



## **CHECK AGAINST DELIVERY**

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

**Annual Meeting of Shareholders, March 31, 2016, Montreal, Quebec**

Thank you, Brian, and hello everyone.

I am pleased to be in beautiful Montreal for our Annual Meeting.

It's my pleasure to report on TD's financial performance in 2015 as well as our plans for future growth.

Let's start with last year's results.

TD achieved record profits and grew in areas of strategic importance.

We enhanced the customer experience across every channel including in our branches and stores, contact centers, ATMs, online and mobile.

And we invested in our winning ways to create shareholder value.

All of this contributed to nearly \$9 billion of adjusted earnings.

2015 also marked our 7th straight record year. Our resilience speaks to a stream of reliable retail income -- embedded into our earnings - and a diverse business mix across multiple geographies.

But our success mostly comes down to this: we put our customers and clients at the centre of everything we do.



Consider the driving force behind our Canadian retail operations: TD Canada Trust.

We are a market leader in personal deposits, real estate secured lending, credit cards and personal loans because we are the leader in service and convenience.

That's according to a number of industry sources – including JD Power. They ranked TD Canada Trust the highest in customer satisfaction for 10 years in a row.

Our commercial bank grows its business one relationship at a time. In 2015, we did just that by expanding our team and investing in new capabilities to deliver greater value to our clients – and generated 9 percent loan growth.

TD Wealth partnered with our retail and commercial businesses to deliver the right wealth solutions to new and existing clients, which in turn, produced \$23 billion in net new assets.

Canadians love the convenience of finding all their financial needs under one roof. That's a big reason why TD Insurance helps us stand out in the marketplace – and, in 2015, it represented over 10 percent of Canadian retail earnings.

TD has a fantastic story to tell in the US as well. Adjusted US earnings crossed \$2 billion US for the first time. That translated into \$2.5 billion Canadian dollars.

We constantly raise the bar as "America's Most Convenient Bank." It's why we were recognized as the 'Best Big Bank' for the third year in a row – and -- why we keep taking market share in areas like commercial, auto loans, and credit cards.

Our US results were boosted by TD Ameritrade, which continues to earn accolades and awards as a top online broker.



Finally, TD Securities' superior advice and execution resulted in a number of advisory mandates on marquee deals and new growth opportunities. Our client-focused franchise remains a top 3 player in Canada, and continues to successfully expand in the US.

Enduring franchises always look ahead to get ahead – and TD is an enduring franchise.

In 2015, we conducted an enterprise-wide review to become a more responsive, agile and flexible organization – key success factors in today's economy.

Our efforts are paying off. What's more, some of our savings are being reinvested in our business to create even better experiences for our customers.

Being better also means being people-focused and community-minded.

Last year marked the 25<sup>th</sup> anniversary of our national charity, TD Friends of the Environment Foundation. Millions of dollars have been invested into literally thousands of projects. This includes funds to preserve the beauty of Mont-Royal.

When Quebec succeeds, so does TD.

These investments are over and above the \$92 million TD contributed last year – all across our footprint - in areas that matter to the communities in which we serve.

More broadly, in 2015, TD was recognized as the leader in customer experiences and as an open and inclusive workplace -- for enriching community life as well as possessing a leading global brand.



For investors, TD stood out in another way as well. We've outperformed the Canadian peer average in creating shareholder value over the short, medium and long term.

This momentum continued into our first quarter of 2016.

Adjusted net income of \$2.2 billion represented an increase of 6 per cent from a year ago. We also announced a dividend increase of 8 percent. TD will now pay out 55 cents per share – per quarter.

As we look ahead, we are confident, but not complacent.

Two underlying forces demand our attention: slow growth in the economy and rapid change in our industry.

Let's take a closer look at each one.

Major global markets emerged from the Great Recession some time ago.

But the pace of recovery has been slow and uneven.

In part, this is the lingering effect of the financial crisis.

In many countries, banks are weak and have not yet repaired their balance sheets. And, in some cases, bank reforms have produced unintended consequences to growth.

Things have been made worse by uncertainty regarding the level of growth in the Chinese economy, dropping oil prices and mounting geopolitical tensions.

Investors are anxious. Markets are volatile.



