ENHANCED DISCLOSURE TASK FORCE

The Enhanced Disclosure Task Force (EDTF) was established by the Financial Stability Board in 2012 to identify fundamental disclosure principles, recommendations, and leading practices to enhance risk disclosures of banks. The index below includes the recommendations (as published by the EDTF) and lists the location of the related EDTF disclosures presented in the 2024 Annual Report or the 2024 fourth quarter Supplemental Financial Information (SFI), or Supplemental Regulatory Disclosures (SRD). Information on TD's website, SFI, and SRD is not and should not be considered incorporated herein by reference into the 2024 Annual Report, Management's Discussion and Analysis, or the Consolidated Financial Statements.

			Page		
Type of Risk	**Topic**	**EDTF Disclosure**	**Annual Report**	**SFI**	**SRD**
General	**1**	Present all related risk information together in any particular report.	Refer to below for location of disclosures		
	2	The bank's risk terminology and risk measures and present key parameter values used.	94-101, 105, 110, 112-114, 125-127		
	3	Describe and discuss top and emerging risks.	84-93		
	4	Outline plans to meet each new key regulatory ratio once applicable rules are finalized.	80, 122		
Risk Governance and Risk Management and Business Model	**5**	Summarize the bank's risk management organization, processes, and key functions.	95-99		
	6	Description of the bank's risk culture and procedures applied to support the culture.	94-95		
	7	Description of key risks that arise from the bank's business models and activities.	79, 94, 100-128		
	8	Description of stress testing within the bank's risk governance and capital frameworks.	78, 99-100, 108, 125		
Capital Adequacy and Risk Weighted Assets	**9**	Pillar 1 capital requirements and the impact for global systemically important banks.	75-77, 80-81, 235		1-3, 6
	10	Composition of capital and reconciliation of accounting balance sheet to the regulatory balance sheet.	75		1-3, 5
	11	Flow statement of the movements in regulatory capital.			4
	12	Discussion of capital planning within a more general discussion of management's strategic planning.	76-78, 125		
	13	Analysis of how risk-weighted asset (RWA) relate to business activities and related risks.	78-79	9-13	
	14	Analysis of capital requirements for each method used for calculating RWA.	101-103, 105, 107-108		13
	15	Tabulate credit risk in the banking book for Basel asset classes and major portfolios.			36-53, 59-65
	16	Flow statement reconciling the movements of RWA by risk type.			18-19
	17	Discussion of Basel III back-testing requirements.	104, 108, 112-113		80-82
Liquidity	**18**	The bank's management of liquidity needs and liquidity reserves.	114-116, 118-119		
Funding	**19**	Encumbered and unencumbered assets in a table by balance sheet category.	117, 229		
	20	Tabulate consolidated total assets, liabilities and off-balance sheet commitments by remaining contractual maturity at the balance sheet date.	122-124		
	21	Discussion of the bank's funding sources and the bank's funding strategy.	119-122		
Market Risk	**22**	Linkage of market risk measures for trading and non-trading portfolio and balance sheet.	106		
	23	Breakdown of significant trading and non-trading market risk factors.	106, 109-110		
	24	Significant market risk measurement model limitations and validation procedures.	107-110, 112-113		
	25	Primary risk management techniques beyond reported risk measures and parameters.	107-110		
Credit Risk	**26**	Provide information that facilitates users' understanding of the bank's credit risk profile, including any significant credit risk concentrations.	62-74, 101-105, 185-192, 201, 203-204, 233-234	21-36	1-5, 13, 18, 20-70, 72-82
	27	Description of the bank's policies for identifying impaired loans.	71, 162-163, 169-170, 191		
	28	Reconciliation of the opening and closing balances of impaired loans in the period and the allowance for loan losses.	69, 188-190	25, 29	
	29	Analysis of the bank's counterparty credit risks that arises from derivative transactions.	103, 173-174, 195-197, 201, 203-204		54-55, 66-70
	30	Discussion of credit risk mitigation, including collateral held for all sources of credit risk.	104, 166, 173-174		
Other Risks	**31**	Description of 'other risk' types based on management's classifications and discuss how each one is identified, governed, measured and managed.	110-113, 125-128		
	32	Discuss publicly known risk events related to other risks.	91-93, 227-228		

Management's Discussion and Analysis

This Management's Discussion and Analysis (MD&A) is presented to enable readers to assess material changes in the financial condition and operating results of TD Bank Group ("TD" or the "Bank") for the year ended October 31, 2024, compared with the corresponding period in the prior year. This MD&A should be read in conjunction with the audited Consolidated Financial Statements and related Notes for the year ended October 31, 2024. This MD&A is dated December 4, 2024. Unless otherwise indicated, all amounts are expressed in Canadian dollars and have been primarily derived from the Bank's annual Consolidated Financial Statements prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Note that certain comparative amounts have been revised to conform with the presentation adopted in the current period.

Additional information relating to the Bank, including the Bank's Annual Information Form, is available on the Bank's website at http://www.td.com, on SEDAR+ at http://www.sedar.com, and on the U.S. Securities and Exchange Commission's website at http://www.sec.gov (EDGAR filers section).

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 ("2024 MD&A") in the Bank's 2024 Annual Report under the heading "Economic Summary and Outlook", under the headings "Key Priorities for 2025" and "Operating Environment and Outlook" for the Canadian Personal and Commercial Banking, U.S. Retail, Wealth Management and Insurance, and Wholesale Banking segments, and under the heading "2024 Accomplishments and Focus for 2025" for the Corporate segment, and in other statements regarding the Bank's objectives and priorities for 2025 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: strategic, credit, market (including equity, commodity, foreign exchange, interest rate, and credit spreads), operational (including technology, cyber security, process, systems, data, third-party, fraud, infrastructure, insider and conduct), model, insurance, liquidity, capital adequacy, legal and regulatory compliance (including financial crime), reputational, environmental and social, and other risks.

Examples of such risk factors include general business and economic conditions in the regions in which the Bank operates (including the economic, financial, and other impacts of pandemics); geopolitical risk; inflation, interest rates and recession uncertainty; regulatory oversight and compliance risk; risks associated with the Bank's ability to satisfy the terms of the global resolution of the civil and criminal investigations into the Bank's U.S. BSA/AML program; the impact of the global resolution of the civil and criminal investigations into the Bank's U.S. BSA/AML program on the Bank's businesses, operations, financial condition, and reputation; the ability of the Bank to execute on long-term strategies, shorter-term key strategic priorities, including the successful completion of acquisitions and dispositions and integration of acquisitions, the ability of the Bank to achieve its financial or strategic objectives with respect to its investments, business retention plans, and other strategic plans; the risk of large declines in the value of the Bank's Schwab equity investment and corresponding impact on TD's market value; technology and cyber security risk (including cyber-attacks, data security breaches or technology failures) on the Bank's technologies, systems and networks, those of the Bank's customers (including their own devices), and third parties providing services to the Bank; data risk; model risk; fraud activity; insider risk; conduct risk; 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, and other risks arising from the Bank's use of third-parties; the impact of new and changes to, or application of, current laws, rules and regulations, including without limitation consumer protection laws and regulations, tax laws, capital guidelines and liquidity regulatory guidance; increased competition from incumbents and new entrants (including Fintechs and big technology competitors); shifts in consumer attitudes and disruptive technology; environmental and social risk (including climate-related risk); exposure related to litigation and regulatory matters; ability of the Bank to attract, develop, and retain key talent; changes in foreign exchange rates, interest rates, credit spreads and equity prices; downgrade, suspension or withdrawal of ratings assigned by any rating agency, the value and market price of the Bank's common shares and other securities may be impacted by market conditions and other factors; the interconnectivity of Financial Institutions including existing and potential international debt crises; 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; 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 2024 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" or "Significant and Subsequent Events" in the relevant MD&A, which applicable releases may be found on www.td.com.

All such factors, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements, should be considered carefully when making decisions with respect to the Bank. 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 2024 MD&A under the headings "Economic Summary and Outlook" and "Significant Events", under the headings "Key Priorities for 2025" and "Operating Environment and Outlook" for the Canadian Personal and Commercial Banking, U.S. Retail, Wealth Management and Insurance, and Wholesale Banking segments, and under the heading "2024 Accomplishments and Focus for 2025" for the Corporate segment, 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.

This document was reviewed by the Bank's Audit Committee and was approved by the Bank's Board of Directors, on the Audit Committee's recommendation, prior to its release.

TABLE 1	FINANCIAL HIGHLIGHTS	
(millions of Canadian dollars, except where noted)	**2024**	2023
Results of operations		
Total revenue – reported[1]	**$ 57,223**	$ 50,690
Total revenue – adjusted[1,2]	**56,789**	52,037
Provision for (recovery of) credit losses	**4,253**	2,933
Insurance service expenses (ISE)[1]	**6,647**	5,014
Non-interest expenses – reported[1]	**35,493**	29,855
Non-interest expenses – adjusted[1,2]	**29,148**	26,517
Net income – reported[1]	**8,842**	10,634
Net income – adjusted[1,2]	**14,277**	14,995
Financial positions (billions of Canadian dollars)		
Total loans net of allowance for loan losses	**$ 949.5**	$ 895.9
Total assets[1]	**2,061.8**	1,955.1
Total deposits	**1,268.7**	1,198.2
Total equity	**115.2**	112.1
Total risk-weighted assets (RWA)[3]	**630.9**	571.2
Financial ratios		
Return on common equity (ROE) – reported[1,4]	**8.2%**	9.9%
Return on common equity – adjusted[1,2]	**13.6**	14.2
Return on tangible common equity (ROTCE)[1,2,4]	**11.2**	13.4
Return on tangible common equity – adjusted[1,2]	**18.0**	18.7
Efficiency ratio – reported[1,4]	**62.0**	58.9
Efficiency ratio – adjusted, net of ISE[1,2,4,5]	**58.1**	56.4
Provision for (recovery of) credit losses as a % of net average loans and acceptances	**0.46**	0.34
Common share information – reported (Canadian dollars)		
Per share earnings[1]		
Basic	**$ 4.73**	$ 5.53
Diluted	**4.72**	5.52
Dividends per share	**4.08**	3.84
Book value per share[4]	**59.59**	56.56
Closing share price[6]	**76.97**	77.46
Shares outstanding (millions)		
Average basic	**1,758.8**	1,822.5
Average diluted	**1,760.0**	1,824.4
End of period	**1,750.1**	1,790.7
Market capitalization (billions of Canadian dollars)	**$ 134.7**	$ 138.7
Dividend yield[4]	**5.1%**	4.6%
Dividend payout ratio[4]	**86.1**	69.3
Price-earnings ratio[1,4]	**16.3**	14.0
Total shareholder return (1 year)[4]	**4.5**	(6.9)
Common share information – adjusted (Canadian dollars)[1,2]		
Per share earnings[1]		
Basic	**$ 7.82**	$ 7.92
Diluted	**7.81**	7.91
Dividend payout ratio	**52.1%**	48.4%
Price-earnings ratio[1]	**9.9**	9.8
Capital ratios[3]		
Common Equity Tier 1 Capital ratio	**13.1%**	14.4%
Tier 1 Capital ratio	**14.8**	16.2
Total Capital ratio	**16.8**	18.1
Leverage ratio	**4.2**	4.4
Total Loss Absorbing Capacity (TLAC) ratio	**28.7**	32.7
TLAC Leverage ratio	**8.1**	8.9

[1] For the year ended October 31, 2023, certain amounts have been restated for the adoption of IFRS 17, *Insurance Contracts* (IFRS 17). Refer to Note 4 of the Bank's 2024 Consolidated Financial Statements for further details.

[2] The Toronto-Dominion Bank ("TD" or the "Bank") prepares its Consolidated Financial Statements in accordance with 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 such as "adjusted" results and non-GAAP ratios to assess each of its businesses and to measure overall Bank performance. To arrive at adjusted results, the Bank adjusts reported results for "items of note". Refer to the "Financial Results Overview" section of this document for further explanation, a list of the items of note, and a reconciliation of adjusted to reported results. Non-GAAP financial measures and ratios used in this document are not defined terms under IFRS and, therefore, may not be comparable to similar terms used by other issuers.

[3] These measures have been included in this document in accordance with the Office of the Superintendent of Financial Institutions Canada's (OSFI's) Capital Adequacy Requirements (CAR), Leverage Requirements, and TLAC guidelines. Refer to the "Capital Position" section of this document for further details.

[4] For additional information about this metric, refer to the Glossary of this document.

[5] Efficiency ratio – adjusted, net of ISE is calculated by dividing adjusted non-interest expenses by adjusted total revenue, net of ISE. Adjusted total revenue, net of ISE – 2024: $50,142 million, 2023: $47,023 million. Effective fiscal 2024, the composition of this non-GAAP ratio and the comparative amounts have been revised.

[6] Toronto Stock Exchange (TSX) closing market price.

SIGNIFICANT EVENTS

a) Global Resolution of the Investigations into the Bank's U.S. BSA/AML Program

On October 10, 2024, following active cooperation and engagement with authorities and regulators, the Bank reached a resolution with respect to previously disclosed investigations related to its U.S. Bank Secrecy Act (BSA) and Anti-Money Laundering (AML) compliance programs. The Bank and certain of its U.S. subsidiaries consented to orders with the Office of the Comptroller of the Currency (OCC), the Federal Reserve Board (FRB), and the Financial Crimes Enforcement Network (FinCEN) and entered into plea agreements with the Department of Justice (DOJ), Criminal Division, Money Laundering and Asset Recovery Section and the United States Attorney's Office for the District of New Jersey (collectively, the "Global Resolution"). Details of the Global Resolution include: (i) a total payment of US$3.088 billion (C$4.233 billion), all of which was provisioned during the 2024 fiscal year; (ii) TD Bank, N.A. (TDBNA) pleading guilty to one count of conspiring to fail to maintain an adequate AML program, fail to file accurate currency transaction reports (CTRs) and launder money and TD Bank US Holding Company (TDBUSH) pleading guilty to two counts of failing to maintain an adequate AML program and failing to file accurate CTRs; (iii) requirements to remediate the Bank's U.S. BSA/AML program, broadly aligned to its existing remediation program, which requirements the Bank has begun to address; (iv) a requirement to prioritize the funding and staffing of the remediation, which includes Board certifications for dividend distributions from certain of the Bank's U.S. subsidiaries to the Bank; (v) formal oversight of the U.S. BSA/AML remediation through an independent compliance monitorship; (vi) a prohibition against the average combined total assets of TD's two U.S. banking subsidiaries (TD Bank, N.A. and TD Bank USA, N.A.) (collectively, the "U.S. Bank") exceeding US$434 billion (representing the combined total assets of the U.S. Bank as at September 30, 2024) (the "Asset Limitation"), and if the U.S. Bank does not achieve compliance with all actionable articles in the OCC consent orders (and for each successive year that the U.S. Bank remains non-compliant), the OCC may require the U.S. Bank to further reduce total consolidated assets by up to 7%; (vii) the U.S. Bank being subject to OCC supervisory approval processes for any additions of new bank products, services, markets, and stores prior to the OCC's acceptance of the U.S. Bank's improved AML policies and procedures, to ensure the AML risk of new initiatives is appropriately considered and mitigated; (viii) requirements for the Bank and TD Group U.S. Holdings, LLC (TDGUS) to retain a third party to assess the effectiveness of the corporate governance and U.S. management structure and composition to adequately oversee U.S. operations; and (ix) requirements to comply with the terms of the plea agreements with the DOJ during a five-year term of probation (which could be extended as a result of the Bank failing to complete the compliance undertakings, failing to cooperate or to report alleged misconduct as required, or committing additional crimes); (x) an ongoing obligation to cooperate with DOJ investigations; and (xi) an ongoing obligation to report evidence or allegations of violations by the Bank, its affiliates, or their employees that may be a violation of U.S. federal law.

Refer to "Key Terms of the Global Resolution" below for additional information about the terms of the orders and plea agreements.

