

Quarterly Highlights

Q1 2021

Financial Results (YoY)

- **Net income** \$3.3B, up 10% (adj.¹ \$3.4B, up 10%).
- **EPS** of \$1.77, up 10% (adj.¹ \$1.83, up 10%).
 - Acquisition and integration charges related to the Schwab transaction of \$38MM (\$38MM after-tax, or 2 cents per share), recorded in the Corporate segment.
- **Retail² earnings** \$3.0B, up 3.5% (adj.¹ \$3.0B, up 2.6%);
 - **Canadian. Retail:** \$2.0B, up 14% (adj.¹ \$2.0B, up 12%);
 - Cdn. P&C \$1,409MM, up 4%
 - Wealth \$464MM, up 55% (adj.¹ \$464MM, up 43%)
 - Insurance \$164MM, up 22%.
 - **U.S. Retail Bank:** US\$615MM, down 14% (C\$ down 16%)
 - **U.S. Retail** (incl. Schwab): US\$776MM, down 11% (C\$ down 13%)
- **Wholesale Banking** net income \$437MM, up 56%.
- **Corporate** net loss \$197MM; adj¹ net loss \$94MM.

Revenue, Expenses, Credit, and Capital

- **Revenue** up 2% YoY (adj.¹ up 2%): NII down 2%, Non-Interest Income up 8%.
- **Expenses** up 6% YoY: Higher employee-related compensation, an increase in the retailer program partners' net share of profits from the U.S. strategic card portfolio due to lower PCL, and US\$76MM in store optimization costs (partners' net profit share and store costs account for approximately two-thirds of the increase).
- **PCL of \$313MM / PCL ratio of 17 bps:** 15-year low reflecting ongoing impact of bank deferral programs and government stimulus and a performing allowance release related to an improvement in the economic outlook.
- **CET1 13.6%:** Up 50 bps QoQ mainly reflecting internal capital generation (+37 bps), actuarial gains on employee benefit plans (+9 bps), unrealized gains on FVOCI securities (+5 bps), and lower RWA net of FX (+5 bps), partly offset by reduction in scalar for OSFI transitional arrangements for ECL provisioning (-14 bps).
- **Risk-Weighted Assets (RWA) down \$12MM QoQ:** Lower Credit Risk RWA (+24 bps CET1) and lower Market Risk RWA (+11 bps CET1).

Items of Note/Interest

- **Schwab** – The \$(40MM) share in net income recorded in Corporate reflects after-tax amortization of intangibles and the Bank's share of Schwab's acquisition and integration-related charges (SFI, page 12, line 10). The Bank's integration costs are reflected in Corporate non-interest expense. See RTS page 8 ('How the Bank Reports'), RTS Table 3 (reconciliation of adjusted to reported NIAT) and slide 25 of the Quarterly Investor Presentation for further details.
- **Net Stable Funding Ratio** – New public disclosure requirement effective this quarter. See MD&A page 40 and Table 39.
- **Interbank Offered Rate (IBOR) Reform** – Expanded qualitative and quantitative disclosures, as the Bank adopted *IASB Interest Rate Benchmark Reform – Phase 2, Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16*. See MD&A page 47 and FS&N Note 2 ('Current Changes in Accounting Policy').

Financial Results (C\$MM)

		Q1/2021	QoQ	YoY
EPS	Reported	\$ 1.77	-37%	10%
	Adjusted ¹	\$ 1.83	14%	10%
Net Income	Reported	3,277	-36%	10%
	Adjusted ¹	3,380	14%	10%
Revenue	Reported	10,812	-9%	2%
	Adjusted ¹	10,812	4%	2%
PCL Ratio		0.17%	-32 bps	-35 bps
PCL – Total		313	-604	-606
PCL – Impaired		466	107	-340
PCL – Performing		-153	-711	-266
Expenses	Reported	5,784	1%	6%
	Adjusted ¹	5,744	2%	6%
CET 1 Ratio³		13.6%	+50 bps	+190 bps
Net Interest Margin (NIM)		1.53%	-4 bps	-37 bps

Loans (Average balances)

	Q1/2021	QoQ	YoY
Canadian Retail (C\$)	454.0	2%	4%
Personal	369.0	2%	4%
Commercial	85.0	0%	3%
U.S. Retail (US\$)	171.7	-1%	5%
Personal	76.7	1%	1%
Commercial	95.0	-3%	9%
Wholesale (Gross Lending) (C\$)	58.7	-4%	7%
Total (C\$)	733.5	-1%	3%

Deposits (Average balances)

	Q1/2021	QoQ	YoY
Canadian Retail (C\$)	427.9	4%	21%
Personal	240.3	3%	15%
Commercial	150.4	5%	25%
Wealth	37.2	7%	44%
U.S. Retail (US\$)	367.6	4%	32%
Personal	112.9	4%	20%
Commercial	101.9	1%	37%
Sweep Deposits	152.8	6%	38%
Total (C\$)	870.7	3%	24%



Proven Business Model



Purpose-Driven



Forward Focused

We're in this together – Anchored by our proven business model and propelled by our forward-focused strategy, we are supporting our customers, communities and colleagues through these challenging times.

