$368	0.34%

Commercial Real Estate	Gross Loans/BAs (US \$B)	GIL (US \$MM)
Office	5.4	41
Retail	5.3	23
Apartments	5.1	9
Residential for Sale	0.2	2
Industrial	1.1	2
Hotel	0.8	12
Commercial Land	0.1	9
Other	4.7	7
Total CRE	22.7	105

Commercial & Industrial	Gross Loans/BAs (US \$B)	GIL (US \$MM)
Health & Social Services	9.2	10
Professional & Other Services	7.7	35
Consumer ²	6.1	40
Industrial/Mfg ³	6.6	32
Government/PSE	9.6	3
Financial	2.8	23
Automotive	2.8	8
Other ⁴	14.6	27
Total C&I	59.4	\$178

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.

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Canadian Registered Covered Bond Program



Key Highlights

Covered Bond Collateral	<ul style="list-style-type: none"> ■ Canadian residential real estate property with no more than 4 residential units ■ Uninsured conventional first lien assets with original loan to value ratio that is 80% or less 		
Housing Market Risks	<ul style="list-style-type: none"> ■ Latest property valuation shall be adjusted at least quarterly to account for subsequent price adjustments using the Indexation Methodology 		
Tests and Credit Enhancements	<table border="0"> <tr> <td data-bbox="506 539 1151 711"> <ul style="list-style-type: none"> ■ Asset Coverage Test ■ Amortization Test ■ Valuation Calculation ■ Level of Overcollateralization </td> <td data-bbox="1151 539 1854 711"> <ul style="list-style-type: none"> ■ Asset Percentage ■ Reserve Fund ■ Prematurity Liquidity ■ OSFI issuance limit relative to bonds outstanding </td> </tr> </table>	<ul style="list-style-type: none"> ■ Asset Coverage Test ■ Amortization Test ■ Valuation Calculation ■ Level of Overcollateralization 	<ul style="list-style-type: none"> ■ Asset Percentage ■ Reserve Fund ■ Prematurity Liquidity ■ OSFI issuance limit relative to bonds outstanding
<ul style="list-style-type: none"> ■ Asset Coverage Test ■ Amortization Test ■ Valuation Calculation ■ Level of Overcollateralization 	<ul style="list-style-type: none"> ■ Asset Percentage ■ Reserve Fund ■ Prematurity Liquidity ■ OSFI issuance limit relative to bonds outstanding 		
Required Ratings and Ratings Triggers	<ul style="list-style-type: none"> ■ No less than two Rating Agencies must at all times have current ratings assigned to bonds outstanding ■ All Ratings Triggers must be set for: <ul style="list-style-type: none"> • Replacement of other Counterparties • Establishment of the Reserve Fund • Pre-maturity ratings • Permitted cash commingling period 		
Interest Rate and Currency Risk	<ul style="list-style-type: none"> ■ Management of interest rate and currency risk: <ul style="list-style-type: none"> • Interest rate swap • Covered bond swaps 		
Ongoing Disclosure Requirements	<ul style="list-style-type: none"> ■ Monthly investor reports shall be posted on the program website ■ Plain disclosure of material facts in the Public Offering Document 		
Audit and Compliance	<ul style="list-style-type: none"> ■ Annual specified auditing procedures performed by a qualified cover pool monitor ■ Deliver an Annual Compliance Certificate to the Canada Mortgage and Housing Corporation (CMHC) 		