Key Terms of the Global Resolution

Order/Agreement	Key Requirements
Plea Agreements between the DOJ and TDBUSH and TDBNA dated October 10, 2024	• TDBUSH plead guilty to BSA/AML program violations (31 U.S.C. § 5318(h) and 5322) and currency transaction report violations (31 U.S.C. § 5313 and 5324). • TDBNA plead guilty to conspiracy (18 U.S.C. § 371) with three objects: BSA/AML program violations (31 U.S.C. § 5318(h)) and 5322), currency transaction report violations (31 U.S.C. § 5313 and 5324), and money laundering (18 U.S.C. § 1956(a)(2)(B)(i)). • Monetary Penalty: fine of US$1,434,013,478.40 (US$1,428,513,478.40 after crediting) for TDBUSH and a fine of US$500,000 and a forfeiture of US$452,432,302 (US$328,932,302 after crediting) for TDBNA. • Term of Probation: Five-year term of probation. • Remediation requirements: – Independent Compliance Monitor. Retain an independent compliance monitor for a period of three years to oversee the Bank's compliance remediation and enhancement. – BSA/AML Compliance Obligations. Continue to implement and enhance its AML compliance program such that, at minimum, it meets the requirements as set forth in Attachment C to the Plea Agreements, which lays out compliance commitments, including with respect to tone from the top; policies, procedures, and internal controls; transaction monitoring and reporting; oversight and independence; insider risk; training; internal reporting; employee discipline; monitoring, testing, and audit; and address any deficiencies in its AML compliance program, as specified in the Plea Agreements. • Cooperation: Cooperate with the DOJ in any investigation or prosecution relating to the conduct, individuals, and entities described in the Plea Agreements and the Statement of Facts attached to the Plea Agreements, as well as any other conduct, individuals, and entities under investigation by the DOJ at any time during the length of the Agreements' obligations. • Disclosure: To the extent that the Bank learns of any evidence or allegation of conduct by the Bank, its affiliates, or their employees that may be a violation of U.S. federal law, promptly report to the DOJ any such evidence or allegation. • Sale/Merger/Transfer: Any change in corporate form, including a sale, merger, or transfer of business operations that are material to the Bank's consolidated operations, or to the operations of any subsidiaries, branches, or affiliates involved in the conduct described in the Statement of Facts, as they exist as of the date of the Agreements, whether such transaction is structured as a sale, asset sale, merger, transfer, or other change in corporate form, the Bank must include in any such contract a provision binding the purchaser, or any successor in interest thereto, to the obligations described in the Agreements, and the other party to the contract must agree in writing to the terms and obligations to the Agreements; meet other requirements prior to any such change in corporate form, including a sale, merger, or transfer of business operations, as specified in the Agreements.

Order/Agreement	Key Requirements
Plea Agreements between the DOJ and TDBUSH and TDBNA dated October 10, 2024 (continued)	• Breach of Agreements: The following would constitute a breach of the Agreements: (a) any felony under U.S. federal law; (b) providing deliberately false, incomplete, or misleading information to the DOJ; (c) failing to cooperate with the DOJ; (d) failing to implement a compliance program as set forth in the Plea Agreements and Attachment C to the Plea Agreements and complete the monitorship as set forth in the Plea Agreements and Attachment D to the Plea Agreements; (e) committing any acts that, had they occurred within the jurisdictional reach of the United States, would be a violation of federal money laundering laws or the Bank Secrecy Act; or (f) otherwise failing specifically to perform or to fulfill completely each of the obligations under the Agreements. In the event of a breach of the Agreements, the Bank will be subject to prosecution for any federal criminal violation of which the DOJ is aware, including the charges to which the Bank pleaded guilty. • Non-Contradiction: The Bank will not make any public statement, in litigation or otherwise, contradicting its acceptance of responsibility or the facts described in the Information or Statement of Facts. The Bank will seek preclearance from the DOJ before issuing any affirmative public statement in connection with the resolutions, including via press release, press conference remarks, or a scripted statement to investors. • Acknowledgement by the Bank and TDGUS of the Agreements by TDBNA and TDBUSH and agreement to undertake the cooperation commitments outlined in the Agreements and ensure that TDBNA and TDBUSH comply with all terms of the Agreements.
FinCEN Consent Order involving TDBNA and TD Bank USA, N.A. (TDBUSA)	• BSA/AML program violations (31 U.S.C. § 5318 (h)(1) and 31 C.F.R. § 1020.210(a)), suspicious activity report violations (31 U.S.C. § 5318(g) and 31 C.F.R. § 1020.320), and currency transaction report violations (31 U.S.C. § 5313 and 31 C.F.R. § 1010.311). • BSA/AML program violations (31 U.S.C. § 5318 (h)(1) and 31 C.F.R. § 1020.210(a)), suspicious activity report violations (31 U.S.C. § 5318(g) and 31 C.F.R. § 1020.320), and currency transaction report violations (31 U.S.C. § 5313 and 31 C.F.R. § 1010.311). • Monetary Penalty: US$1.3 billion (requiring a payment of US$757 million after crediting). • Remediation Requirements: – Independent Compliance Monitor. The Order requires the Bank to retain an independent compliance monitor for a period of 4 years, which will be required to undertake various reviews and issue reports as outlined in the Order. – Suspicious activity report (SAR) Lookback. The Order recognized that the Bank has retained an independent third party to conduct a SAR lookback review, which will be overseen by the independent compliance monitor. Within 150 days from the engagement of the monitor, the SAR lookback consultant must deliver to FinCEN and the monitor a report summarizing the proposed scope and methodology of the review. Within 18 months from the date of the SAR lookback report, the SAR lookback consultant must deliver a detailed report that summarizes the findings of its review. – BSA/AML Program Review. The Order requires the Bank to retain an independent third party to conduct a review of the effectiveness of its BSA/AML program, similar to the review required by the FRB and OCC. Within 60 days from the engagement of the monitor, the monitor must propose an AML program consultant or elect to serve as the consultant. Within 90 days from the engagement of the consultant, the consultant must deliver to FinCEN a report summarizing the proposed scope and methodology of the review. Within 60 days from the end of the consultant's review, but no later than one year from the date of its engagement, the consultant must submit to FinCEN a final written report. – Accountability Review. The Order requires the independent compliance monitor to assess the accountability review work that the Bank has conducted concerning the involvement of personnel in the conduct described in the Order. Within 120 days from the engagement of the monitor, the monitor must deliver to FinCEN a report summarizing the proposed scope and methodology of the review. Within 60 days from the end of the monitor's review, but no later than one year from the date of its engagement, the monitor must submit to FinCEN a final written report. – Data Governance Review. The Order requires the independent compliance monitor to oversee a data governance review, which will involve an assessment of the Bank's data governance framework. Within 120 days from the engagement of the monitor, the monitor must deliver to FinCEN a report summarizing the proposed scope and methodology of the review. Within 60 days from the end of the monitor's review, but no later than one year from the date of its engagement, the monitor must submit to FinCEN a final written report. • Cooperation: The Order requires the Bank to cooperate with FinCEN in all matters within the scope of or related to the resolution. • Non-Contradiction: The Order requires the Bank not to make any public statement that contradicts the admissions or acceptance of responsibility or any terms of the Order.

Order/Agreement	Key Requirements
OCC Consent Orders involving TDBNA and TDBUSA	• BSA/AML program violation (12 C.F.R. § 21.21), suspicious activity report violations (12 C.F.R. § 21.11), currency transaction report violations (31 C.F.R. § 1010.312), customer due diligence violation (31 C.F.R. § 1020.210(a)(2)(v)) and recklessly engaging in unsafe or unsound practices related to the Bank's BSA/AML Compliance Program. • Monetary Penalty: US$450 million. • The Orders will remain in effect until amended, suspended, waived, or terminated, in writing by the OCC. • Remediation Requirements (dates listed below may be extended by written approval from the OCC): – Compliance Committee. Appoint, within 15 days of the Order's effective date, a Compliance Committee to monitor and oversee the TDBNA's and TDBUSA's compliance with the Orders. – BSA/AML Action Plan. Submit a written plan, within 150 days of the Order's effective date, detailing the remedial actions necessary to achieve and sustain compliance with the BSA, its implementing regulations, and specified articles of the Orders, and to address all BSA/AML deficiencies, violations, and corrective actions (the "BSA/AML Action Plan"). Adopt and implement the BSA/AML Action Plan and provide progress reports. – BSA/AML Program Assessment and Remediation. Retain, within 60 days of the Order's effective date or as otherwise specified in the BSA/AML Action Plan, an independent third-party consultant to conduct an end-to-end review and assessment of their BSA/AML Program and draft a written report documenting its findings and recommendations, to be submitted to the boards of directors (Boards) of TDBNA and TDBUSA, and the OCC, at the same time. Effectively remediate any identified gaps and deficiencies. – New Products, Services, Branches, and Markets. Submit, within 150 days of the Order's effective date, or as otherwise specified in the BSA/AML Action Plan, to the OCC for review and prior written determination of no supervisory objection, improved policies and procedures for evaluating the BSA/AML risks posed by adding a new product or service and ensuring the Bank has adequate controls to mitigate such risks, prohibits TDBNA and TDBUSA from adding new products or services until they receive a determination of no supervisory objection to the improved policies and procedures. After receiving no supervisory objection to the policies and procedures, the Orders prohibit TDBNA and TDBUSA from adding any new medium or high BSA/AML risk product or service without, among other requirements, a prior determination of no supervisory objection. Prohibition from opening a new branch or entering a new market without first receiving no supervisory objection. – BSA Officer and Staffing. Maintain a qualified BSA Officer vested with sufficient independence, authority, stature, and resources, and requires the Boards to ensure that TDBNA and TDBUSA have sufficient managers and staff with the appropriate skills, expertise, and with the requisite authority, to support the BSA Officer and BSA/AML program. Following the Independent Consultant review, ensure there is an annual review of the adequacy of the Bank's BSA Officer and staff, with the determinations finalized in writing, to be submitted to the OCC, and the Boards are responsible for ensuring any necessary changes are implemented. Ensure that the BSA Officer and staff have sufficient training, authority, resources, and skill, that management has the necessary knowledge to oversee the Bank's compliance with the BSA, that information systems are effective, and that there are clear lines of authority and responsibility for the BSA/AML compliance function and staff, including giving the BSA Officer the ultimate accountability for and authority over all the U.S. BSA/AML Program components. – BSA/AML Training. Implement, within 120 days of the Order's effective date, or as otherwise specified in the BSA/AML Action Plan, an effective BSA/AML Training Program that meets certain minimum requirements, as detailed in the Orders. – BSA/AML Internal Controls. Develop and implement, within 120 days of the Order's effective date, or as otherwise specified in the BSA/AML Action Plan, an effective Internal Controls Program to identify and control the risks associated with money laundering and terrorist financing and other illicit financial activity, and to achieve and maintain compliance with the BSA. The Internal Controls Program must meet certain minimum requirements, as detailed in the Orders. – Customer Due Diligence and Risk Identification. Develop and implement, within 120 days of the Order's effective date, or as otherwise specified in the BSA/AML Action Plan, an effective customer due diligence (CDD) program to ensure appropriate collection and analysis of customer information when opening new accounts, when renewing or modifying existing accounts for customers, and when the Bank obtains event-driven information indicating that it would be prudent to obtain updated information and maintain accurate customer risk profiles. The CDD Program must meet certain minimum requirements, as detailed in the Orders. – Suspicious Activity Identification, Evaluation, and Reporting. Develop and implement, within 120 days of the Order's effective date, or as otherwise specified in the BSA/AML Action Plan, an effective suspicious activity monitoring and reporting program to ensure the timely and appropriate identification, review, and disposition of unusual activity, and the filing of SARs. The Suspicious Activity Review Program must meet certain minimum requirements, as detailed in the Orders.

Order/Agreement	Key Requirements
OCC Consent Orders involving TDBNA and TDBUSA (continued)	– BSA/AML Independent Testing. Develop and implement, within 120 days of the Order's effective date, or as otherwise specified in the BSA/AML Action Plan, an effective BSA/AML independent testing program to test the Bank's compliance with the BSA, relative to its risk profile, and the overall adequacy of the Bank's BSA/AML Program. The BSA/AML Audit Program must meet certain minimum requirements, as detailed in the Orders. Develop risk assessment and planning processes that clearly document AML risk, and for management to require reporting on no less than a quarterly basis of all deficiencies in BSA/AML processes and controls identified through the BSA/AML Audit Program to the Bank's Board or BSA/AML Audit Committee, and to senior management, after which the Boards or BSA/AML Audit Committee must ensure that management takes prompt action to remediate the cited deficiencies and validates corrective action. – Suspicious Activity Review Lookback. Retain, within 60 days of the Order's effective date, or as otherwise specified in the BSA/AML Action Plan, an independent third-party consultant to conduct a review and provide a written report on the Bank's suspicious activity monitoring, investigation, decisioning, and reporting. The OCC has discretion to expand the scope of the look-back after its review of the report. – Accountability for Employees Involved in Misconduct. TDBNA and TDBUSA are prohibited from retaining, now or in the future, any individual as an officer, employee, agent, consultant, or contractor who participated in, was subject to formal discipline, or was separated or terminated in connection with the underlying conduct described in the Orders, and TDBNA and TDBUSA are required to submit, within 30 days of the Order's effective date, to the OCC policies, procedures, and reporting requirements for ensuring compliance with the accountability requirements. The Orders also require the HR senior executive officers of TDBNA and TDBUSA to submit, on a quarterly basis, compliance with the accountability requirements. – General Board Requirements. Ensure timely adoption and implementation of all corrective actions required by the Orders, verification of adherence to the corrective actions, and ensure the corrective actions are effective in addressing the deficiencies that led to the Orders. • Limits on Growth. TDBNA and TDBUSA may not take any action that would cause the average of the Bank's total consolidated assets for the current calendar quarter and the immediately preceding calendar quarter to exceed the total consolidated assets reported as of September 30, 2024. If TDBNA and TDBUSA do not meet the deadline for compliance with all actionable articles in the Orders, the OCC may require TDBNA and TDBUSA to reduce their total consolidated assets by up to 7% from their total consolidated assets as reported as of the most recent quarter, and for each year TDBNA and TDBUSA continue to be in noncompliance with the Orders, the OCC may require further reductions up to 7% from their total consolidated assets as reported as of the most recent calendar quarter. The Deputy Comptroller of the OCC may, at their discretion, temporarily suspend the asset limit in light of unusual circumstances at TDBNA or TDBUSA. • Prioritization of Expenditure on Remediation. Prior to declaring or paying dividends, engaging in share repurchases, or making any other capital distribution, the Boards of TDBNA and TDBUSA must certify in writing to the OCC that the Bank has allocated appropriate resources and staffing to the remediation required by the Orders.

Order/Agreement	Key Requirements
Federal Reserve Cease & Desist Order with TD Bank, TD Group US Holdings LLC (TDGUS) and TDBUSH	• Issued pursuant to 12 U.S.C. § 1818(b) and (i)(2)(B) • Monetary Penalty: US$123.5 million. • The Order will remain in effect until stayed, modified, terminated, or suspended in writing by the FRB. • Remediation Requirements (dates listed below may be extended by written approval from the FRB): – Board Oversight. Submit to the FRB, within 90 days of the Order's effective date, a written plan to oversee the matters identified in the Order. – Corporate Governance and Management Review. Retain, within 30 days of the Order's effective date, an independent third party to assess the effectiveness of the corporate governance, board and U.S. management structure, and staffing needs at TD Bank, TDGUS, and TDBUSH and draft a written report of findings and recommendations, which will be provided to the FRB and to the Office of the Superintendent of Financial Institutions (OSFI) at the same time it is provided to the Boards of TD Bank and TDGUS. Submit to the FRB and OSFI a written board oversight plan that is designed to address the findings and recommendations in the report and that describes the actions the Boards of TD Bank and TDGUS will take to strengthen the management and corporate governance structure of TD Bank, TDGUS, and TDBUSH. – U.S. Remediation Office: Submit, within 90 days of the Order's effective date, a written plan to establish a Remediation Office in the United States to operate under the oversight of the Boards. The Remediation Office will be responsible for several undertakings pursuant to the Order. – U.S. Law Compliance Program. Submit, within 60 days of the Order's effective date, a compliance program (U.S. Law Compliance Program) to the FRB, including a timeline for implementation. The U.S. Law Compliance Program related obligations include, among other requirements, the relocation to the U.S. the part of the TD Bank, TDGUS, and TDBUSH compliance function that is responsible for establishing and maintaining compliance with the applicable BSA/AML requirements by the branches, affiliates, and global business lines of TD Bank, TDGUS, and TDBUSH. – BSA/AML Compliance Review. Retain, within 30 days of the Order's effective date, an independent third party to conduct a review of the BSA/AML compliance elements of the U.S. Law Compliance Program. The independent third party will be responsible for preparing a written report of findings and recommendations, which will be provided to the FRB at the same time it is provided to the Boards. TD Bank, TDGUS, and TDBUSH must submit a written plan that is designed to fully address the findings and recommendations in the report and that describes the actions that will be taken to strengthen compliance with the applicable BSA/AML requirements. – Resource Allocation for Remediation. Prior to TDGUS or TDBUSH declaring or paying dividends, engaging in share repurchases, or making any other capital distribution, the Boards must certify to the FRB that the appropriate resources and staffing have been allocated to remediation, as required by the Order. – Accountability for Employees Involved in Misconduct. TD Bank, TDGUS, and TDBUSH are prohibited from retaining, now or in the future, any individual as an officer, employee, agent, consultant, or contractor who participated in, was subject to formal discipline, or was separated or terminated in connection with the underlying described in the Order. – Ongoing Reporting. Submit quarterly progress reports detailing the form and manner of actions taken to comply with the Order, a timetable and schedule to implement specific remedial actions to be taken, and the results thereof. Pursuant to the Order, the written OCC progress reports will be sent to the FRB.

