

Q1 2019 Highlights – Overview

Except as noted, figures reflect year-over-year change



Reported Financial Results

- Reported net income \$2.41B, up 2.4% (adj.¹ \$2.95B, up 0.2%).
- Reported EPS of \$1.27, up 2.4% (adj.¹ \$1.57 and up 0.6%).
- Reported Retail² earnings \$2.62B, down 3.3% (adj.¹ up 11.3%);
 - Cdn. Retail: \$1,379MM, down 21.5%. Cdn. P&C down 26.2%, Wealth down 11.8%, Insurance up 3.9%.
 - U.S. Retail (incl. AMTD): US\$935MM, up 24.5% (C\$ up 30.2%)
- Wholesale Banking reported loss \$17MM, down \$295MM.
- Corporate reported loss \$192MM; adjusted¹: \$125MM.

Revenue, Expenses, Credit, and Capital

- Revenue up 7%:** Net interest income up 8%, non-interest income up 5%.
- Expenses up 20%:** Reflecting Air Canada-related charges, the impact of foreign currency translation, higher spend on strategic initiatives, and additional employees supporting business growth.
- PCL up 23%:** PCL – impaired up 28% reflecting higher provisions for the U.S. commercial portfolio, and PCL – performing up 20% reflecting credit migration in the Canadian personal lending and commercial portfolios, and seasonal trends in the U.S. credit card and auto portfolios.
- CET1 ratio of 12%:** flat QoQ reflecting strong organic capital generation (+36 bps), offset by the Air Canada/Greystone charges (-19 bps), the repurchase of common shares (-7bps) and an actuarial loss on employee benefit plans (-7 bps).
- Dividend:** Announced dividend increase of 7 cents per common share for quarter ended April 30, bringing dividend per share to 74 cents.

Items of Interest

- New items of note** this quarter (Q1-19 ENR, pg.1):
 - Air Canada loyalty agreement:** Charges of \$607 million (\$446 million after-tax, or 24 cents per share).
 - Greystone acquisition:** Charges of \$31 million (\$30 million after-tax, or 2 cents per share).
- Segment Capital Allocation** (Q1-19 MD&A, pg.8): For fiscal 2019, the Bank's capital allocation to the business segments is based on 10% CET1 Capital, vs. 9% previously.
- ALL / ACL:** Allowance for Loan Losses (ALL) re-named Allowance for Credit Losses (ACL); ACL on debt securities now included in MD&A and Financial Supp. ACL disclosures.
- Regulatory Capital:** Several new disclosures this quarter. See "Regulatory Capital" in MD&A (pages 26-28) and new disclosures in Regulatory Supp. re standardized approach for counterparty credit risk, capital requirements for bank exposures to central counterparties, revisions to securitization framework, and total loss absorbing capacity (TLAC).

Financial Results (\$MM)

		Q1/19	QoQ	YoY
EPS	<i>Reported</i>	\$ 1.27	-19.6%	2.4%
	<i>Adjusted¹</i>	\$ 1.57	-3.7%	0.6%
Revenue		9,998	-1.4%	6.6%
Non-interest Expenses	<i>Reported</i>	5,855	9.1%	20.4%
	<i>Adjusted¹</i>	5,161	-2.9%	7.7%
Net Income	<i>Reported</i>	2,410	-18.6%	2.4%
	<i>Adjusted¹</i>	2,953	-3.1%	0.2%
CET 1 Ratio		12.0%	+0 bps	+140 bps
Net Interest Margin (NIM)		1.94%	+1 bp	+1 bp
PCL Ratio		0.50%	+9 bps	+5 bps
	<i>PCL – Total</i>	\$850	+\$180	+\$157
	<i>PCL – Impaired</i>	\$717	+\$158	+\$160
	<i>PCL – Performing</i>	\$133	+\$22	-\$3

Loans (\$B)

	Q1/19	QoQ	YoY
Canadian Retail	418.8	1.0%	6.0%
<i>Personal</i>	342.6	0.9%	5.3%
<i>Commercial</i>	76.2	1.5%	9.3%
U.S. Retail (USD)	155.5	2.3%	3.1%
<i>Personal</i>	70.2	1.6%	2.6%
<i>Commercial</i>	85.3	2.9%	3.5%
Wholesale (Gross Drawn)	23.0	-4.2%	15.0%
Total Bank	648.5	1.9%	7.1%

Deposits (\$B)

	Q1/19	QoQ	YoY
Canadian Retail (excl. Wealth)	306.9	0.8%	2.8%
<i>Personal</i>	194.0	1.3%	2.5%
<i>Commercial</i>	112.9	0.1%	3.3%
U.S. Retail (USD)	266.1	0.9%	2.0%
<i>Personal</i>	89.5	1.2%	3.5%
<i>Commercial</i>	68.0	-0.9%	4.6%
<i>AMTD</i>	108.6	1.7%	-0.6%
Total Bank (C\$) (incl. Cdn. Retail Wealth)	685.1	2.0%	5.0%



TD's 2019 Annual Meeting of Common Shareholders will be held on April 4, 2019.