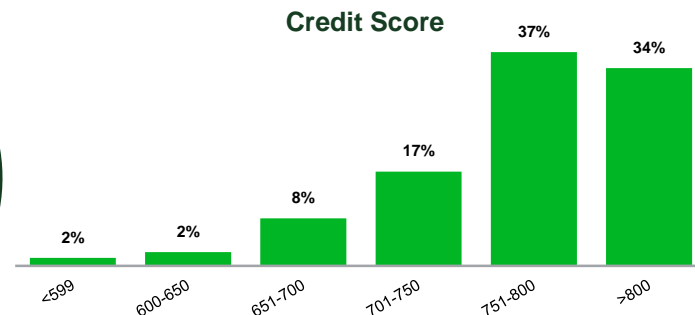
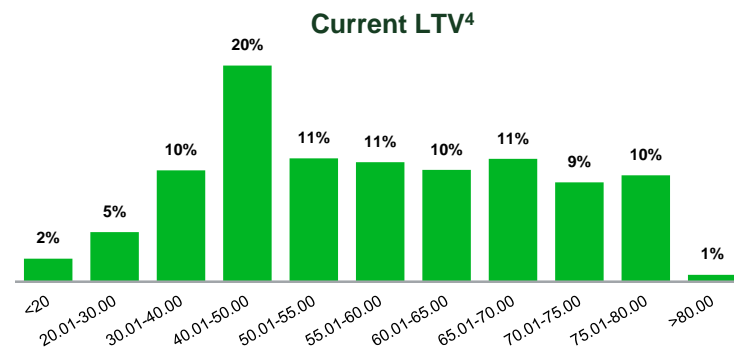
TD Global Legislative Covered Bond Program

TD Covered Bond Program Highlights

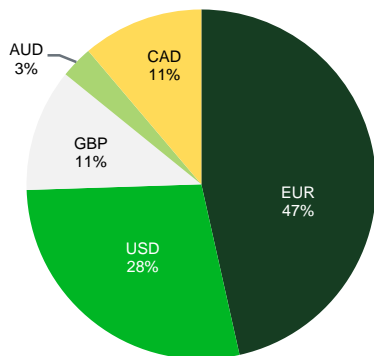
- TD has a C\$50B legislative covered bond program
- Covered bonds issuance for Canadian issuers governed by CMHC-administered guidelines
- Only uninsured Canadian residential real estate assets are eligible, no foreign assets in the pool
- Covered pool is composed of 100% amortizing mortgages
- Strong credit ratings; Aaa / AAA¹
- Issuances capped at 4% of total assets², or, ~C\$50B for TD
- TD has ~C\$33.5B aggregate principal amount of legislative covered bonds outstanding, about ~2.7% of the Bank's total assets. Ample room for future issuance
- Effective January 2017, TD joined the Covered Bond Label³ and commenced reporting using the Harmonized Transparency Template

Cover Pool as at July 31, 2018

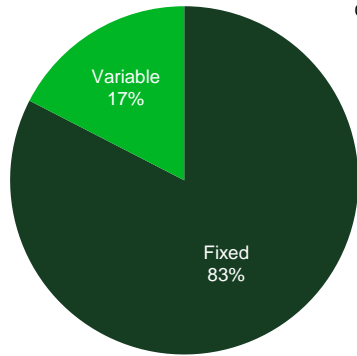
- High quality, conventional first lien Canadian Residential mortgages originated by TD
- All loans have original LTVs of 80% or lower. Current weighted average LTV is 55%⁴
- The weighted average of non-zero credit scores is 770



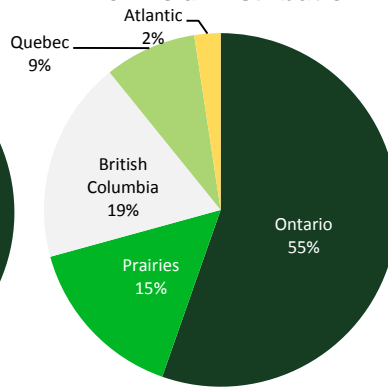
Issuances



Interest Rate Type



Provincial Distribution



1. Ratings by Moody's and DBRS, respectively. For the Covered Bond program, as at July 31, 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.