Remediation of U.S. BSA/AML Program

As described in the DOJ Statement of Facts, between January 2014 and October 2023, the U.S. Bank's BSA/AML Program had long-term, pervasive, and systemic deficiencies and the U.S. Bank (a) failed to substantively update, and severely limited the types of activity screened through, the transaction monitoring system, and (b) failed to adequately train employees who served as the first line of defense against money laundering. TDBNA's failure to effectively manage its employee risk also contributed to insider misconduct. In addition, as noted in the OCC Consent Order, deficiencies in the U.S. Bank's BSA/AML Program included deficiencies related to: internal controls and risk management practices; risk assessments; customer due diligence; customer risk ratings; suspicious activity identification, evaluation, and reporting; governance; staffing; independent testing; and training, among others. There was a systemic breakdown in the policies, procedures, and processes to identify and report suspicious activity.

The Bank is focused on remediating its U.S. BSA/AML program to meet the requirements of the Global Resolution, and it has organized its remediation efforts consistent with the requirements of the Global Resolution. The redesign of the U.S. BSA/AML program is focused on improvements to capabilities across five core pillars, namely: (i) People and Talent, (ii) Governance and Structure, (iii) Policy and Risk Assessment, (iv) Process and Control, and (v) Data and Technology.

Progress to date on the remediation includes:

(i) People and Talent: The Bank has overhauled its U.S. BSA/AML program resourcing across all three lines of defence. The Bank has established a dedicated and expanded U.S. Financial Crime Risk Management leadership team and structure, with emphasis on specific experience and subject matter expertise, including the appointment of the BSA Officer as required by the OCC order. The Bank has also created and hired new resources across the first line of defence with years of risk management and control experience, particularly in Financial Crime areas. The Internal Audit function has also been further developed to include resources with specialized testing experience in the domain as well as specific to remediation validation work.

(ii) Governance and Structure: The Bank has strengthened its oversight structure and accountability across all three lines of defence, including the risk management and audit functions, and has established a dedicated committee at the U.S. boards (the "U.S. Compliance Committee") as well as a dedicated committee of the Bank's Board of Directors (the "Remediation Committee") for remediation oversight. In addition, the Bank has established an executive U.S. Remediation Office, which will be responsible for overseeing the execution of the remediation program and engaging with the U.S. regulators in relation to the actions required to be taken by the Bank under the Global Resolution. The Bank also anticipates that the monitorship will be appointed in fiscal 2025[1].

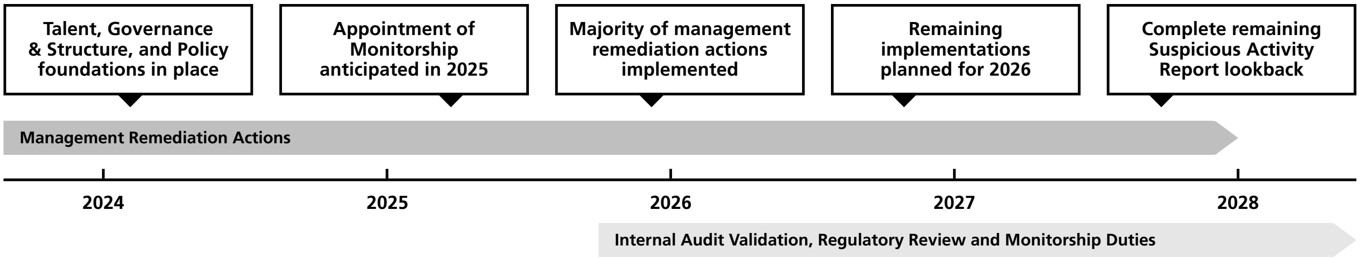
[1] Under the terms of the plea agreements and consent orders, the selection of the monitor will be made by the DOJ and FinCEN. Accordingly, the timing of the appointment of the monitorship is not entirely within the Bank's control.

(iii) Policy and Risk Assessment: The Bank has introduced new standards with the goal of enhancing capabilities to measure financial crime risk more effectively. Specifically, new risk limits have been designed and implemented, and changes to certain risk assessment processes were introduced to help highlight specific products and areas of specific risk.

(iv) Process and Control: The Bank has enhanced customer onboarding procedures for cash intensive clients. In addition, the Bank has added additional transactions to the Bank's monitoring system and added new scenarios to help increase the detection of potentially suspicious activity across its products and services. The Bank has also implemented role-based targeted training and enhanced Bank-wide general training to reinforce understanding and accountability.

(v) Data and Technology: The Bank has deployed new data-driven technology solutions and has deployed the first phases of an enhanced transaction monitoring platform. The new system has an enhanced data model and new capabilities to modernize and manage the Bank's detection proficiency into the future. Advanced analytics have been introduced to improve the speed of investigation activities, and to do proactive modeling of current risks that impact the Bank.

With the talent, governance, structure, and policy foundations in place, the Bank expects to have the majority of its management remediation actions implemented in calendar 2025, with additional management actions planned for calendar 2026. In addition, sustainability and testing activities are planned for calendar 2026 and calendar 2027. The Bank is also targeting to have the Suspicious Activity Report lookback to be completed in 2027 per the FinCEN Consent Order. All management remediation actions will be subject to validation by the Bank's internal audit function, followed by the review and acceptance by the appointed monitor, demonstrated sustainability, and, ultimately, the review and approval of the Bank's U.S. banking regulators and the DOJ. The following graph illustrates the Bank's expected remediation plan and progress.



The Bank's remediation timeline is based on the Bank's current plans, as well as assumptions related to the duration of planning activities, including the completion of external benchmarking and lookback reviews. The Bank's ability to meet its planned remediation milestones assumes that the Bank will be able to successfully execute against its U.S. BSA/AML remediation program plan, which is subject to inherent risks and uncertainties including the Bank's ability to attract and retain key employees, the ability of third parties to deliver on their contractual obligations, and the successful development and implementation of required technology solutions. Furthermore, the execution of the U.S. BSA/AML remediation plan, including these planned milestones, will not be entirely within the Bank's control including because of (i) the requirement to obtain regulatory approval or non-objection before proceeding with various steps, and (ii) the requirement for the various deliverables to be acceptable to the regulators and/or the monitors. For additional information on the risks associated with the remediation of the Bank's U.S. BSA/AML program, see "Risk Factors That May Affect Future Results – Global Resolution of the Investigations into the Bank's U.S. BSA/AML Program".

For information about estimated U.S. BSA/AML remediation and governance and control expenses for the 2025 fiscal year, see the "Key Priorities for 2025" section of the U.S. Retail segment; for additional information about the Bank's AML governance framework, see the "Managing Risk" section; and for information about the risks associated with the remediation of the Bank's U.S. BSA/AML program, see the "Risk Factors That May Affect Future Results – Global Resolution of the Investigations into the Bank's U.S. BSA/AML Program" section.

Assessment and Strengthening of the Bank's Enterprise AML Program

The Bank is undertaking several improvements to the Bank's enterprise-wide AML/Anti-Terrorist Financing and Sanctions Programs ("Enterprise AML Program"). These improvements are made in the context of the Bank's 2023 annual assessment of its Enterprise AML Program, which was rated unsatisfactory as of October 31, 2023. The depth and severity of U.S. BSA/AML program deficiencies contributed to the effectiveness rating of the Enterprise AML Program. Moreover, during fiscal 2024, Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) undertook a compliance examination of certain aspects of the Bank's AML program in Canada. FINTRAC imposed an administrative monetary penalty of $9.2 million and issued five violations: (i) FINTRAC found that TD failed to file suspicious transaction reports (STRs) in 20 of the cases it had reviewed and (ii) FINTRAC issued four inter-related violations that primarily stemmed from the Bank's failure to properly identify (i.e., assess and document) its full population of high-risk customers. Based on the Bank's work to date, the Bank (a) has not identified issues to the same extent in Canada, Europe or Asia as in the U.S., and (b) has not experienced the same severe AML-related events in Canada, Europe or Asia as those experienced in the U.S. However, the Bank has concluded that most of the pervasive AML related issues in the U.S. are, to a varying extent, also applicable to certain aspects of the Enterprise AML Program outside the U.S. The Bank has identified a number of areas in the Enterprise AML Program outside the U.S. that require improvement. Common themes requiring attention relate to governance and oversight of various components of the Enterprise AML Program, quality of reporting to senior management and the board of directors, quality control processes, adequacy of procedures in targeted areas, operational deficiencies in respect of high-risk customers, and certain aspects of transaction monitoring.

Improvements to the Enterprise AML Program outside the U.S. are underway, with corresponding investments and resourcing in place across all three lines of defence, including key technology initiatives, to ensure the Bank can address these deficiencies. The Bank is also applying learnings obtained from the deficiencies identified in its U.S. BSA/AML program to its Enterprise AML Program outside the U.S. In particular, these improvements to the Enterprise AML Program outside the U.S. fall under three main categories:

- Tactical Enhancements: The Bank has launched the implementation of a number of operational and business process enhancements across the enterprise, where necessary, that are similar to the initial enhancements made to its U.S. BSA/AML program. These enhancements are intended to provide interim risk mitigation and strengthen the control environment in specific key areas.
- Strategic Enhancements: A detailed plan has been developed to upgrade the Enterprise AML Program outside the U.S. and address the areas that require improvement, with ongoing updates.
- FINTRAC Remediation: As a result of the FINTRAC examination, the Bank has established a remediation program and submitted a detailed plan to FINTRAC to address the FINTRAC violations and ensure compliance with regulatory expectations.

Similar to the U.S. BSA/AML remediation program, the FINTRAC remediation and other planned strategic enhancements of the Enterprise AML Program outside the U.S. are organized under five core pillars:

i. People & Talent: Similar to investments made in the U.S., the Bank has recruited AML program leadership and talent with a focus on deep subject matter expertise, with additional recruitment underway.
ii. Governance & Structure: The Bank is redefining its enterprise AML governance approach, including strengthening oversight structure and reporting across all three lines of defense.
iii. Policy & Risk Assessment: Similar to the changes being made in the U.S., new enterprise standards and capabilities are being updated to measure financial crime risk more effectively, and strengthen oversight across key areas of the program, including high risk and high cash customer activity.
iv. Process & Control: The Bank is in the process of enhancing enterprise customer onboarding procedures, updating approaches to transaction and customer monitoring, and implementing training to support enhanced processes and reinforce accountability.
v. Data & Technology: The Bank has established an enhancement plan to deliver new technology solutions with stronger detection and data management capabilities, advanced analytics, new scenarios, and modelling capabilities.

Based on the Bank's current plans, the majority of the above-mentioned remediation and enhancement actions are anticipated to be implemented by the Bank by the end of calendar 2025, and will then be subject to internal review, challenge, and validation of the activities. See "Remediation of U.S. BSA/AML Program" for U.S. BSA/AML remediation timeline.

Impact on the Bank's Financial Performance Objectives

Reflecting a challenging macroeconomic environment and the impact of the resolution of investigations related to the Bank's AML program, in fiscal 2024, the Bank did not meet the Bank's medium-term financial targets to attain 7-10% adjusted EPS growth (the Bank's fiscal 2024 adjusted EPS growth was -1.3%), a 16%+ return on equity (the Bank's fiscal 2024 adjusted return on equity was 13.6%), and a positive operating leverage[2] (the Bank's fiscal 2024 adjusted revenue, net of insurance service expense, and adjusted expense growth were 7.1% and 10.5%, respectively).

The Bank expects that fiscal 2025 will be a transition year, is prioritizing the investments and work that are required to meet its regulatory commitments, and expects that elevated risk and control expenses will negatively impact earnings during the 2025 fiscal year. In addition, the Bank continues to invest in its businesses. Accordingly, for fiscal 2025, it will be challenging for the Bank to generate earnings growth. The Bank does not expect to meet the following three previously disclosed medium-term financial targets in fiscal 2025: 7-10% adjusted EPS growth, 16%+ return on equity and positive operating leverage.

The Bank is currently undertaking a broad-based strategic review and will reassess organic opportunities and priorities, productivity and efficiency initiatives, and capital allocation alternatives, with the objective of delivering competitive returns for our shareholders. As a result of this review, the Bank is suspending the following medium-term financial targets: 7-10% adjusted EPS growth, 16%+ return on equity and positive operating leverage. The Bank expects to provide updates on its strategic review, and on the Bank's medium-term financial targets, in the second half of 2025. The Bank remains confident in the earnings growth potential of its Canadian Personal & Commercial Banking, Wealth Management & Insurance and Wholesale Banking segments. While the Bank expects that its balance sheet restructuring activities in the U.S. Retail segment and U.S. AML remediation will impact the U.S. Retail segment, it remains committed to the US market and confident in the strength of the US franchise.

As a result of the Bank's investments in its risk and control infrastructure and investments supporting business growth, including employee-related expenses, net of expected productivity and restructuring run-rate savings, the Bank expects that expense growth for the 2025 fiscal year will be in the range of 5-7%[3].

Impact on the Bank's U.S. Priorities

The U.S. Retail segment's top priority remains remediating the U.S. BSA/AML program and strengthening the governance and control environment. In addition, to help ensure we can continue to support our customers' financial needs in the U.S. while not exceeding the limitation on the combined total assets of the U.S. Bank, the Bank is focused on executing multiple balance sheet restructuring actions in fiscal 2025. Refer to the "Key Priorities for 2025" section of the U.S. Retail segment section for additional information, including the loss associated with the balance sheet restructuring actions which is treated as an item of note in the U.S. Retail segment results.

[2] Operating leverage is a non-GAAP measure. At the total Bank level, TD calculates operating leverage as the difference between the % change in adjusted revenue (U.S. Retail in source currency) net of insurance service expense, and adjusted expenses (U.S. Retail in US$) grossed up by the retailer program partners' share of PCL for the Bank's U.S. strategic card portfolio. Collectively, these adjustments provide a measure of operating leverage that management believes is more reflective of underlying business performance.

[3] The Bank's expectations regarding expense growth is based on the Bank's assumptions regarding risk and control investments, employee-related expenses, foreign exchange impact, and productivity and restructuring savings. These assumptions are subject to inherent uncertainties and may vary based on factors both within and outside the Bank's control including the accuracy of the Bank's employee compensation and benefit expense forecasts, impact of business performance on variable compensation, inflation, the pace of productivity initiatives across the organization, and unexpected expenses such as legal matters. Refer to the "Risk Factors That May Affect Future Results" section of this document for additional information about risks and uncertainties that may impact the Bank's estimates.

Impact on the Bank's Operations

The plea agreements have resulted in one TD entity being disqualified from serving as an investment adviser or underwriter to registered investment companies in the United States, which has required TD to seek a waiver from the U.S. Securities and Exchange Commission ("SEC") and implement interim arrangements until a waiver is obtained. Another TD entity has become disqualified from relying on the U.S. Department of Labor's "qualified professional asset manager" exemption for purposes of providing asset management services to employee benefit plans subject to the U.S. Employee Retirement Income Security Act of 1974 ("ERISA"). As a result, TD is relying on alternative exemptions for purposes of ERISA compliance, which are expected to allow TD to continue to operate these businesses without disruption. In addition, TD has made minor modifications to its U.S. registered securities programs. None of these changes had a material impact on the Bank's fourth quarter of 2024 results.

The terms of the Global Resolution and the financial, operational and business impact that those terms have had on the Bank have led to the Bank exceeding certain internal risk metrics, resulting in additional escalation and monitoring activities within the Bank, including with respect to the Bank's remediation activities.

b) Restructuring Charges

The Bank continued to undertake certain measures in 2024 to reduce its cost base and achieve greater efficiency. In connection with these measures, the Bank incurred $566 million of restructuring charges for the year ended October 31, 2024 (October 31, 2023 – $363 million), which primarily relate to employee severance and other personnel-related costs and real estate optimization. This restructuring program concluded in the third quarter of 2024.

c) Federal Deposit Insurance Corporation Special Assessment

On November 16, 2023, the Federal Deposit Insurance Corporation (FDIC) announced a final rule that implements a special assessment to recover the losses to the Deposit Insurance Fund arising from the protection of uninsured depositors during the U.S. bank failures in the spring of 2023. The special assessment resulted in the recognition of $411 million (US$300 million) pre-tax in non-interest expenses in the first quarter of fiscal 2024.