Q1 2019 Highlights – Segments

Except as noted, figures reflect year-over-year change



Canadian Retail (\$MM)	Q1/19	QoQ	YoY
Revenue	5,988	2.3%	7.9%
Net Interest Margin (NIM)	2.94%	+0 bps	+6 bps
Insurance Claims	702	2.6%	22.1%
PCL	310	+\$47	+\$40
PCL Ratio	0.29%	+4 bps	+2 bps
Non-interest Expenses	<i>Reported</i> 3,084	21.9%	33.4%
	<i>Adjusted</i> ¹ 2,446	-3.3%	5.8%
Net Income	<i>Reported</i> 1,379	-20.8%	-21.5%
	<i>Adjusted</i> ¹ 1,855	6.5%	5.6%

U.S. Retail (in US\$MM)	Q1/19	QoQ	YoY
Revenue	2,216	1.0%	6.1%
Net Interest Margin (NIM)	3.42%	+9 bps	+23 bps
PCL	230	+\$43	+\$35
PCL Ratio (Net ³)	0.59%	+9 bps	+7 bps
Non-interest Expenses	<i>Reported</i> 1,209	-3.7%	5.7%
	<i>Adjusted</i> ¹ 1,209	-3.7%	6.1%
Net Income, U.S. Retail Bank (adj.)	700	2.9%	4.2%
Equity Income, TD Ameritrade	<i>Reported</i> 235	34.3%	186.6%
	<i>Adjusted</i> ¹ 235	21.1%	71.5%
Total Net Income	<i>Reported</i> 935	9.4%	24.5%
	<i>Adjusted</i> ¹ 935	7.0%	15.6%

Wholesale Banking (\$MM)	Q1/19	QoQ	YoY
Revenue	582	-37.5%	-34.6%
<i>Trading-related income</i>	251	-48.1%	-51.3%
PCL	7	-\$1	+\$14
Expenses	602	9.3%	14.4%
Net Income	-17	-303	-295

Corporate (\$MM)	Q1/19	QoQ	YoY
Net Corporate Expenses	-182	-17.6%	-8.1%
Other	39	-54.1%	-41.8%
Non-Controlling Interests	18	0.0%	0.0%
Net Income (Loss)	<i>Reported</i> -192	6.1%	-69.7%
	<i>Adjusted</i> ¹ -125	5.9%	10.6%

Canadian Retail – Q1 2019 ENR, Table 8, page 8

- Reported net income down on charges related to the Air Canada agreement and the Greystone acquisition, partially offset by revenue growth. Adjusted net income up 6%.
- PCL up QoQ and YoY.
- NIM consistent with the prior quarter reflecting higher interest rates offset by lower margins on loans and refinement in treasury allocation methodology.
- Expenses up reflecting charges related to the agreement with Air Canada and Greystone, higher spend on strategic initiatives, and additional employees supporting business growth.
- Adjusted operating leverage net of claims of 40 bps.

U.S. Retail – Q1 2019 ENR, Table 9, page 10

- U.S. Retail Bank net income up due to higher revenue, partially offset by higher expenses and PCL.
- Reported contribution from TD Ameritrade up primarily due to higher asset-based revenue and increased trading volumes.
- NIM up QoQ on higher deposit margins and balance sheet mix.
- Expenses up on higher investments in business initiatives, business volume growth, and higher employee-related costs, partially offset by productivity savings and the elimination of the FDIC deposit insurance surcharge.
- Efficiency ratio of 54.6%.
- Adjusted operating leverage: 10 bps.

Wholesale Banking – Q1 2019 ENR, Table 10, page 12

- Net loss for the quarter reflecting lower revenue, higher PCL, and higher non-interest expenses.
- Revenue down reflecting challenging market conditions. The volatility in rates, equity and credit markets resulted in a difficult trading environment, reduced client activity and a meaningful slowdown in debt and equity underwriting, particularly in Canada. Trading margins declined reflecting yield compression on high quality assets relative to funding costs.
- Expenses up reflecting the benefit of revaluation of certain liabilities for post-retirement benefits recognized in the prior year, continued investments in employees supporting the global expansion of Wholesale Banking's U.S. dollar strategy, and FX translation, partially offset by lower variable compensation this quarter.

Corporate – Q1 2019 ENR, Table 11, page 13

- Reported net loss decreased primarily reflecting the impact of U.S. tax reform during the first quarter of 2018, lower net corporate expenses this quarter, partially offset by lower contribution from Other items compared to a year ago.
- Net corporate expenses were lower reflecting lower pension and compensation-related expenses.

Footnotes and Important Disclosures

[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 referred to as "adjusted" results (i.e. reported results excluding "items of note") to assess each of its businesses and measure overall Bank performance. Adjusted net income, adjusted earnings per share (EPS) and related terms used in this presentation are not defined terms under GAAP and may not be comparable to similar terms used by other issuers. See "How the Bank Reports" in the Bank's First Quarter 2019 Earnings News Release and 2018 MD&A (www.td.com/investor) for further explanation, reported basis results, a list of the items of note, and a reconciliation of non-GAAP measures.

[2] "Retail" comprises Canadian Retail and U.S. Retail segments. See the Bank's First Quarter 2019 Earnings News Release and Q1 2019 MD&A.

[3] U.S. Retail PCL including only the Bank's contractual portion of credit losses in the U.S. strategic cards portfolio as an annualized percentage of credit volume.