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CDIC Resolution Tools



Resolution Tools

- **Reimbursement of insured deposits** – following a failure, when the bank ceases to operate, CDIC would reimburse all insured deposits up to \$100,000.
- **Forced sale of a failing bank** – CDIC takes temporary control of a failing bank and completes a sale to a willing buyer to enable critical banking operations to continue and insured deposits to be protected.
- **Bridge Bank** – CDIC takes temporary control of a failing bank and transfers some or all businesses to a bridge bank, which is temporarily owned by CDIC, until a buyer or private-sector solution can be found. The transfer enables critical banking operations to continue and insured deposits to be protected.
- **Financial Assistance** – CDIC can provide financial assistance on a stand-alone basis or in combination with any other resolution tool. This assistance can include: loans, guarantees, deposits, loss sharing agreements or acquiring shares.
- **Bail-in Regime** – CDIC takes temporary control of a failing bank and converts some or all bail-in debt into common shares to recapitalize the bank and help restore it to viability.

Bail-in Implementation



Regulation Overview

- On April 18, 2018, the Government of Canada published final regulations under the CDIC Act and the Bank Act providing details of the bank recapitalization "bail-in" regime and final Total Loss Absorbing Capacity (TLAC) guideline.
- The issuance regulations under the Bank Act and the conversion regulations under the CDIC Act came into force on **September 23, 2018**.
- All Canadian Domestic Systemically Important Banks (D-SIBs) will have to comply with the TLAC guideline by **November 1, 2021**.
- The legislation builds on CDIC's existing resolution toolkit to allow it to take temporary control of a failing D-SIB and grants CDIC statutory powers to convert certain of the D-SIB's qualifying debt into common shares of the bank at the point of non-viability.
- Pursuant to the TLAC guideline, in August 2018, OSFI provided notification to TD setting a supervisory target TLAC ratio at 23.0% of RWA (21.5% plus a 1.5% Domestic Stability Buffer).

Bail-in Overview



Scope of Bail-in

- **In Scope Liabilities.** Senior unsecured long-term debt (original term to maturity of 400 or more days) that is tradable and transferable (has a CUSIP, ISIN or other similar identification) and issued on or after September 23, 2018¹. Unlike other jurisdictions, Canadian D-SIBs cannot elect to issue non bail-in unsecured senior debt.
- **Excluded Liabilities.** Bank customers' deposits (including chequing accounts, savings accounts and term deposits such as GICs), secured liabilities (e.g., covered bonds), ABS or most structured notes².
- All in scope liabilities, including those governed by foreign law, are subject to conversion and must indicate in their contractual terms that the holder of the liability is bound by the application of the CDIC Act.

Bail-in Conversion Terms

- **Flexible Conversion Terms.** CDIC has discretion in determining the proportion of bail-in debt that is converted, as well as an appropriate conversion multiplier³ which respects the creditor hierarchy and that is more favourable than the multiplier provided to NVCC capital investors.
- **No Contractual Trigger.** Bail-in conversion is subject to regulatory determination of non-viability, not a fixed trigger.
- **Full NVCC Conversion.** There must be a full conversion of NVCC capital instruments before bail-in debt can be converted. Through other resolution tools, holders of legacy non-NVCC capital instruments could also be subject to losses, resulting in bail-in note holders being better off than such junior-ranking instruments.
- **No Creditor Worse Off.** CDIC will compensate investors if they incur greater losses under bail-in than under a liquidation scenario. Bail-in debt holders rank *pari passu* with other senior unsecured obligations, including deposits, for the purposes of the liquidation calculation.
- **Equity Conversion.** Unlike some other jurisdictions, bail-in is effected through equity conversion only, with no write-down option.