On February 23, 2024, the FDIC notified all institutions subject to the special assessment that its estimate of total losses increased compared to the amount communicated with the final rule in November 2023. Accordingly, the Bank recognized an additional expense for the special assessment of $103 million (US$75 million) in the second quarter of fiscal 2024. During the fourth quarter of fiscal 2024, the Bank updated the special assessment estimate based on actual invoices received during the year and recognized an expense recovery of $72 million (US$52 million).

The final amount of the Bank's special assessment may be further updated as the FDIC determines the actual losses to the Deposit Insurance Fund.

d) Sale of Schwab Common Shares

On August 21, 2024, the Bank sold 40.5 million shares of common stock of The Charles Schwab Corporation ("Schwab") for proceeds of approximately $3.4 billion (US$2.5 billion). The share sale reduced the Bank's ownership interest in Schwab from 12.3% to 10.1%. The Bank recognized approximately $1.0 billion (US$0.7 billion) as other income (net of $0.5 billion (US$0.4 billion) loss from accumulated other comprehensive income (AOCI), reclassified to earnings), in the fourth quarter of fiscal 2024.

FINANCIAL RESULTS OVERVIEW

CORPORATE OVERVIEW

The Toronto-Dominion Bank and its subsidiaries are collectively known as TD Bank Group ("TD" or the "Bank"). TD is the sixth largest bank in North America by assets and serves more than 27.9 million customers in four key businesses operating in a number of locations in financial centres around the globe: Canadian Personal and Commercial Banking, including TD Canada Trust and TD Auto Finance Canada; U.S. Retail, including TD Bank, America's Most Convenient Bank®, TD Auto Finance U.S., TD Wealth (U.S.), and an investment in The Charles Schwab Corporation; Wealth Management and Insurance, including TD Wealth (Canada), TD Direct Investing, and TD Insurance; and Wholesale Banking, including TD Securities and TD Cowen. TD also ranks among the world's leading online financial services firms, with more than 17 million active online and mobile customers. TD had $2.06 trillion in assets on October 31, 2024. The Toronto-Dominion Bank trades under the symbol "TD" on the Toronto and New York Stock Exchanges.

ECONOMIC SUMMARY AND OUTLOOK

The global economy remains on track for a modest slowdown in calendar 2024, as high interest rates continue to weigh on growth. Alongside slower growth, inflation across the G-7 has cooled, and central banks have started to lower interest rates. TD Economics expects future interest rate reductions to be gradual, as central banks assess how growth and inflation respond. In addition, the evolution of geopolitical risks maintains a degree of uncertainty on both the economic outlook and the inflation trajectory.

The U.S. economy has continued to grow at a solid pace in calendar 2024 supported by resilient consumer spending and strength in business investment. High borrowing costs have curtailed residential investment, which has weighed on overall growth. With U.S. domestic demand outpacing many of its advanced economy peers, import growth has also run ahead of exports, leading to little support to growth from international trade.

Based on the October 2024 data, the U.S. job market has stabilized recently, with the unemployment rate at 4.1%, up modestly from a year ago. This can be characterized as a normalization following tight conditions that persisted for longer than expected after the pandemic. The U.S. economy carries the markings of a "soft landing" that is allowing inflation pressures to gradually drift lower and opened the door to interest rate cuts by the U.S. Federal Reserve. The U.S. central bank lowered its policy rate by half a point in September and another quarter point in October.

TD Economics expects the U.S. Federal Reserve to continue to lower interest rates over the next year. However, the pace of interest rate reductions has become more uncertain following the November election. Given the likelihood of increased tariffs under the new administration, and the potential for tax cuts, the risk that inflation experiences renewed upward pressure has increased. This could slow the pace of interest rate reductions. TD Economics expects the federal funds rate to be lowered to 3.25-3.50% by the end of calendar 2025 – a level that is still on the restrictive side.

After Canada's economy slowed notably in calendar 2023, strong population gains have lifted economic growth in the first half of calendar 2024. Population increases have also contributed to labour force growth outpacing job creation, taking the unemployment rate higher and cooling labour market conditions. The unemployment rate was 6.5% in October, above its pre-pandemic level, but still below its long-run average. Looking ahead, TD Economics expects population growth to slow sharply over the next few years as the federal government reduced its targets for permanent and non-permanent residents. The negative impact of the weaker population inflows on consumer spending and housing activity is likely to be more than offset by the boost to activity from lower interest rates. As such, TD Economics forecasts a modest pickup in overall economic growth in calendar 2025 from this year's estimated tepid rate of around 1%.

As a result of favourable inflation dynamics alongside a softening economy, the Bank of Canada has cut interest rates four times in calendar 2024, taking the overnight rate to 3.75% in October. TD Economics expects the Bank of Canada to continue lowering interest rates over the next year, reaching between 2.25% to 2.50% by the end of calendar 2025. Interest rates differentials between Canada and the U.S. have widened, weakening the Canadian dollar. TD Economics expects the Canadian dollar will trade in the 71 to 73 U.S. cent range over the next few quarters.

HOW THE BANK REPORTS

The Bank prepares its Consolidated Financial Statements in accordance with IFRS, the current GAAP, and refers to results prepared in accordance with IFRS as "reported" results.

Non-GAAP and Other Financial Measures

In addition to reported results, the Bank also presents certain financial measures, including non-GAAP financial measures that are historical, non-GAAP ratios, supplementary financial measures and capital management measures, to assess its results. Non-GAAP financial measures, such as "adjusted" results, are utilized to assess the Bank's businesses and to measure the Bank's overall performance. To arrive at adjusted results, the Bank adjusts for "items of note", from reported results. Items of note are items which management does not believe are indicative of underlying business performance and are disclosed in Table 3. Non-GAAP ratios include a non-GAAP financial measure as one or more of its components. Examples of non-GAAP ratios include adjusted basic and diluted earnings per share (EPS), adjusted dividend payout ratio, adjusted efficiency ratio, and adjusted effective income tax rate. The Bank believes that non-GAAP financial measures and non-GAAP ratios provide the reader with a better understanding of how management views the Bank's performance. Non-GAAP financial measures and non-GAAP ratios used in this document are not defined terms under IFRS and, therefore, may not be comparable to similar terms used by other issuers. Supplementary financial measures depict the Bank's financial performance and position, and capital management measures depict the Bank's capital position, and both are explained in this document where they first appear.

U.S. Strategic Cards

The Bank's U.S. strategic cards portfolio is comprised of agreements with certain U.S. retailers pursuant to which TD is the U.S. issuer of private label and co-branded consumer credit cards to their U.S. customers. Under the terms of the individual agreements, the Bank and the retailers share in the profits generated by the relevant portfolios after credit losses. Under IFRS, TD is required to present the gross amount of revenue and provisions for credit losses (PCL) related to these portfolios in the Bank's Consolidated Statement of Income. At the segment level, the retailer program partners' share of revenues and credit losses is presented in the Corporate segment, with an offsetting amount (representing the partners' net share) recorded in Non-interest expenses, resulting in no impact to Corporate's reported Net income (loss). The Net income (loss) included in the U.S. Retail segment includes only the portion of revenue and credit losses attributable to TD under the agreements.

Investment in The Charles Schwab Corporation and IDA Agreement

On August 21, 2024, the Bank sold 40.5 million shares of common stock of Schwab for proceeds of approximately $3.4 billion (US$2.5 billion). The share sale reduced the Bank's ownership interest in Schwab from 12.3% to 10.1%. The Bank recognized approximately $1.0 billion (US$0.7 billion) as other income (net of $0.5 billion (US$0.4 billion) loss from AOCI reclassified to earnings), in the fourth quarter of fiscal 2024.

The Bank accounts for its investment in Schwab using the equity method. The U.S. Retail segment reflects the Bank's share of net income from its investment in Schwab. The Corporate segment net income (loss) includes amounts for amortization of acquired intangibles, the acquisition and integration charges related to the Schwab transaction, and the Bank's share of restructuring and other charges incurred by Schwab. The Bank's share of Schwab's earnings available to common shareholders is reported with a one-month lag. For further details, refer to Note 12 of the 2024 Consolidated Financial Statements.

On November 25, 2019, the Bank and Schwab signed an insured deposit account agreement (the "2019 Schwab IDA Agreement"), with an initial expiration date of July 1, 2031. Under the 2019 Schwab IDA Agreement, starting July 1, 2021, Schwab had the option to reduce the deposits by up to US$10 billion per year (subject to certain limitations and adjustments), with a floor of US$50 billion. In addition, Schwab requested some further operational flexibility to allow for the sweep deposit balances to fluctuate over time, under certain conditions and subject to certain limitations.

On May 4, 2023, the Bank and Schwab entered into an amended insured deposit account agreement (the "2023 Schwab IDA Agreement" or the "Schwab IDA Agreement"), which replaced the 2019 Schwab IDA Agreement. Pursuant to the 2023 Schwab IDA Agreement, the Bank continues to make sweep deposit accounts available to clients of Schwab. Schwab designates a portion of the deposits with the Bank as fixed-rate obligation amounts (FROA). Remaining deposits are designated as floating-rate obligations. In comparison to the 2019 Schwab IDA Agreement, the 2023 Schwab IDA Agreement extends the initial expiration date by three years to July 1, 2034 and provides for lower deposit balances in its first six years, followed by higher balances in the later years. Specifically, until September 2025, the aggregate FROA will serve as the floor. Thereafter, the floor will be set at US$60 billion. In addition, Schwab had the option to buy down up to $6.8 billion (US$5 billion) of FROA by paying the Bank certain fees in accordance with the 2023 Schwab IDA Agreement, subject to certain limits.

By the end of the first quarter of fiscal 2024, Schwab had fully exercised its option buy down up to US$5 billion of FROA and had paid a total of $337 million (US$250 million) in termination fees to the Bank in accordance with the 2023 Schwab IDA Agreement. The fees were intended to compensate the Bank for losses incurred from discontinuing certain hedging relationships and for lost revenues. The net impact was recorded in net interest income. Refer to the "Related Party Transactions" section in this document for further details.

The following table provides the operating results on a reported basis for the Bank.

TABLE 2 **OPERATING RESULTS – Reported**

(millions of Canadian dollars)	**2024**	2023
Net interest income	**$ 30,472**	$ 29,944
Non-interest income[1]	**26,751**	20,746
Total revenue[1]	**57,223**	50,690
Provision for credit losses	**4,253**	2,933
Insurance service expenses[1]	**6,647**	5,014
Non-interest expenses[1]	**35,493**	29,855
Income before income taxes and share of net income from investment in Schwab[1]	**10,830**	12,888
Provision for (recovery of) income taxes[1]	**2,691**	3,118
Share of net income from investment in Schwab	**703**	864
Net income – reported[1]	**8,842**	10,634
Preferred dividends and distributions on other equity instruments	**526**	563
Net income available to common shareholders[1]	**$ 8,316**	$ 10,071

[1] For the year ended October 31, 2023, certain amounts have been restated for the adoption of IFRS 17. Refer to Note 4 of the Bank's 2024 Consolidated Financial Statements for further details.

The following table provides a reconciliation between the Bank's adjusted and reported results. For further details refer to the "Significant Events" or "Financial Results Overview" section.

TABLE 3 NON-GAAP FINANCIAL MEASURES – Reconciliation of Adjusted to Reported Net Income

(millions of Canadian dollars)	**2024**	2023
Operating results – adjusted		
Net interest income[1,2]	**$ 30,749**	$ 30,394
Non-interest income[1,3,4]	**26,040**	21,643
Total revenue[3]	**56,789**	52,037
Provision for (recovery of) credit losses	**4,253**	2,933
Insurance service expenses[3]	**6,647**	5,014
Non-interest expenses[3,5]	**29,148**	26,517
Income before income taxes and share of net income from investment in Schwab	**16,741**	17,573
Provision for (recovery of) income taxes	**3,355**	3,651
Share of net income from investment in Schwab[6]	**891**	1,073
Net income – adjusted[3]	**14,277**	14,995
Preferred dividends and distributions on other equity instruments	**526**	563
Net income available to common shareholders – adjusted[3]	**13,751**	14,432
Pre-tax adjustments for items of note		
Amortization of acquired intangibles[7]	**(290)**	(313)
Acquisition and integration charges related to the Schwab transaction[5,6]	**(109)**	(149)
Share of restructuring and other charges from investment in Schwab[6]	**(49)**	(35)
Restructuring charges[5]	**(566)**	(363)
Acquisition and integration-related charges[5]	**(379)**	(434)
Charges related to the terminated First Horizon (FHN) acquisition[5]	**–**	(344)
Payment related to the termination of the FHN transaction[5]	**–**	(306)
Impact from the terminated FHN acquisition-related capital hedging strategy[1]	**(242)**	(1,251)
Impact of retroactive tax legislation on payment card clearing services[4]	**–**	(57)
Gain on sale of Schwab shares[4]	**1,022**	–
U.S. balance sheet restructuring[4]	**(311)**	–
Indirect tax matters[2,5]	**(226)**	–
Civil matter provision/Litigation settlement[4,5]	**(274)**	(1,642)
FDIC special assessment[5]	**(442)**	–
Global resolution of the investigations into the Bank's U.S. BSA/AML program[5]	**(4,233)**	–
Less: Impact of income taxes		
Amortization of acquired intangibles	**(41)**	(42)
Acquisition and integration charges related to the Schwab transaction	**(23)**	(25)
Restructuring charges	**(150)**	(97)
Acquisition and integration-related charges	**(82)**	(89)
Charges related to the terminated FHN acquisition	**–**	(85)
Impact from the terminated FHN acquisition-related capital hedging strategy	**(60)**	(308)
Impact of retroactive tax legislation on payment card clearing services	**–**	(16)
U.S. balance sheet restructuring	**(77)**	–
Indirect tax matters	**(53)**	–
Civil matter provision/Litigation settlement	**(69)**	(456)
FDIC special assessment	**(109)**	–
Canada Recovery Dividend (CRD) and federal tax rate increase for fiscal 2022[8]	**–**	585
Total adjustments for items of note	**(5,435)**	(4,361)
Net income available to common shareholders – reported[3]	**$ 8,316**	$ 10,071

[1] Prior to May 4, 2023, the impact shown covers periods before the termination of the FHN transaction and includes the following components, reported in the Corporate segment: i) mark-to-market gains (losses) on interest rate swaps recorded in non-interest income – 2023: ($1,386) million, ii) basis adjustment amortization related to de-designated fair value hedge accounting relationships, recorded in net interest income – 2023: $262 million, and iii) interest income (expense) recognized on the interest rate swaps, reclassified from non-interest income to net interest income with no impact to total adjusted net income – 2023: $585 million. After the termination of the merger agreement, the residual impact of the strategy is reversed through net interest income – 2024: ($242) million, 2023: ($127) million.

[2] Adjusted net interest income excludes the following item of note:
i. Indirect tax matters – 2024: $35 million, reported in the Corporate segment. Refer to "Taxes" in the "Financial Results Overview" section for further details.

[3] For the year ended October 31, 2023, certain amounts have been restated for the adoption of IFRS 17. Refer to Note 4 of the Bank's 2024 Consolidated Financial Statements for further details.

[4] Adjusted non-interest income excludes the following items of note:
i. Impact of retroactive tax legislation on payment card clearing services – 2023: $57 million, reported in the Corporate segment;
ii. The Bank sold 40.5 million shares of common stock of Schwab and recognized a gain on the sale – 2024: $1,022 million, reported in the Corporate segment;
iii. U.S. balance sheet restructuring – 2024: $311 million, reported in the U.S. Retail segment; and
iv. Stanford litigation settlement – 2023: $39 million. This reflects the foreign exchange loss and is reported in the Corporate segment.