Except as noted, figures reflect year-over-year change. ENR: Q1 2021 Earnings News Release, MD&A: Q1 2021 Management's Discussion and Analysis, SFI: Q1 2021 Supplemental Financial Information, SRD: Q1 2021 Supplementary Regulatory Disclosure, FS&N: Q1 2021 Consolidated Financial Statements and Notes, ORP: Q1 2021 Quarterly Results Presentation. Amounts denoted as "nm" are not meaningful.

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 Q1 2021 Earnings News Release and Q1 2021 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 Q1 2021 Earnings News Release and Q1 2021 MD&A.

3. Includes capital adjustments provided by OSFI in response to COVID-19 pandemic in the second quarter of 2020, please refer to "Capital Position" section of the MD&A for additional detail.

Segments

Canadian Retail (C\$MM)		Q1/2021	QoQ	YoY
Revenue		6,345	5%	1%
Net Interest Margin (NIM)		2.65%	-6 bps	-29 bps
PCL		142	-109	-249
Impaired PCL		167	-32	-153
Performing PCL		-25	-77	-96
PCL Ratio		0.12%	-10 bps	-24 bps
Insurance Claims		780	24%	0%
Expenses	Reported	2,654	-1%	1%
	Adjusted ¹	2,654	0%	2%
Net Income	Reported	2,037	13%	14%
	Adjusted ¹	2,037	12%	12%

U.S. Retail (US\$MM)		Q1/2021	QoQ	YoY
Revenue		2,086	2%	-5%
Net Interest Margin (NIM)		2.24%	-3 bps	-83 bps
PCL		103	-330	-140
Impaired PCL		147	+36	-61
Performing PCL		-44	-366	-79
PCL Ratio (Net²)		0.25%	-76 bps	-34 bps
Expenses		1,313	5%	9%
Net Income, U.S. Retail Bank		615	53%	-14%
Share of net income from investment in Schwab and TD Ameritrade		161	-37%	6%
Total Net Income		776	18%	-11%

Wholesale Banking (C\$MM)		Q1/2021	QoQ	YoY
Revenue		1,310	4%	25%
Trading-related income		744	-2%	22%
PCL		20	+26	+3
Expenses		711	22%	9%
Net Income		437	-10%	56%

Corporate (C\$MM)		Q1/2021	QoQ	YoY
Net Corporate Expenses		-182	-40%	2%
Other		88	-1%	700%
Net Income (Loss)	Reported	-197	nm	-13%
	Adjusted ¹	-94	-56%	-44%

Commentary (YoY)

ENR Table 7 (p. 9), MD&A Table 11 (page 15) and SFI (p. 8 and A1)

- Canadian Retail:** Reported net income up 14% reflecting lower PCL and higher revenue (adjusted net income up 12%).
 - Revenue up reflecting higher transaction and fee based wealth revenue, higher insurance revenue, and higher loan and deposit volumes, partly offset by lower margins.
 - Net interest margin of 2.65% down 6 bps QoQ, reflecting changes in asset mix and the ongoing impact of the low interest rate environment.
 - PCL down reflecting lower performing and impaired PCLs.
 - Reported expenses up 1%, reflecting higher volume-driven expenses, partially offset by prior year charges related to Greystone.
 - Efficiency Ratio 41.8%.
- Canadian P&C:** Revenue of \$3,682MM (down 5%), expenses \$1,621MM (down 2%), and net income \$1,409MM (up 4%).
 - NIM of 2.57%, down 5 bps QoQ and down 24 bps YoY.

ENR Table 8 (p. 11), MD&A Table 12 (p. 16) and SFI (p. 10)

- U.S. Retail:** U.S. Retail Bank net income down primarily reflecting lower revenue.
 - Revenue decreased 5%, reflecting lower deposit margins and fees, partially offset by volume growth and income from SBA PPP loans.
 - Net interest margin was 2.24%, a decrease of 3 bps QoQ.
 - PCL down YoY on lower performing and impaired PCL; PCL impaired up QoQ primarily in consumer lending portfolios; PCL performing down QoQ mainly on allowance release in consumer lending portfolios.
 - Expenses increased primarily reflecting US\$76MM in store optimization costs.
 - Efficiency ratio of 62.9%.
- Schwab and TD Ameritrade:** Reported contribution reflects the first full quarter of the investment in Schwab.

ENR Table 9 (p. 12), MD&A Table 13 (p. 17) and SFI (p. 11)

- Net income up reflecting higher revenue, partially offset by higher non-interest expenses.
- Revenue up reflecting higher trading-related revenue and higher loan, underwriting and advisory fees.
- PCL increased sequentially, reflecting an increase in impaired PCL relative to recoveries in the prior quarter.

ENR Table 10 (p. 13), MD&A Table 14 (p. 18) and SFI (p. 12)

- The YoY decrease reflects a higher contribution from other items, partial offset by acquisition and integration charges related to the Schwab transaction.
- The increase in other items primarily reflects higher revenue from treasury and balance sheet management activities this quarter and an unfavourable adjustment related to hedge accounting in the same quarter last year.

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