1. Any non-NVCC preferred shares and non-NVCC subordinated debt issued after September 23, 2018 would also be in scope.

2. Term as defined in the bail-in regulations.

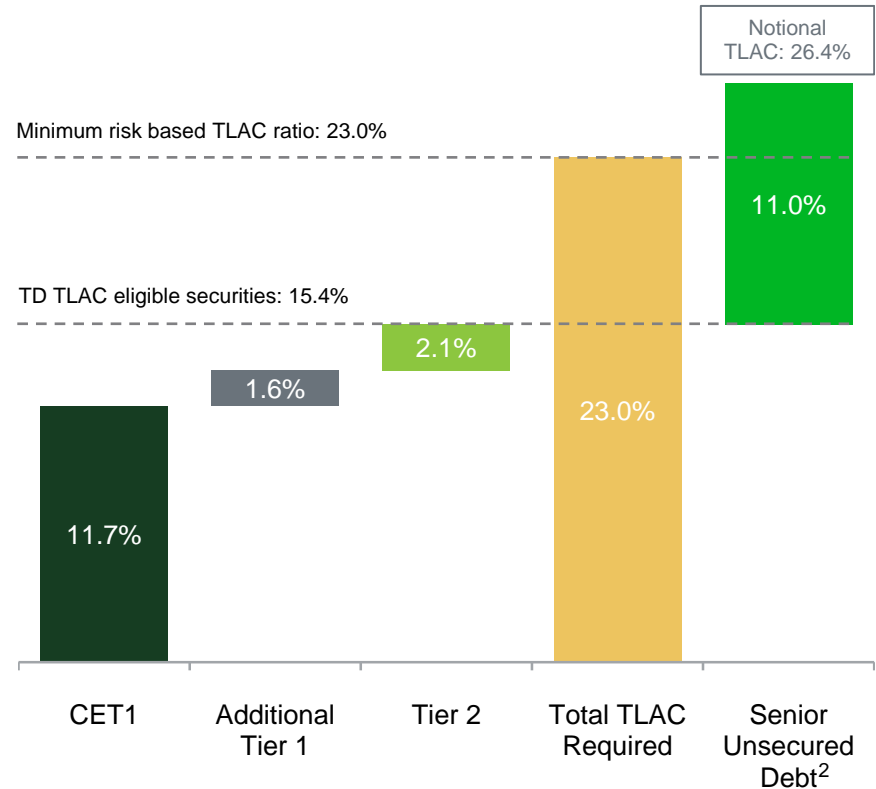
3. In determining the multiplier, CDIC must take into consideration the requirement in the Bank Act for banks to maintain adequate capital and that equally ranking bail-in eligible instruments must be converted in the same proportion and receive the same number of common shares per dollar of claim. 47

TD TLAC Requirements



- Canadian D-SIBs will be required to meet their regulatory TLAC requirements by the November 1, 2021 implementation date.
- OSFI has stipulated that D-SIBs will be subject to 2 supervisory ratios:
 - Minimum risk based TLAC ratio: **23.0%** (21.5% + 1.5% Domestic Stability Buffer)
 - TLAC leverage ratio: **6.75%**
- TD expects to meet the TLAC supervisory ratios by the implementation date in the normal course without altering our business as usual funding practices.
- Unlike other jurisdictions, Canadian D-SIBs cannot elect to issue non bail-in unsecured senior debt.