[5] Adjusted non-interest expenses exclude the following items of note:
i. Amortization of acquired intangibles – 2024: $172 million, 2023: $193 million, reported in the Corporate segment;
ii. The Bank's own acquisition and integration charges related to the Schwab transaction – 2024: $88 million, 2023: $95 million, reported in the Corporate segment;
iii. Restructuring charges – 2024: $566 million, 2023: $363 million, reported in the Corporate segment;
iv. Acquisition and integration-related charges – 2024: $379 million, 2023: $434 million, reported in the Wholesale Banking segment;
v. Charges related to the terminated FHN acquisition – 2023: $344 million, reported in the U.S. Retail segment;
vi. Payment related to the termination of the FHN transaction – 2023: $306 million, reported in the Corporate segment;
vii. Indirect tax matters – 2024: $191 million, reported in the Corporate segment. Refer to "Taxes" in the "Financial Results Overview" section for further details;
viii. Civil matter provision/Litigation settlement – 2024: $274 million in respect of a civil matter, 2023: $1,603 million in respect of the Stanford litigation settlement, reported in the Corporate segment;
ix. FDIC special assessment – 2024: $442 million, reported in the U.S. Retail segment; and
x. Charges for the global resolution of the investigations into the Bank's U.S. BSA/AML program – 2024: $4,233 million, reported in the U.S. Retail segment.

[6] Adjusted Share of net income from investment in Schwab excludes the following items of note on an after-tax basis. The earnings impact of these items is reported in the Corporate segment:
i. Amortization of Schwab-related acquired intangibles – 2024: $118 million, 2023: $120 million;
ii. The Bank's share of acquisition and integration charges associated with Schwab's acquisition of TD Ameritrade – 2024: $21 million, 2023: $54 million;
iii. The Bank's share of restructuring charges incurred by Schwab – 2024: $27 million, 2023: $35 million; and
iv. The Bank's share of the FDIC special assessment charge incurred by Schwab – 2024: $22 million.

[7] Amortization of acquired intangibles relates to intangibles acquired as a result of asset acquisitions and business combinations, including the after-tax amounts for amortization of acquired intangibles relating to the Share of net income from investment in Schwab, reported in the Corporate segment. Refer to footnotes 5 and 6 for amounts.

[8] CRD and impact from increase in the Canadian federal tax rate for fiscal 2022 recognized in 2023, reported in the Corporate segment.

TABLE 4 **RECONCILIATION OF REPORTED TO ADJUSTED EARNINGS PER SHARE**[1]

(Canadian dollars)	**2024**	2023
Basic earnings per share – reported[2]	**$ 4.73**	$ 5.53
Adjustments for items of note	**3.09**	2.39
Basic earnings per share – adjusted[2]	**$ 7.82**	$ 7.92
Diluted earnings per share – reported[2]	**$ 4.72**	$ 5.52
Adjustments for items of note	**3.09**	2.39
Diluted earnings per share – adjusted[2]	**$ 7.81**	$ 7.91

[1] EPS is computed by dividing net income available to common shareholders by the weighted-average number of shares outstanding during the period. Numbers may not add due to rounding.

[2] For the year ended October 31, 2023, certain amounts have been restated for the adoption of IFRS 17. Refer to Note 4 of the Bank's 2024 Consolidated Financial Statements for further details.

TABLE 5 **AMORTIZATION OF INTANGIBLES, NET OF INCOME TAXES**

(millions of Canadian dollars)	**2024**	2023
Schwab[1]	**$ 118**	$ 120
Wholesale Banking related intangibles	**108**	117
Other	**23**	34
Included as items of note	**249**	271
Software and asset servicing rights	**432**	365
Amortization of intangibles, net of income taxes	**$ 681**	$ 636

[1] Included in Share of net income from investment in Schwab.

RETURN ON COMMON EQUITY

The consolidated Bank ROE is calculated as reported net income available to common shareholders as a percentage of average common equity. The consolidated Bank adjusted ROE is calculated as adjusted net income available to common shareholders as a percentage of average common equity. Adjusted ROE is a non-GAAP ratio and can be utilized in assessing the Bank's use of equity.

ROE for the business segments is calculated as the segment net income available to common shareholders as a percentage of average allocated capital. The Bank's methodology for allocating capital to its business segments is largely aligned with the common equity capital requirements under Basel III. Capital allocated to the business segments increased to 11.5% of Common Equity Tier 1 (CET1) Capital effective in the first quarter of 2024, compared with 11% in fiscal 2023.

TABLE 6 **RETURN ON COMMON EQUITY**

(millions of Canadian dollars, except as noted)	**2024**	2023
Average common equity[1]	**$ 100,979**	$ 101,608
Net income available to common shareholders – reported[1]	**8,316**	10,071
Items of note, net of income taxes	**5,435**	4,361
Net income available to common shareholders – adjusted[1]	**$ 13,751**	$ 14,432
Return on common equity – reported[1]	**8.2%**	9.9%
Return on common equity – adjusted[1]	**13.6**	14.2

[1] For the year ended October 31, 2023, certain amounts have been restated for the adoption of IFRS 17. Refer to Note 4 of the Bank's 2024 Consolidated Financial Statements for further details.

RETURN ON TANGIBLE COMMON EQUITY

Tangible common equity (TCE) is calculated as common shareholders' equity less goodwill, imputed goodwill and intangibles on the investments in Schwab and other acquired intangible assets, net of related deferred tax liabilities. ROTCE is calculated as reported net income available to common shareholders after adjusting for the after-tax amortization of acquired intangibles, which are treated as an item of note, as a percentage of average TCE. Adjusted ROTCE is calculated using reported net income available to common shareholders, adjusted for all items of note, as a percentage of average TCE. TCE, ROTCE, and adjusted ROTCE can be utilized in assessing the Bank's use of equity. TCE is a non-GAAP financial measure, and ROTCE and adjusted ROTCE are non-GAAP ratios.

TABLE 7	RETURN ON TANGIBLE COMMON EQUITY	
(millions of Canadian dollars, except as noted)	**2024**	2023
Average common equity[1]	**$ 100,979**	$ 101,608
Average goodwill	**18,431**	17,919
Average imputed goodwill and intangibles on investments in Schwab	**5,836**	6,127
Average other acquired intangibles[2]	**560**	584
Average related deferred tax liabilities	**(230)**	(154)
Average tangible common equity[1]	**76,382**	77,132
Net income available to common shareholders – reported[1]	**8,316**	10,071
Amortization of acquired intangibles, net of income taxes	**249**	271
Net income available to common shareholders adjusted for amortization of acquired intangibles, net of income taxes[1]	**8,565**	10,342
Other items of note, net of income taxes	**5,186**	4,090
Net income available to common shareholders – adjusted[1]	**$ 13,751**	$ 14,432
Return on tangible common equity[1]	**11.2%**	13.4%
Return on tangible common equity – adjusted[1]	**18.0**	18.7

[1] For the year ended October 31, 2023, certain amounts have been restated for the adoption of IFRS 17. Refer to Note 4 of the Bank's 2024 Consolidated Financial Statements for further details.

[2] Excludes intangibles relating to software and asset servicing rights.

IMPACT OF FOREIGN EXCHANGE RATE ON U.S. RETAIL SEGMENT TRANSLATED EARNINGS

The following table reflects the estimated impact of foreign currency translation on key U.S. Retail segment income statement items. The impact is calculated as the difference in translated earnings using the average U.S. to Canadian dollars exchange rates in the periods noted.

TABLE 8	IMPACT OF FOREIGN EXCHANGE RATE ON U.S. RETAIL SEGMENT TRANSLATED EARNINGS	
(millions of Canadian dollars, except as noted)	**2024 vs. 2023 Increase (Decrease)**	2023 vs. 2022 Increase (Decrease)
U.S. Retail Bank		
Total revenue – reported	**$ 126**	$ 650
Total revenue – adjusted[1]	**128**	650
Non-interest expenses – reported	**166**	365
Non-interest expenses – adjusted[1]	**70**	346
Net income – reported, after-tax	**(57)**	214
Net income – adjusted, after-tax[1]	**39**	228
Share of net income from investment in Schwab[2]	**6**	51
U.S. Retail segment net income – reported, after-tax	**(51)**	265
U.S. Retail segment net income – adjusted, after-tax[1]	**45**	279
Earnings per share (Canadian dollars)		
Basic – reported	**$ (0.03)**	$ 0.15
Basic – adjusted[1]	**0.02**	0.15
Diluted – reported	**(0.03)**	0.15
Diluted – adjusted[1]	**0.02**	0.15

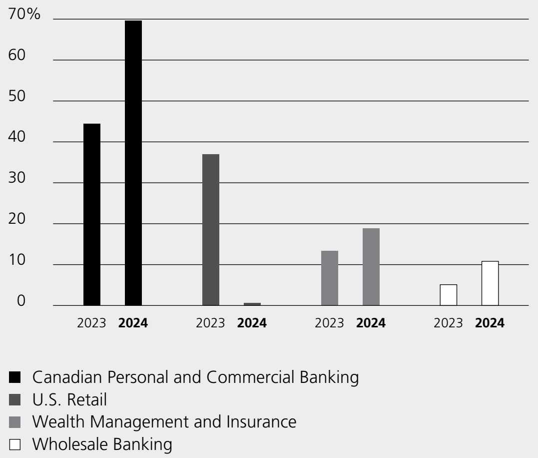
[1] For additional information about the Bank's use of non-GAAP financial measures, refer to "Non-GAAP and Other Financial Measures" in the "Financial Results Overview" section of this document.

[2] Share of net income from investment in Schwab and TD Ameritrade and the foreign exchange impact are reported with a one-month lag.

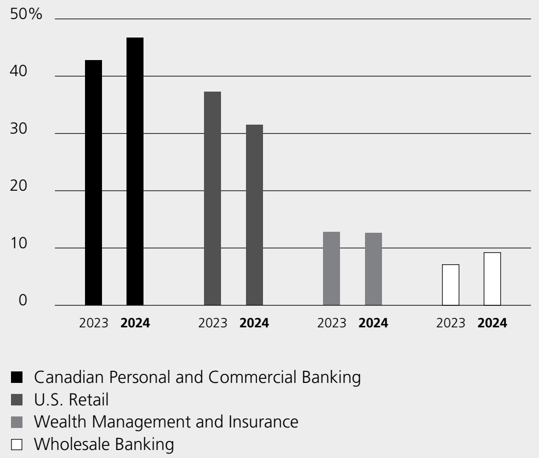
Average foreign exchange rate (equivalent of CAD $1.00)	**2024**	2023
U.S. dollar	**0.735**	0.741

Net Income

NET INCOME – REPORTED[4] BY BUSINESS SEGMENT
(as a percentage of total net income)



NET INCOME – ADJUSTED[4,5] BY BUSINESS SEGMENT
(as a percentage of total net income)



Reported net income for the year was $8,842 million, a decrease of $1,792 million, or 17%, compared with last year. The decrease primarily reflects the impact of the charges for the global resolution of the investigations into the Bank's U.S. BSA/AML program in U.S. Retail, higher non-interest expenses, including investments in risk and control infrastructure, higher insurance service expenses and higher PCL, partially offset by higher revenues, the prior year impact in the Corporate segment of the Stanford litigation settlement, the lower current period impact of the terminated FHN acquisition-related capital hedging strategy, and the current year gain on sale of Schwab shares in the Corporate segment. On an adjusted basis, net income for the year was $14,277 million, a decrease of $718 million, or 5%, compared with last year. The reported ROE for the year was 8.2%, compared with 9.9% last year. The adjusted ROE for the year was 13.6%, compared with 14.2% last year.

By segment, the decrease in reported net income reflects decreases in U.S. Retail of $5,489 million and in Wealth Management and Insurance of $46 million, partially offset by increases in the Corporate segment of $2,864 million, in Canadian Personal and Commercial Banking of $531 million, and in Wholesale Banking of $348 million.

Reported diluted EPS for the year was $4.72, a decrease of 14%, compared with $5.52 last year. Adjusted diluted EPS for the year was $7.81, a decrease of 1%, compared with $7.91 last year.

[4] Amounts exclude Corporate segment.
[5] For additional information about the Bank's use of non-GAAP financial measures, refer to "Non-GAAP and Other Financial Measures" in the "Financial Results Overview" section of this document.

Revenue

Reported revenue was $57,223 million, an increase of $6,533 million, or 13%, compared with last year. Adjusted revenue was $56,789 million, an increase of $4,752 million, or 9%, compared with last year.

NET INTEREST INCOME

Reported net interest income for the year was $30,472 million, an increase of $528 million, or 2%, compared with last year. The increase primarily reflects volume growth and higher deposit margins in Canadian Personal and Commercial Banking, partially offset by lower net interest income in Wholesale Banking. Adjusted net interest income was $30,749 million, an increase of $355 million, or 1%.

By segment, the increase in reported net interest income reflects increases in Canadian Personal and Commercial Banking of $1,505 million, in the Corporate segment of $246 million, and in Wealth Management and Insurance of $162 million, partially offset by decreases in Wholesale Banking of $956 million and in U.S. Retail of $429 million.

NET INTEREST MARGIN

Net interest margin is calculated by dividing net interest income by average interest-earning assets. This metric is an indicator of the profitability of the Bank's earning assets less the cost of funding. Net interest margin decreased by 2 basis points (bps) during the year to 1.72%, compared with 1.74% last year, primarily due to the impact of maintaining elevated liquidity levels. Average interest earning assets used in the calculation is a non-GAAP financial measure and net interest margin is a non-GAAP ratio. They are not defined terms under IFRS and, therefore, may not be comparable to similar terms used by other issuers.

NON-INTEREST INCOME

Reported non-interest income for the year was $26,751 million, an increase of $6,005 million, or 29%, compared with last year, primarily reflecting higher lending revenue, trading-related revenue, underwriting fees, and equity commissions in Wholesale Banking, the prior period impact of the terminated FHN acquisition-related capital hedging strategy and the current year gain on sale of Schwab shares in the Corporate segment, higher insurance premiums, the impact of reinsurance recoveries for catastrophe claims, and higher fee-based and transaction revenue in Wealth Management and Insurance. Adjusted non-interest income was $26,040 million, an increase of $4,397 million, or 20%.

By segment, the increase in reported non-interest income reflects increases in Wholesale Banking of $2,424 million, in the Corporate segment of $2,018 million, and in Wealth Management and Insurance of $1,743 million, partially offset by decreases in U.S. Retail of $148 million and in Canadian Personal and Commercial Banking of $32 million.

NET INTEREST INCOME[6]
(millions of Canadian dollars)

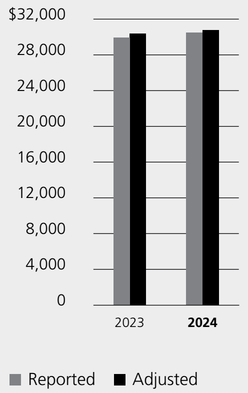


TABLE 9 NON-INTEREST INCOME

(millions of Canadian dollars, except as noted)			2024 vs. 2023
	2024	2023	**% change**
Investment and securities services			
Broker dealer fees and commissions	**$ 1,522**	$ 1,263	**21**
Full-service brokerage and other securities services	**1,668**	1,518	**10**
Underwriting and advisory	**1,436**	997	**44**
Investment management fees	**669**	636	**5**
Mutual fund management	**1,994**	1,897	**5**
Trust fees	**111**	109	**2**
Total investment and securities services	**7,400**	6,420	**15**
Credit fees	**1,898**	1,796	**6**
Trading income (losses)	**3,628**	2,417	**50**
Service charges[1]	**2,626**	2,514	**4**
Card services	**2,947**	2,932	**1**
Insurance revenue[1]	**6,952**	6,311	**10**
Other income (loss)[1]	**1,300**	(1,644)	**179**
Total[1]	**$ 26,751**	$ 20,746	**29**

[1] For the year ended October 31, 2023, certain amounts have been restated for the adoption of IFRS 17. Refer to Note 4 of the Bank's 2024 Consolidated Financial Statements for further details.

[6] For additional information about the Bank's use of non-GAAP financial measures, refer to "Non-GAAP and Other Financial Measures" in the "Financial Results Overview" section of this document.

TRADING-RELATED REVENUE

Trading-related revenue is the total of trading income (loss), net interest income on trading positions, and income (loss) from financial instruments designated at fair value through profit or loss (FVTPL) that are managed within a trading portfolio. Trading income (loss) includes realized and unrealized gains and losses on trading assets and liabilities. Net interest income on trading positions arises from interest and dividends related to trading assets and liabilities and is reported net of interest expense associated with funding these assets and liabilities in the following table.

Trading-related revenue excludes underwriting fees and commissions on securities transactions. Trading-related revenue is a non-GAAP financial measure, which is not a defined term under IFRS and, therefore, may not be comparable to similar terms used by other issuers. Management believes that the trading-related revenue is an appropriate measure of trading performance.

Trading-related revenue by product line depicts trading income for each major trading category.