Yet fundamentals in the US suggest the world's largest economy continues to expand, albeit gradually.

This should provide a positive boost to Canada, partially offsetting the drag of low energy prices. Indeed, economists are now seeing momentum in non-energy exports as a key driver of growth.

This period of slow economic growth underscores just how interconnected the global economy is.

Still, Canada's path diverges from many other nations, which as I mentioned, bore the brunt of the financial crisis.

Our banking system is sound and our banks are strong. That's good for the economy and society at large.

Canada's core economic challenge stems largely from a collapse in global commodity prices.

It's causing a lot of pain in many parts of the country -- but we have been through tough times like this before -- and together we will get through them again.

The good news is... that the way forward, is straightforward.

We can stimulate the economy and boost productivity -- knowing our banking system is willing and able to support these activities.

In terms of TD, we remain confident that any losses in our oil and gas portfolio will be manageable given the small size of this exposure relative to our overall balance sheet.

What's more, our credit quality remains strong across our Canadian and U.S. portfolios and we are comfortable that we are adequately reserved.



But the question remains: how will TD manage through this period of slow economic growth?

Simple: we will play to our strength as a customer-centric company.

Our ability to grow organically comes from focusing on what matters most to our customers.

Yes - you need great products and services - at competitive prices. You need to be fast on your feet and available 24/7.

But people deserve even more.

Everyone -- at every stage of their life -- wants to be treated like a human. They want a financial partner that is there for them during life's defining moments -- and -- that takes a keen, personal interest in making their lives better.

That's what legendary customer experiences are all about. And that is what TD does best.

It's been hugely successful for us here in Quebec, where our efforts to expand our branch and ATM network -- our commercial banking centres -- as well as our team -- has resulted in our customer-base doubling over the past 10 years.

Here, and across our whole footprint, we are mobilizing the entire Bank to fulfill our customers' unique needs.

Major investments in people and capabilities now enable us to look at our clients in a more holistic way -- all with the aim of delivering a complete offering and seamless experience.

We are also finding new ways to organize ourselves around the customer.



For instance, one of our retail formats combines our Wealth, Commercial and Retail offerings to deliver personal advice for every banking need. In fact, you can find one – just a few blocks away – on René Lévesque.

I am confident that our earnings and business mix – along with our proven capability to grow organically – will sustain our winning ways during this period of slow growth.

So will our focus on expense management, where good progress has continued into the new year. You can expect TD to stay disciplined around costs while continuing to invest in our future.

And what does our future look like, given the rapid change taking place in our industry?

Thousands of fintechs are vying for bank customers.

Competition is always a good thing.

But, as I mentioned at last year's annual meeting, they are not – generally speaking -- subject to the same regulatory rules as traditional banks.

And that's why I believe it would be appropriate for policymakers to consider a regulatory environment that ensures the safety of customer information and the integrity of our financial system.

The need has become even more evident. Security breaches – service interruptions – and solvency issues have plagued a number of fintechs. Consumers must have the same assurances -- regardless of who they deal with.

As for TD, we are well prepared to compete, win and grow in this space.



Today, more Canadians do their digital banking with us than any other financial institution in the country. All told, nearly 10.5 million retail banking customers across North America are active online and mobile users – and that represents nearly half of our total retail customer base.

For us, it's not just about developing great technologies; it's about delivering great experiences by leveraging technology. That's how we won in the past and that's how we are going to win in the future.

For instance: our next generation online direct investing platform – WebBroker -- enables clients to spend less time searching for information and more time making better investment decisions.

And soon, we will launch TD MySpend – an app that provides customers with a visual snapshot of their financial well-being in real time on their smartphone. It's a new way to help our customers be better informed – and make sound decisions – on managing their finances.

So, we are well-positioned to operate in this increasingly competitive environment. But to describe it as an "epic battle" between the incumbents and insurgents would overlook a fundamental truth:

Companies – on either side -- are focused on building an even better customer experience.

And so you'll find companies working side-by-side just as much as competing head-to-head.

TD included.

We engage with a wide range of firms who can support our mission to seamlessly fulfill the wants and needs of each and every customer.





We collaborate with start-ups.