TD Regulatory Capital Ratios¹



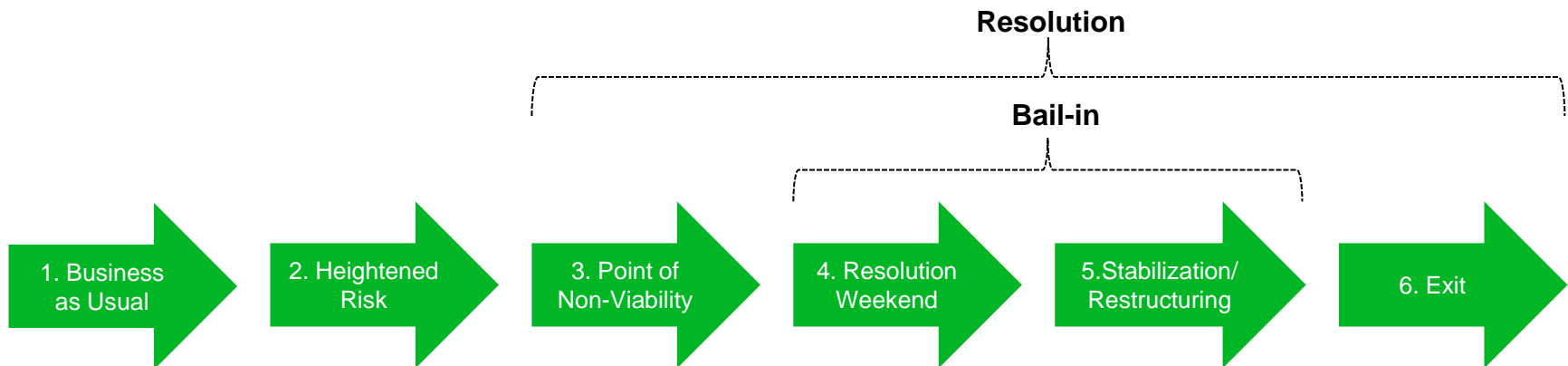
1. Regulatory capital ratios as at Q3/18.

2. Senior unsecured debt outstanding includes senior unsecured debt with original maturity greater than 400 days, converted at FX rate on the day of issue.