TABLE 10 **TRADING-RELATED REVENUE**

(millions of Canadian dollars)	*For the years ended October 31*	
	2024	2023
Trading income (loss)	**$ 3,628**	$ 2,417
Net interest income (loss)[1]	**(732)**	435
Other[2]	**(193)**	(672)
Total	**$ 2,703**	$ 2,180
Trading-related TEB adjustment	**79**	180
Total trading-related revenue (TEB)	**$ 2,782**	$ 2,360
By product		
Interest rate and credit	**$ 1,147**	$ 821
Foreign exchange	**905**	860
Equity and other	**730**	679
Total trading-related revenue (TEB)	**$ 2,782**	$ 2,360

[1] Excludes taxable equivalent basis (TEB).
[2] Includes income (loss) from securities designated at FVTPL that are managed within a trading portfolio of $(208) million (2023 – $(548) million) reported in Other Income (Loss) on the 2024 Consolidated Financial Statements and other adjustments.

FINANCIAL RESULTS OVERVIEW

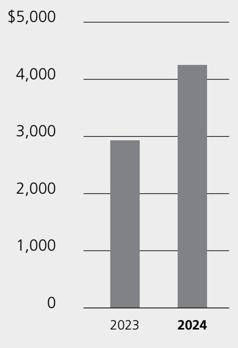
Provision for Credit Losses

PCL for the year was $4,253 million, an increase of $1,320 million compared with last year. PCL – impaired was $3,877 million, an increase of $1,391 million, reflecting credit migration in the non-retail and consumer lending portfolios. PCL – performing was $376 million, a decrease of $71 million. The current year performing provisions largely reflect current credit conditions including credit migration, and volume growth. Total PCL as an annualized percentage of credit volume was 0.46%.

By segment, PCL was higher in U.S. Retail by $604 million, in Canadian Personal and Commercial Banking by $412 million, in Wholesale Banking by $191 million, in the Corporate segment by $114 million, and lower in Wealth Management and Insurance by $1 million.

While results may vary by quarter, and are subject to changes to economic conditions, the Bank's fiscal 2025 PCLs are expected to be in the range of 45 to 55 basis points[7].

PROVISION FOR CREDIT LOSSES
(millions of Canadian dollars)



[7] The Bank's estimated PCL range is based on forward-looking assumptions that have inherent risks and uncertainties. Results may vary depending on actual economic or credit conditions and performance, such as the level of unemployment, interest rates, economic growth or contraction, and borrower or industry specific credit factors and conditions. The Bank's PCL estimate is subject to risks and uncertainties including those set out in the "Risk Factors That May Affect Future Results" section of this document.

Expenses

NON-INTEREST EXPENSES

Reported non-interest expenses for the year were $35,493 million, an increase of $5,638 million, or 19%, compared with last year, primarily reflecting the impact of the charges for the global resolution of the investigations into the Bank's U.S. BSA/AML program in U.S. Retail, investments in risk and control infrastructure, higher employee-related expenses, including TD Cowen, the FDIC special assessment in U.S. Retail, and higher technology spend supporting business growth, partially offset by the prior year impacts of the Stanford litigation settlement and the payment related to termination of the First Horizon transaction in the Corporate segment. On an adjusted basis, non-interest expenses were $29,148 million, an increase of $2,631 million, or 10%. Due to higher than estimated legal and regulatory expenses, all of which arose in the fourth quarter, the Bank did not meet its previously-disclosed expectation that its adjusted non-interest expense growth for fiscal 2024 would be in the high single digits.

By segment, the increase in reported non-interest expenses reflects increases in U.S. Retail of $4,536 million, in Wholesale Banking of $816 million, in Wealth Management and Insurance of $377 million, and in Canadian Personal and Commercial Banking of $310 million, partially offset by a decrease in the Corporate segment of $401 million.

INSURANCE SERVICE EXPENSES (ISE)

Insurance service expenses for the year were $6,647 million. This represents an increase of $1,633 million, or 33%, compared with last year, of which $916 million, or 18%, was driven by estimated losses from catastrophe claims. The remaining increase reflects less favourable prior years' claims development and increased claims severity.

EFFICIENCY RATIO

The efficiency ratio measures operating efficiency and is calculated by dividing non-interest expenses by total revenue. A lower ratio indicates a more efficient business operation. Adjusted efficiency ratio is calculated in the same manner using adjusted non-interest expenses and total revenue.

The reported efficiency ratio was 62.0%, compared with 58.9% last year. The adjusted efficiency ratio, net of ISE, was 58.1%, compared with 56.4% last year.

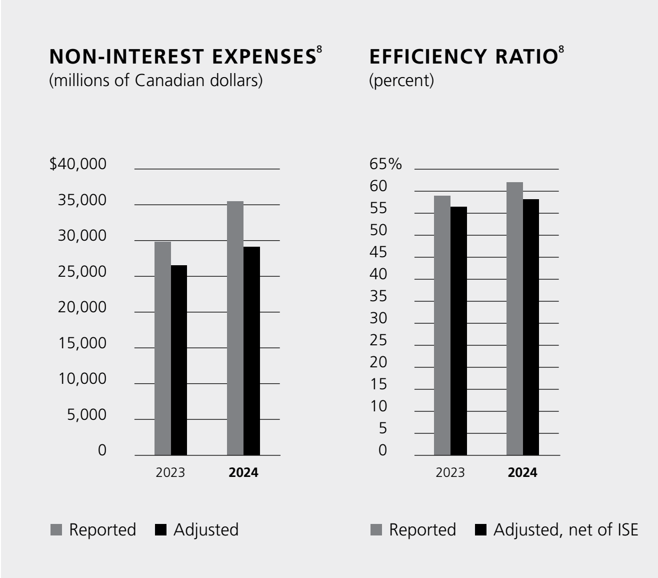


TABLE 11 NON-INTEREST EXPENSES AND EFFICIENCY RATIO[1]

(millions of Canadian dollars, except as noted)			2024 vs. 2023
	2024	2023	**% change**
Salaries and employee benefits			
Salaries	**$ 9,920**	$ 9,559	**4**
Incentive compensation	**4,481**	4,065	**10**
Pension and other employee benefits	**2,332**	2,129	**10**
Total salaries and employee benefits	**16,733**	15,753	**6**
Occupancy			
Depreciation and impairment losses	**1,048**	987	**6**
Rent and maintenance	**910**	812	**12**
Total occupancy	**1,958**	1,799	**9**
Technology and equipment			
Equipment, data processing and licenses	**2,379**	2,056	**16**
Depreciation and impairment losses	**277**	252	**10**
Total technology and equipment	**2,656**	2,308	**15**
Amortization of other intangibles	**702**	672	**4**
Communication and marketing	**1,516**	1,452	**4**
Restructuring charges	**566**	363	**56**
Brokerage-related and sub-advisory fees	**498**	456	**9**
Professional, advisory and outside services[1]	**3,064**	2,493	**23**
Other expenses[1]	**7,800**	4,559	**71**
Total expenses[1]	**$ 35,493**	$ 29,855	**19**
Efficiency ratio – reported[1]	**62.0%**	58.9%	**310 bps**
Efficiency ratio – adjusted, net of ISE[2]	**58.1**	56.4	**170**

[1] For the year ended October 31, 2023, certain amounts have been restated for the adoption of IFRS 17. Refer to Note 4 of the Bank's 2024 Consolidated Financial Statements for further details.

[2] For additional information about the Bank's use of non-GAAP financial measures, refer to "Non-GAAP and Other Financial Measures" in the "Financial Results Overview" section of this document.

[8] For additional information about the Bank's use of non-GAAP financial measures, refer to "Non-GAAP and Other Financial Measures" in the "Financial Results Overview" section of this document.

Taxes

Reported total income and other taxes decreased by $42 million, or 0.8%, compared with last year, reflecting a decrease in income tax expense of $427 million, or 13.7%, partially offset by an increase in other taxes of $385 million, or 19%. Adjusted total income and other taxes decreased by $102 million from last year, or 1.8%, reflecting a decrease in income tax expense of $296 million, or 8.1%, and an increase in other taxes of $194 million, or 9.6%.

The Bank's reported effective income tax rate was 24.8% for 2024, compared with 24.2% last year. The year-over-year increase primarily reflects the tax impact of the non-deductible charges for the global resolution of the investigations into the Bank's U.S. BSA/AML program and lower tax-exempt dividend income, partially offset by the favourable tax impact associated with the gain on sale of Schwab shares, while the prior year tax rate was significantly impacted by adjustments associated with the implementation of the Canada Recovery Dividend and the Canadian federal tax rate increase as well as the terminated First Horizon transaction. For a reconciliation of the Bank's effective income tax rate with the Canadian statutory income tax rate, refer to Note 24 of the 2024 Consolidated Financial Statements.

The Bank reported its investment in Schwab using the equity method of accounting. Schwab's tax expense (2024: $215 million; 2023: $279 million) was not part of the Bank's effective tax rate.

To allow for an after-tax calculation of adjusted income, the adjusted provision for income taxes is calculated by adjusting the taxes for each item of note using the applicable income tax rate of the relevant legal entity. The adjusted effective income tax rate is calculated as the adjusted provision for income taxes before other taxes as a percentage of adjusted net income before taxes. The Bank's adjusted effective income tax rate for 2024 was 20.0%, compared with 20.8% last year. The year-over-year decrease primarily reflects favourable earnings mix, partially offset by lower tax-exempt dividend income. Adjusted results are not defined terms under IFRS and, therefore, may not be comparable to similar terms used by other issuers.

TABLE 12 INCOME AND OTHER TAXES – Reconciliation of Reported to Adjusted Provision for Income and Other Taxes

(millions of Canadian dollars, except as noted)	**2024**	2023
Provision for income taxes – reported[1]	**$ 2,691**	$ 3,118
Total adjustments for items of note	**664**	533
Provision for income taxes – adjusted[1]	**3,355**	3,651
Other taxes		
Payroll	**909**	853
Capital and premium	**231**	222
GST, HST, and provincial sales[2]	**1,002**	719
Municipal and business	**273**	236
Total other taxes – reported	**2,415**	2,030
Total adjustments for items of note related to indirect tax matters	**(191)**	–
Total other taxes – adjusted	**2,224**	2,030
Total taxes – adjusted[1]	**$ 5,579**	$ 5,681
Effective income tax rate – reported	**24.8%**	24.2%
Effective income tax rate – adjusted	**20.0**	20.8

[1] For the year ended October 31, 2023, certain amounts have been restated for the adoption of IFRS 17. Refer to Note 4 of the Bank's 2024 Consolidated Financial Statements for further details.

[2] Goods and services tax (GST) and Harmonized sales tax (HST).

Canadian Tax Measures

Bill C-59 was substantively enacted on May 28, 2024 and received royal assent on June 20, 2024. The legislation advances certain tax measures originally introduced in the Canadian Federal budget presented on March 28, 2023. In particular, Bill C-59 denies the dividend received deduction in respect of dividends received by certain financial institutions on shares that are mark-to-market property, subject to a minor carve out for dividends on certain preferred shares, as well as imposes a 2% tax on the net value of share repurchases by public corporations in Canada. These measures are effective and have been implemented by the Bank as of January 1, 2024.

International Tax Reform – Pillar Two Global Minimum Tax

On December 20, 2021, the Organisation for Economic Co-operation and Development (OECD) published Pillar Two model rules as part of its efforts toward international tax reform. The Pillar Two model rules provide for the implementation of a 15% global minimum tax for large multinational enterprises, which is to be applied on a jurisdiction-by-jurisdiction basis. Pillar Two legislation was enacted in Canada on June 20, 2024 under Bill C-69, which includes the *Global Minimum Tax Act* addressing the Pillar Two model rules. The rules are effective for the Bank for the fiscal year beginning on November 1, 2024. The *Global Minimum Tax Act* may result in a tax on future dispositions of shares in Charles Schwab, depending on the accounting gain at that time and its impact on effective tax rates. The tax could be up to 15% of the accounting gain and would be payable in Canada. Also, similar legislation has passed in other jurisdictions in which the Bank operates and will result in additional taxes being paid in those countries. The Bank estimates that its effective tax rate will increase by 0.25%-0.50% as a result of these additional annual taxes, with the bulk of the additional taxes arising in Ireland due to its statutory corporate tax rate of 12.5%.

Indirect Tax Matters

On September 26, 2024, the Tax Court of Canada released its decision in the case of *Royal Bank of Canada v. His Majesty the King*, 2024 TCC 125, a case on the ability to claim input tax credits on certain inputs to the credit card business. The outcome of this case has caused the Bank to revisit its historical input tax credit claims. The Bank also reviewed aspects of its methodology for claiming input tax credits on certain areas that have been challenged by the Canada Revenue Agency (CRA) and it has established a provision of $226 million (inclusive of interest) related to indirect tax matters.

Quarterly Financial Information

FOURTH QUARTER 2024 PERFORMANCE SUMMARY

Reported net income for the quarter was $3,635 million, an increase of $769 million, or 27%, compared with the fourth quarter last year, primarily reflecting higher revenues and the current year gain on sale of Schwab shares in the Corporate Segment, partially offset by higher insurance service expenses and higher non-interest expenses, including investments in risk and control infrastructure. On an adjusted basis, net income for the quarter was $3,205 million, a decrease of $280 million, or 8%. Reported diluted EPS for the quarter was $1.97, an increase of 33%, compared with $1.48 in the fourth quarter of last year. Adjusted diluted EPS for the quarter was $1.72, a decrease of 5%, compared with $1.82 in the fourth quarter of last year.

Reported revenue for the quarter was $15,514 million, an increase of $2,336 million, or 18%, compared with the fourth quarter last year, of which $718 million, or 5%, was driven by reinsurance recoveries for catastrophe claims. Adjusted revenue for the quarter was $14,897 million, an increase of $1,655 million, or 12%, compared with the fourth quarter last year.

Reported net interest income for the quarter was $7,940 million, an increase of $446 million, or 6%, compared with the fourth quarter last year, primarily reflecting volume growth in Canadian Personal and Commercial Banking, and higher deposit margins in the personal and commercial banking businesses and Wealth Management and Insurance. Adjusted net interest income for the quarter was $8,034 million, an increase of $476 million, or 6%. By segment, the increase in reported net interest income reflects increases in Canadian Personal and Commercial Banking of $353 million, in the Corporate segment of $88 million, and in Wealth Management and Insurance of $56 million, partially offset by decreases in U.S. Retail of $27 million and in Wholesale Banking of $24 million.

Reported non-interest income for the quarter was $7,574 million, an increase of $1,890 million, or 33%, compared with the fourth quarter last year, of which $718 million, or 13%, was driven by reinsurance recoveries for catastrophe claims. The remaining increase was primarily driven by the current quarter's gain on sale of Schwab shares in the Corporate Segment, higher lending revenue, underwriting fees and trading-related revenue in Wholesale Banking, and higher fee-based revenue, transaction revenue, and higher insurance premiums in Wealth Management and Insurance, partially offset by the impact of U.S. balance sheet restructuring in U.S. Retail. Adjusted non-interest income was $6,863 million, an increase of $1,179 million, or 21%. By segment, the increase in reported non-interest income reflects increases in the Corporate segment of $986 million, in Wealth Management and Insurance of $925 million, and in Wholesale Banking of $307 million, partially offset by decreases in U.S. Retail of $285 million and in Canadian Personal and Commercial Banking of $43 million.

PCL for the quarter was $1,109 million, an increase of $231 million compared with the fourth quarter last year. PCL – impaired was $1,153 million, an increase of $434 million, or 60%, reflecting credit migration in the non-retail and consumer lending portfolios. PCL – performing was a recovery of $44 million, compared with a build of $159 million in the fourth quarter last year. The performing release this quarter largely reflects improvement in the economic outlook, including the impact of lower interest rates, and was recorded in the Canadian Personal and Commercial Banking and U.S. Retail segments. Total PCL for the quarter as an annualized percentage of credit volume was 0.47%.

By segment, PCL was higher by $100 million in U.S. Retail, by $77 million in Wholesale Banking, by $40 million in Canadian Personal & Commercial Banking, and by $14 million in the Corporate segment.

Insurance service expenses for the quarter were $2,364 million. This represents an increase of $1,018 million, or 76%, compared with the fourth quarter last year, of which $893 million, or 66%, was driven by estimated losses from catastrophe claims. The remaining increase reflects less favourable prior years' claims development and increased claims severity.