We opened the TD-Cisco Lab -- partnering with one of the leading tech firms in the world to collaborate on projects to enhance the banking experience.

And we're part of a global group of financial institutions looking to leverage blockchain technology for secure data management.

TD is also building on its long standing tradition of enhancing the customer experience.

We struck down old notions of bankers' hours.

And we gave our customers more ways -- and in some cases -- new ways to bank with us.

Today TD is the only bank in Canada enabling customers to text us for help. And we are the first bank globally to connect with our customers via Facebook Messenger.

TD's size and scale also provide us with unique advantages to better serve our customers' needs.

We were the first Canadian financial institution to roll out image-enabled, paperless ATMs – a win-win for our customers and the environment.

And we are transforming our call centres into value-added service centres across our entire footprint.

Our retail network is critical to our success, but it too is evolving.

Many of our new locations are more intimate – conducive for in-depth conversations and advice.



Consider the store I visited in New York City last Fall.

It sits right above a subway station, with lots of commuter traffic.

Customers use our ATMs and iPads for quick, everyday banking. But if their needs are more complex – maybe they want to talk to a loan specialist – we connect them to experts via video.

No matter what their needs – we keep these commuters on time and on track with the subway schedule on our store's plasma screen.

Going forward, TD will continue to foster a culture of innovation.

TD Lab – located in Kitchener-Waterloo, one of the world's top innovation clusters – encourages experimentation and the free-flow of ideas.

And our Waterloo technology centre "accelerates-to-market" new digital experiences for our customers.

We also host an online platform for colleagues which, to date, has generated more than 10,000 great ideas.

What's more, in 2015, forty of our filed patents came from colleagues who identified and developed innovations.

But our enduring success is founded on something more fundamental.

Our culture inspires people to do great things...

Like everything else at TD, it evolves with the times.



Our obligation, however, is to sustain its timeless qualities like respect, inclusiveness and diversity -- and our commitment to stay people-focused.

This commitment will only grow in importance.

Each and every employee must be prepared to make decisions, not simply take directions. They must understand what to do – and how to do it – but also why they are doing it.

At TD, we are dedicating more resources to develop leaders at every level of our organization.

This includes redesigning learning and development programs to help our people make even more meaningful contributions to our business and brand.

And we are providing them with the tools to make their life easier, and in turn, make it easier for our customers to bank with us.

The TD constellation has more than 80,000 stars across the globe. I am proud to introduce you to some of our leading lights today.

Here with us are our Vision In Action recipients for 2015. This honour is reserved for about 1 out of 1000 colleagues, who turn our guiding principles into everyday actions.

They can be a quiet influence or a major force – but in all cases – they care deeply – passionately -- about the success of our customers and our company – and for this reason, they make TD the even Better Bank.

I ask our Vision In Action recipients to please stand -- so we can recognize their accomplishments.



Let me wrap-up:

The world is changing around us. And I cannot say with 100 percent certainty what the future looks like.

But I do know this: TD will adapt without abandoning what you have come to expect from us.

We will remain growth-oriented. We will find more ways to create value for our customers, and in turn, grow our business.

We will remain customer-centric. People don't live to bank. They bank to live. So we will continue to focus on helping them achieve their goals -- and making their lives better.

And we will stay people-focused. Engaged employees lead to engaged customers which leads to happy and engaged shareholders.

Now, let me conclude with a few words of thanks.

First, to our customers and clients – thank you for your business. We are grateful to serve each and every one of you. But there is one person in this room who deserves our special attention today.

Ruth Cohen opened her first account with TD 83 years ago. Over those years, TD has changed a lot.

But Ruth tells me the things that matter most to her – being courteous and considerate – taking a personal interest in someone's well-being – they have stayed the same.

And we wouldn't want it any other way. Because that's how we get to know wonderful people like Ruth.



So, Ruth, from the bottom of our heart, thank you for allowing us to develop a strong and long-lasting relationship with you.

One more thing about Ruth: She just celebrated her 93<sup>rd</sup> birthday. We wish you good health and all the happiness in the world.

I also want to express my appreciation to our Board for their counsel and, finally, to our shareholders: thank you. Thank you for your continued support. We look forward to creating even greater value for you well into the future.

Thank you.

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