Bail-In Resolution Stages

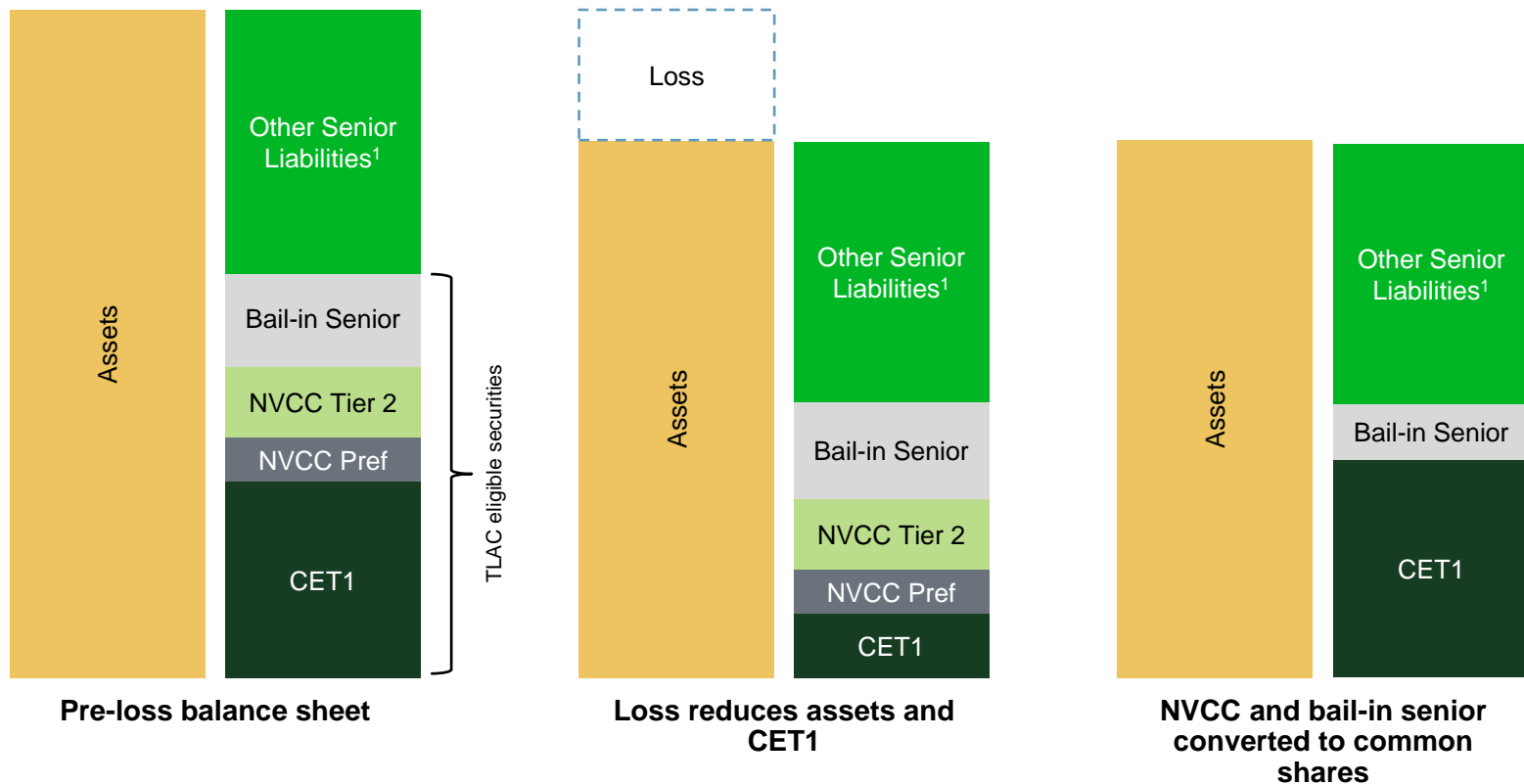


- The resolution of a D-SIB would involve a number of key phases. Below is an illustrative timeline that details the various stages of a bail-in resolution, and the actions and events that might take place at each stage.



1. D-SIB is in good financial health.
2. D-SIB is facing severe financial difficulties and could experience credit rating downgrades and challenges raising capital and/or funding. D-SIB may implement recovery plan under OSFI oversight, while CDIC may monitor and undertake any necessary preparatory activities.
3. OSFI determines that the D-SIB has ceased or is about to cease to be viable. The Minister of Finance recommends to Governor in Council (GIC) to authorize CDIC to take temporary control of the non-viable D-SIB and direct CDIC to carry out a bail-in conversion.
4. CDIC takes temporary ownership of the failing D-SIB. NVCC automatic conversion is triggered and NVCC instruments are converted into common shares. Voting rights of existing and new common shares are suspended until CDIC no longer controls the D-SIB.
5. Bail-in debt is converted. CDIC has the flexibility to determine the timing and proportion of the conversion. Other restructuring actions can also be taken during this period including, for example, selling off troubled assets. CDIC's goal would be to return the D-SIB to private control as soon as possible, although the GIC may authorize CDIC to be in control for up to five years.
6. CDIC returns the D-SIB to private control and common shareholders would regain control and voting rights.

Illustration of Impact of Bail-in Conversion on Balance Sheet



Source: Canadian Deposit Insurance Corporation (CDIC) – Example of Bail-in Conversion.

¹ Senior liabilities excluded from bail-in include: bank customers' deposits (includes chequing accounts, savings accounts and term deposits such as GICs), secured liabilities (e.g., covered bonds), eligible financial contracts (e.g., derivatives) and most structured notes.

Compensation Regime



"No Creditor Worse Off"

- Under a scenario where CDIC uses a resolution tool to resolve a failing bank, shareholders and creditors are expected to be in a better financial position than if the institution had been liquidated.
- Bail-in note holders are entitled to compensation equal to the difference, assuming it is positive, between the estimated liquidation value and the estimated resolution value of the bail-in notes as estimated by CDIC.
- **Estimated liquidation value** – estimated value the bail-in noteholders would have received if the financial institution had been liquidated, with the assumption that the financial institution received no financial assistance or support from CDIC, the Bank of Canada, the Government of Canada or a province as part of the liquidation.
- **Estimated Resolution value** – includes both:
 - Value that the person retained through the resolution (for example, bail-in notes that are not converted to common shares); and
 - Value that the person received during the resolution process from CDIC, the financial institution or a liquidator (for example, common shares that bail-in note holders received as a result of the bail-in conversion; or any other cash or securities received in the context of the resolution process).

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TD Bank Group Fixed Income Investor Presentation

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