Reported non-interest expenses for the quarter were $8,050 million, an increase of $422 million, or 6%, compared with the fourth quarter last year, primarily reflecting investments in risk and control infrastructure, the provision for indirect tax matters in the Corporate Segment, and higher technology and marketing spend supporting business growth, partially offset by the prior year's restructuring charges in the Corporate Segment. Adjusted non-interest expenses for the quarter were $7,731 million, an increase of $743 million, or 11%, compared with the fourth quarter last year, primarily driven by investments in risk and control infrastructure, investments supporting business growth, including technology and occupancy costs, and other operating expenses. By segment, the increase in reported non-interest expenses reflects increases in the Corporate segment of $249 million, in Wealth Management and Insurance of $150 million, in U.S. Retail of $65 million, and in Canadian Personal and Commercial Banking of $63 million, partially offset by a decrease in Wholesale Banking of $105 million.

The Bank's reported effective tax rate was 13.4% for the quarter, compared with 18.5% in the same quarter last year. The year-over-year decrease primarily reflects the non-taxable gain on sale of Schwab shares, partially offset by lower tax-exempt dividend income, the tax impact of the non-deductible charges for the global resolution of the investigations into the Bank's U.S. BSA/AML program and the impact of higher reported pre-tax income.

The Bank's adjusted effective tax rate was 18.8% for the quarter, compared with 19.3% in the same quarter last year. The year-over-year decrease primarily reflects the impact of lower adjusted pre-tax income, partially offset by lower tax-exempt dividend income.

QUARTERLY TREND ANALYSIS

Subject to the impact of seasonal trends and items of note, the Bank's reported earnings were down 17% in 2024, compared with last year, reflecting a challenging macroeconomic environment and the impact of the charges for the global resolution of the investigations into the Bank's U.S. BSA/AML program. As the year progressed, the Bank benefited from higher market-related revenues in the Wholesale Banking and Wealth Management and Insurance segments, and volume growth and higher deposit margins in Canadian Personal and Commercial Banking, reflecting a declining rate environment. Including the impact of recoveries from reinsurance coverage, insurance service expenses were higher, reflecting less favourable prior years' claims development, more severe weather-related events, and increased claims severity. Credit conditions continued to normalize throughout the year which resulted in higher PCLs. Expenses were higher, reflecting investments in risk and control infrastructure and employee-related expenses including variable compensation. The Bank's quarterly earnings were impacted by, among other things, seasonality, the number of days in a quarter, the economic environment in Canada and the U.S., and foreign currency translation.

TABLE 13	QUARTERLY RESULTS

(millions of Canadian dollars, except as noted)								*For the three months ended*
				2024				2023
	Oct. 31	**Jul. 31**	**Apr. 30**	**Jan. 31**	Oct. 31	Jul. 31	Apr. 30	Jan. 31
Net interest income	**$ 7,940**	**$ 7,579**	**$ 7,465**	**$ 7,488**	$ 7,494	$ 7,289	$ 7,428	$ 7,733
Non-interest income[1]	**7,574**	**6,597**	**6,354**	**6,226**	5,684	5,625	4,969	4,468
Total revenue[1]	**15,514**	**14,176**	**13,819**	**13,714**	13,178	12,914	12,397	12,201
Provision for (recovery of) credit losses	**1,109**	**1,072**	**1,071**	**1,001**	878	766	599	690
Insurance service expenses[1]	**2,364**	**1,669**	**1,248**	**1,366**	1,346	1,386	1,118	1,164
Non-interest expenses[1]	**8,050**	**11,012**	**8,401**	**8,030**	7,628	7,359	6,756	8,112
Provision for (recovery of) income taxes[1]	**534**	**794**	**729**	**634**	616	704	859	939
Share of net income from investment in Schwab	**178**	**190**	**194**	**141**	156	182	241	285
Net income (loss) – reported[1]	**3,635**	**(181)**	**2,564**	**2,824**	2,866	2,881	3,306	1,581
Pre-tax adjustments for items of note[2]								
Amortization of acquired intangibles	**60**	**64**	**72**	**94**	92	88	79	54
Acquisition and integration charges related to the Schwab transaction	**35**	**21**	**21**	**32**	31	54	30	34
Share of restructuring and other charges from investment in Schwab	**–**	**–**	**–**	**49**	35	–	–	–
Restructuring charges	**–**	**110**	**165**	**291**	363	–	–	–
Acquisition and integration-related charges	**82**	**78**	**102**	**117**	197	143	73	21
Charges related to the terminated FHN acquisition	**–**	**–**	**–**	**–**	–	84	154	106
Payment related to the termination of the FHN transaction	**–**	**–**	**–**	**–**	–	306	–	–
Impact from the terminated FHN acquisition-related capital hedging strategy	**59**	**62**	**64**	**57**	64	177	134	876
Impact of retroactive tax legislation on payment card clearing services	**–**	**–**	**–**	**–**	–	57	–	–
Gain on sale of Schwab shares	**(1,022)**	**–**	**–**	**–**	–	–	–	–
U.S. balance sheet restructuring	**311**	**–**	**–**	**–**	–	–	–	–
Indirect tax matters	**226**	**–**	**–**	**–**	–	–	–	–
Civil matter provision/Litigation settlement	**–**	**–**	**274**	**–**	–	–	39	1,603
FDIC special assessment	**(72)**	**–**	**103**	**411**	–	–	–	–
Global resolution of the investigations into the Bank's U.S. BSA/AML program	**52**	**3,566**	**615**	**–**	–	–	–	–
Total pre-tax adjustments for items of note	**(269)**	**3,901**	**1,416**	**1,051**	782	909	509	2,694
Less: Impact of income taxes[2,3]	**161**	**74**	**191**	**238**	163	141	108	121
Net income – adjusted[1,2]	**3,205**	**3,646**	**3,789**	**3,637**	3,485	3,649	3,707	4,154
Preferred dividends and distributions on other equity instruments	**193**	**69**	**190**	**74**	196	74	210	83
Net income available to common shareholders – adjusted[1,2]	**$ 3,012**	**$ 3,577**	**$ 3,599**	**$ 3,563**	$ 3,289	$ 3,575	$ 3,497	$ 4,071
(Canadian dollars, except as noted)								
Basic earnings (loss) per share[1]								
Reported	**$ 1.97**	**$ (0.14)**	**$ 1.35**	**$ 1.55**	$ 1.48	$ 1.53	$ 1.69	$ 0.82
Adjusted[2]	**1.72**	**2.05**	**2.04**	**2.01**	1.82	1.95	1.91	2.24
Diluted earnings (loss) per share[1]								
Reported	**1.97**	**(0.14)**	**1.35**	**1.55**	1.48	1.53	1.69	0.82
Adjusted[2]	**1.72**	**2.05**	**2.04**	**2.00**	1.82	1.95	1.91	2.23
Return on common equity – reported[1]	**13.4%**	**(1.0)%**	**9.5%**	**10.9%**	10.5%	10.8%	12.4%	5.9%
Return on common equity – adjusted[1,2]	**11.7**	**14.1**	**14.5**	**14.1**	12.9	13.8	14.0	16.1
(billions of Canadian dollars, except as noted)								
Average total assets[1]	**$ 2,035**	**$ 1,968**	**$ 1,938**	**$ 1,934**	$ 1,910	$ 1,898	$ 1,944	$ 1,931
Average interest-earning assets[4]	**1,835**	**1,778**	**1,754**	**1,729**	1,715	1,716	1,728	1,715
Net interest margin – reported	**1.72%**	**1.70%**	**1.73%**	**1.72%**	1.73%	1.69%	1.76%	1.79%
Net interest margin – adjusted[2]	**1.74**	**1.71**	**1.75**	**1.74**	1.75	1.70	1.81	1.82

[1] For the year ended October 31, 2023, certain amounts have been restated for the adoption of IFRS 17. Refer to Note 4 of the Bank's 2024 Consolidated Financial Statements for further details.

[2] For explanations of items of note, refer to the "Non-GAAP Financial Measures – Reconciliation of Adjusted to Reported Net Income" table in the "Financial Results Overview" section of this document.

[3] Includes the CRD and impact from increase in the Canadian federal tax rate for fiscal 2022.

[4] Average interest-earning assets is a non-GAAP financial measure. Refer to "Non-GAAP and Other Financial Measures" in the "Financial Results Overview" section and the Glossary of this document for additional information about this metric.

Business Focus

For management reporting purposes, the Bank's operations and activities are organized around the following four key business segments: Canadian Personal and Commercial Banking, U.S. Retail, Wealth Management and Insurance, and Wholesale Banking. The Bank's other activities are grouped into the Corporate segment.

Canadian Personal and Commercial Banking serves over 15 million customers in Canadian personal and business banking. Personal Banking delivers ease, value, and trusted advice to customers through a comprehensive suite of deposit, savings, payment and lending products and services, supported by a network of 1,060 branches, 3,400 automated teller machines (ATM), mobile specialized salesforce, and telephone, mobile and internet banking services. Business Banking is a premier, customer-centric franchise that delivers deep sector expertise, valuable advice, and a broad range of customized products and services to meet the needs of business owners, leveraging its network of commercial branches and specialized customer centers across Canada.

U.S. Retail includes the Bank's personal, business banking and wealth management operations in the U.S., as well as the Bank's investment in Schwab. Operating under the TD Bank, America's Most Convenient Bank® brand, the U.S. Retail Bank serves over 10 million customers in stores from Maine to Florida, and via auto dealerships and credit card partner business locations nationwide. Personal Banking provides a full range of financial products and services to customers from Maine to the Carolinas and Florida through a network of 1,132 stores, 2,561 ATMs, telephone, and mobile and internet banking services. Business banking offers a diversified range of products and services to help businesses meet their financing, investment, cash management, international trade, and day-to-day banking needs. Wealth management provides wealth products and services to retail and institutional clients. The contribution from the Bank's investment in Schwab is reported as equity in net income of an investment in Schwab.

Wealth Management and Insurance serves approximately 6 million customers across the wealth and insurance businesses in Canada. Wealth Management offers wealth solutions to retail clients in Canada through the direct investing, advice-based, and asset management businesses. Wealth Management also offers asset management products to institutional clients in Canada and globally. Insurance offers property and casualty insurance through direct channels and to members of affinity groups, as well as life and health insurance products to customers across Canada.

Wholesale Banking serves over 17,000 corporate, government, and institutional clients in key financial markets around the world. Operating under the TD Securities brand, Wholesale Banking offers capital markets and corporate and investment banking services to external clients and provides market access and wholesale banking solutions for the Bank's wealth and retail operations and their customers. Wholesale Banking's expertise is supported by a presence across North America, Europe, and Asia-Pacific.

Corporate segment is comprised of service and control functions, including Technology Solutions, Shared Services, Treasury and Balance Sheet Management, Marketing, Human Resources, Finance, Risk Management, Compliance, Anti-Money Laundering, Legal, Real Estate, Internal Audit, and Others. Certain costs relating to these functions are allocated to operating business segments. The basis of allocation and methodologies are reviewed periodically to align with management's evaluation of the value provided to the Bank's business segments.

Results of each business segment reflect revenue, expenses, assets, and liabilities generated by the businesses in that segment. Where applicable, the Bank measures and evaluates the performance of each segment based on adjusted results and ROE, and for those segments the Bank indicates that the measure is adjusted. For further details, refer to Note 28 of the 2024 Consolidated Financial Statements. Effective fiscal 2024, certain asset management businesses which were previously reported in the U.S. Retail segment are now reported in the Wealth Management and Insurance segment. Comparative period information has been adjusted to reflect the new alignment.

Net interest income within Wholesale Banking is calculated on a TEB, which means that the value of non-taxable or tax-exempt income, including dividends, is adjusted to its equivalent before-tax value. Using TEB allows the Bank to measure income from all securities and loans consistently and makes for a more meaningful comparison of net interest income with similar institutions. The TEB increase to net interest income and provision for income taxes reflected in Wholesale Banking results is reversed in the Corporate segment. The TEB adjustment for the year was $79 million (October 31, 2023 – $181 million).

Share of net income from investment in Schwab is reported in the U.S. Retail segment. Amounts for amortization of acquired intangibles, the Bank's share of acquisition and integration charges associated with Schwab's acquisition of TD Ameritrade, the Bank's share of Schwab's restructuring charges, and the Bank's share of Schwab's FDIC special assessment charge are recorded in the Corporate segment.

The "Key Priorities for 2025" section for each business segment, provided on the following pages, is based on the Bank's views and assumptions, including those set out in the "Economic Summary and Outlook" section and the actual outcome may be materially different. For more information regarding the factors, assumptions, and risks that may impact the Bank's views, refer to the "Caution Regarding Forward-Looking Statements" section and the "Risk Factors That May Affect Future Results" section.

TABLE 14	RESULTS BY SEGMENT[1,2]

(millions of Canadian dollars)	Canadian Personal and Commercial Banking		U.S. Retail		Wealth Management and Insurance		Wholesale Banking[3]		Corporate[3]		Total	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Net interest income (loss)	**$ 15,697**	$ 14,192	**$ 11,600**	$ 12,029	**$ 1,226**	$ 1,064	**$ 582**	$ 1,538	**$ 1,367**	$ 1,121	**$ 30,472**	$ 29,944
Non-interest income (loss)	**4,093**	4,125	**2,113**	2,261	**12,309**	10,566	**6,704**	4,280	**1,532**	(486)	**26,751**	20,746
Total revenue	**19,790**	18,317	**13,713**	14,290	**13,535**	11,630	**7,286**	5,818	**2,899**	635	**57,223**	50,690
Provision for (recovery of) credit losses – impaired	**1,555**	1,013	**1,437**	965	**–**	1	**247**	16	**638**	491	**3,877**	2,486
Provision for (recovery of) credit losses – performing	**200**	330	**95**	(37)	**–**	–	**70**	110	**11**	44	**376**	447
Total provision for (recovery of) credit losses	**1,755**	1,343	**1,532**	928	**–**	1	**317**	126	**649**	535	**4,253**	2,933
Insurance service expenses	**–**	–	**–**	–	**6,647**	5,014	**–**	–	**–**	–	**6,647**	5,014
Non-interest expenses	**8,010**	7,700	**12,615**	8,079	**4,285**	3,908	**5,576**	4,760	**5,007**	5,408	**35,493**	29,855
Income (loss) before income taxes	**10,025**	9,274	**(434)**	5,283	**2,603**	2,707	**1,393**	932	**(2,757)**	(5,308)	**10,830**	12,888
Provision for (recovery of) income taxes	**2,806**	2,586	**200**	658	**648**	706	**275**	162	**(1,238)**	(994)	**2,691**	3,118
Share of net income from investment in Schwab	**–**	–	**709**	939	**–**	–	**–**	–	**(6)**	(75)	**703**	864
Net income (loss) – reported	**7,219**	6,688	**75**	5,564	**1,955**	2,001	**1,118**	770	**(1,525)**	(4,389)	**8,842**	10,634
Pre-tax adjustments for items of note												
Amortization of acquired intangibles	**–**	–	**–**	–	**–**	–	**–**	–	**290**	313	**290**	313
Acquisition and integration charges related to the Schwab transaction	**–**	–	**–**	–	**–**	–	**–**	–	**109**	149	**109**	149
Share of restructuring and other charges from investment in Schwab	**–**	–	**–**	–	**–**	–	**–**	–	**49**	35	**49**	35
Restructuring charges	**–**	–	**–**	–	**–**	–	**–**	–	**566**	363	**566**	363
Acquisition and integration-related charges	**–**	–	**–**	–	**–**	–	**379**	434	**–**	–	**379**	434
Charges related to the terminated FHN acquisition	**–**	–	**–**	344	**–**	–	**–**	–	**–**	–	**–**	344
Payment related to the termination of the FHN transaction	**–**	–	**–**	–	**–**	–	**–**	–	**–**	306	**–**	306
Impact from the terminated FHN acquisition-related capital hedging strategy	**–**	–	**–**	–	**–**	–	**–**	–	**242**	1,251	**242**	1,251
Impact of retroactive tax legislation on payment card clearing services	**–**	–	**–**	–	**–**	–	**–**	–	**–**	57	**–**	57
Gain on sale of Schwab shares	**–**	–	**–**	–	**–**	–	**–**	–	**(1,022)**	–	**(1,022)**	–
U.S. balance sheet restructuring	**–**	–	**311**	–	**–**	–	**–**	–	**–**	–	**311**	–
Indirect tax matters	**–**	–	**–**	–	**–**	–	**–**	–	**226**	–	**226**	–
Civil matter provision/ Litigation settlement	**–**	–	**–**	–	**–**	–	**–**	–	**274**	1,642	**274**	1,642
FDIC special assessment	**–**	–	**442**	–	**–**	–	**–**	–	**–**	–	**442**	–
Global resolution of the investigations into the Bank's U.S. BSA/AML program	**–**	–	**4,233**	–	**–**	–	**–**	–	**–**	–	**4,233**	–
Total pre-tax adjustments for items of note	**–**	–	**4,986**	344	**–**	–	**379**	434	**734**	4,116	**6,099**	4,894
Less: Impact of income taxes[4]	**–**	–	**186**	85	**–**	–	**82**	89	**396**	359	**664**	533
Net income (loss) – adjusted[5]	**$ 7,219**	$ 6,688	**$ 4,875**	$ 5,823	**$ 1,955**	$ 2,001	**$ 1,415**	$ 1,115	**$ (1,187)**	$ (632)	**$ 14,277**	$ 14,995
Average common equity[6]	**$ 21,618**	$ 18,151	**$ 44,415**	$ 40,915	**$ 6,141**	$ 5,692	**$ 15,821**	$ 14,134	**$ 12,984**	$ 22,716	**$ 100,979**	$ 101,608
Risk-weighted assets	**185,704**	168,514	**271,959**	235,444	**20,571**	17,979	**122,584**	121,232	**30,082**	27,992	**630,900**	571,161

[1] For the year ended October 31, 2023, certain amounts have been restated for the adoption of IFRS 17. Refer to Note 4 of the Bank's 2024 Consolidated Financial Statements for further details.

[2] The retailer program partners' share of revenues and credit losses is presented in the Corporate segment, with an offsetting amount (representing the partners' net share) recorded in Non-interest expenses, resulting in no impact to Corporate reported Net income (loss). The Net income (loss) included in the U.S. Retail segment includes only the portion of revenue and credit losses attributable to the Bank under the agreements.

[3] Net interest income within Wholesale Banking is calculated on a TEB. The TEB adjustment reflected in Wholesale Banking is reversed in the Corporate segment.

[4] Includes the CRD and impact from increase in the Canadian federal tax rate for fiscal 2022.

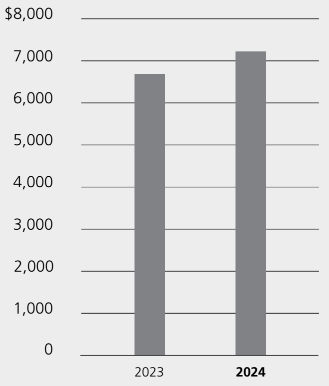
[5] For additional information about the Bank's use of non-GAAP financial measures, refer to "Non-GAAP and Other Financial Measures" in the "Financial Results Overview" section of this document.

[6] For additional information about this metric, refer to the Glossary of this document.

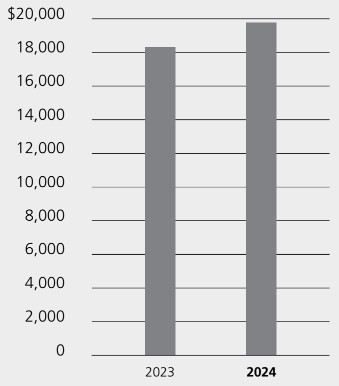
Canadian Personal and Commercial Banking

Canadian Personal and Commercial Banking offers a full range of financial products and services to over 15 million customers in the Bank's personal and commercial banking businesses in Canada.

NET INCOME
(millions of Canadian dollars)



TOTAL REVENUE
(millions of Canadian dollars)



AVERAGE DEPOSITS
(billions of Canadian dollars)

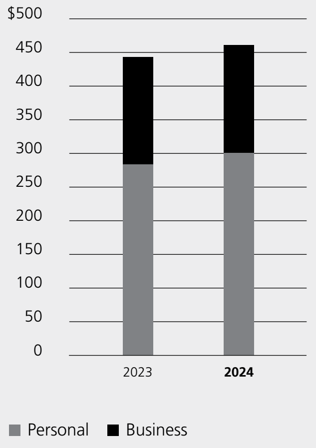


TABLE 15	**REVENUE**	
(millions of Canadian dollars)	**2024**	2023
Personal banking	**$ 13,828**	$ 12,705
Business banking	**5,962**	5,612
Total	**$ 19,790**	$ 18,317

KEY PRODUCT GROUPS

Personal Banking

- Personal Deposits – chequing, savings, and investment products for retail customers.
- Real Estate Secured Lending (RESL) – lending products for homeowners secured by residential properties.
- Credit Cards, Payments and Consumer Lending – proprietary and co-branded credit cards, debit, digital wallets, loyalty offerings, payment plans, and unsecured financing products.

Business Banking

- Commercial Banking – borrowing, deposit and cash management solutions for businesses across a range of industries.
- Small Business Banking – financial products and services for small businesses.
- Auto Finance – financing solutions for the prime and non-prime automotive markets, recreational and leisure vehicles, and automotive floor plan financing.
- Merchant Solutions – point-of-sale technology and payment solutions for large and small businesses.

INDUSTRY PROFILE

The personal and business banking industry in Canada is mature and highly competitive, consisting of large chartered banks, sizeable regional banks and credit unions, niche players competing in specific products and geographies, and a variety of non-traditional competitors. These industries serve individuals and businesses and offer products including borrowing, deposits, cash management and financing solutions. Products are distributed through retail branches, commercial banking centers, and other specialized distribution channels, as well as by leveraging technology with a focus on customer experiences that are integrated across channels. Market leadership and profitability depend upon delivering a full suite of competitively priced products, proactive advice that meets customers' needs, outstanding service and convenience, integrated omnichannel experiences, prudent risk management, and disciplined expense management.

STRATEGIC OBJECTIVES, ACCOMPLISHMENTS AND PRIORITIES

BUSINESS STRATEGY	BUSINESS HIGHLIGHTS IN 2024
Provide trusted advice to help our customers feel confident about their financial future	• Record New to Canada account acquisition, driven by tailored banking packages to meet new Canadians' needs, preferred language offerings in-branch, and strategic relationships • Helped thousands of Canadians save for their first home with TD's First Home Savings Account (FHSA) • Since the launch of TD Goal Builder, a financial goal setting and tracking tool, thousands of TD customers across Canada have worked with their Personal Bankers to build a personalized path to achieving their financial goals • Launched TD eCommerce Solutions, a service that integrates TD's online payment processing with a turnkey, highly customizable web-platform builder, enabling Canadian businesses to start selling their products and services online with quick setup, and to accept payments with ease
Consistently deliver legendary, personal, and connected customer experiences across all channels	• Continued to enhance Canadian Personal and Commercial Banking product offerings and innovative solutions for customers, increase frontline banker capacity, and reduce customer friction, helping to result in record Legendary Experience Index (LEI) results across channels • Continued to optimize the customer and colleague experience associated with TD Mortgage Direct, driving record customer engagement and RESL volume via connected digital experiences • TD Canada Trust was recognized as a Financial Service Excellence shared award winner for "Customer Service Excellence"[9], "Branch Service Excellence"[10], and "Automated Telephone Banking Excellence"[11] among the Big 5 Banks[12] in the 2024 Ipsos Customer Service Index (CSI) study[13] • Business banking continued to expand areas of specialization through additions to teams in the technology and innovation sector, including the launch of TD Innovation Partners (TDIP), a new full-service team providing bespoke, high-touch banking and financing solutions in support of technology companies at all stages • TD Auto Finance ranked "Highest in Dealer Satisfaction among Non-Prime and Prime Credit Non-Captive Automotive Financing Lenders" in the J.D. Power 2024 Canada Dealer Financing Satisfaction Study. This marks 7 consecutive years that TD Auto Finance (Canada) has been ranked #1 in Dealer Satisfaction among Non-Captive Non-Prime Lenders with Retail Credit[14]
Deepen customer relationships by delivering OneTD and growing across underrepresented products and markets	• Maintained strong market share[15] positions and gained momentum across the businesses: – #1 market share in Personal Non-Term deposits – #2 market share in RESL business with year-over-year market share gains – Record credit card spend and loan volumes supported by record active accounts, which surpassed 8 million for the first time • The Bank continued to execute on its OneTD strategies, with a focus on delivering joint strategic initiatives between Business Banking and Wealth, including the expansion of its co-location strategy with Senior Private Bankers in Commercial Banking Centers and the TD Auto Finance, National Real Estate and Commercial National Accounts groups

[9] TD Canada Trust shared in the Customer Service Excellence award in the 2024 Ipsos Study.
[10] TD Canada Trust shared in the Branch Banking Excellence award in the 2024 Ipsos Study.
[11] TD Canada Trust shared in the Automated Telephone Banking Excellence award in the 2024 Ipsos Study.
[12] Big 5 Banks consist of Bank of Montreal, Canadian Imperial Bank of Commerce, Royal Bank of Canada, Scotiabank, and The Toronto-Dominion Bank.
[13] Ipsos 2024 Financial Service Excellence Awards are based on ongoing quarterly Customer Service Index (CSI) survey results. Ipsos announces annual winners across 11 categories in October after fielding for the final quarter-ends in September.
[14] TD Auto Finance received the highest score in the retail non-captive non-prime segment and the retail non-captive prime segment in the J.D. Power 2024 Canada Dealer Financing Satisfaction Study, which measure Canadian auto dealers' satisfaction with their auto finance providers. Visit jdpower.com/awards for more details.
[15] Market share ranking is based on most current data available from OSFI for Personal Non-term deposits and RESL as of August 2024.

BUSINESS STRATEGY	BUSINESS HIGHLIGHTS IN 2024
Execute with speed and impact, taking only those risks we can understand and manage	• Continued to transform the way TD works, leveraging AI and implementing other improvements to increase speed and efficiency: – Continued to leverage Next Evolution of Work (NEW), an agile operating model, designed to reduce complexity, streamline decision making, improve customer experience, and reduce cycle times – Invested in core technologies to improve the customer and colleague experience, including a new credit platform, servicing platform, and customer relationship management software – Improved RESL underwriting process and productivity, reducing time to final mortgage approval, and delivering a faster, more streamlined experience for customers • Continued to provide personalized payment experiences and rewards to customers through strategic credit card relationships, including: – Our relationship with Amazon that enables customers to redeem TD Rewards points through Amazon Shop with Points – Expanded TD's Loyalty ecosystem and providing additional value to customers through enhancements to strategic collaborations with the Toronto Blue Jays and Vancouver Canucks
Innovate with purpose for our customers and colleagues, and shape the future of banking in the digital age	• Recognized as Best Consumer Digital Bank for North America by Global Finance Magazine for the fourth consecutive year[16]: – Won an industry-leading 6 categories in North America, including Best Bill Payment & Presentment, Best Information Security and Fraud Management, Best in Lending, Best in Innovation, Best Open Banking APIs, and Best in Transformation • Continued to rank #1 for average digital reach of any bank in Canada based on ComScore[17] • The TD Mobile App continued to rank #1 for average smartphone monthly active users in Canada according to Sensor Tower for the eleventh consecutive year[18] • Further scaled targeted RESL acquisition programs across Retail and Mobile Mortgage Specialists, creating a connected advice experience across our highest quality daily digital leads, e-mail programs, and digital touch points in EasyWeb and Mobile • Introduced new features to evolve and enhance the mobile customer experience with capabilities to increase customer self-serve opportunities: – Features include new navigation bar and quick actions providing one-touch access to commonly used features and capabilities to provide past due account information and flexible repayment options – Enabled customers to renew the fixed portion of their Home Equity Line of Credit (HELOC) through their EasyWeb profile or mobile banking app 120 days before maturity, delivering a convenient, self-serve option for customers
Be recognized as an extraordinary place to work where diversity and inclusiveness are valued	• Canadian Personal and Commercial Banking is committed to advancing diversity and inclusion across all dimensions of its business: – Personal Banking continued to offer the Sponsorship in Action Program for high performing colleagues from underrepresented groups to support career advancement through intentional sponsorship opportunities with senior leaders – In Business Banking, the Women at TD – Power Leadership Development Circle continued to support the advancement of talented women into Executive positions through sponsorship and development programs – Enterprise programs for Indigenous Peoples, colleagues from the 2SLGBTQ+ community, and Persons with Disabilities are in place to support colleagues with leadership aspirations, along with enhanced onboarding support for all colleagues in these communities
Contribute to the well-being of our communities	• To support diverse customer needs, branches can serve customers in over 80 languages, and over 200 languages can be served through phone translation services • The National Real Estate Group (NREG) continued to participate in the Canada Mortgage and Housing Corporation (CMHC) mortgage loan insurance (MLI) Select program, a multi-unit MLI product focused on affordability, accessibility and climate compatibility • The Indigenous Banking Group continued investing to support TD's aim to be the Bank of choice for Indigenous Peoples, businesses, organizations and communities

[16] Global Finance World's Best Digital Bank 2024 Press Release (October 1, 2024).
[17] ComScore MMX® Multi-Platform, Financial Services – Banking, Total audience, 3-month average ending June 2024, Canada.
[18] Sensor Tower – average monthly mobile active users for the 11-year period ending September 2024.

KEY PRIORITIES FOR 2025

- Enhance customer experience through end-to-end omnichannel distribution, providing seamless and integrated experiences across all channels
- Accelerate growth through a relentless focus on the customer, acquiring new customers and leveraging OneTD to deepen customer relationships through personalized advice that meets their unique needs
- Improve speed, capacity, and efficiency by leveraging NEW with a goal to deliver faster, with better outcomes and operate at the intersection of digital, data, technology, and customer experience
- Continue to attract and retain top talent, emphasize talent diversity, and enable excellence through process simplification and learning and development
- In alignment with the Environmental, Social and Governance (ESG) enterprise strategy, focus on enhancing financial inclusion and strengthening Financial Health and Education for colleagues and customers
- Actively monitor the macroeconomic environment and key risk indicators across the franchise, and continue to strengthen our risk, control and governance foundations

TABLE 16 CANADIAN PERSONAL AND COMMERCIAL BANKING

(millions of Canadian dollars, except as noted)	**2024**	2023
Net interest income	**$ 15,697**	$ 14,192
Non-interest income	**4,093**	4,125
Total revenue	**19,790**	18,317
Provision for (recovery of) credit losses – impaired	**1,555**	1,013
Provision for (recovery of) credit losses – performing	**200**	330
Total provision for (recovery of) credit losses	**1,755**	1,343
Non-interest expenses	**8,010**	7,700
Provision for (recovery of) income taxes	**2,806**	2,586
Net income	**$ 7,219**	$ 6,688
Selected volumes and ratios		
Return on common equity[1]	**33.4%**	36.8%
Net interest margin (including on securitized assets)	**2.82**	2.77
Efficiency ratio	**40.5**	42.0
Number of Canadian Retail branches at period end	**1,060**	1,062
Average number of full-time equivalent staff	**28,678**	28,961

[1] Capital allocated to the business segment was increased to 11.5% CET1 Capital effective fiscal 2024 compared with 11% in the prior year.

REVIEW OF FINANCIAL PERFORMANCE

Canadian Personal and Commercial Banking net income for the year was $7,219 million, an increase of $531 million, or 8%, compared with last year, reflecting higher revenue, partially offset by higher PCL and non-interest expenses. ROE for the year was 33.4%, compared with 36.8% last year.

Revenue for the year was $19,790 million, an increase of $1,473 million, or 8%, compared with last year. Net interest income was $15,697 million, an increase of $1,505 million, or 11%, reflecting volume growth and higher deposit margins, partially offset by lower loan margins. Average loan volumes increased $33 billion, or 6%, reflecting 6% growth in personal loans and 7% growth in business loans. Average deposit volumes increased $19 billion, or 4%, reflecting 6% growth in personal deposits and 1% growth in business deposits. Net interest margin was 2.82%, an increase of 5 bps from last year, primarily due to higher margins on deposits, partially offset by changes to balance sheet mix reflecting the transition of Bankers' Acceptances (BAs) to Canadian Overnight Repo Rate Average (CORRA)-based loans, and lower margins on loans. Non-interest income was $4,093 million, a decrease of $32 million, or 1%, compared with last year.

PCL for the year was $1,755 million, an increase of $412 million compared with last year. PCL – impaired was $1,555 million, an increase of $542 million, or 54%, reflecting credit migration in the consumer and commercial lending portfolios. PCL – performing was $200 million, a decrease of $130 million. The current year performing provisions largely reflect current credit conditions, including credit migration in the commercial and consumer lending portfolios, and volume growth. Total PCL as an annualized percentage of credit volume was 0.31%, an increase of 6 bps compared with last year.

Non-interest expenses for the year were $8,010 million, an increase of $310 million, or 4%, compared with last year. The increase primarily reflects higher spend supporting business growth, including technology costs, employee-related expenses, and marketing costs, partially offset by lower non-credit provisions.

The efficiency ratio for the year was 40.5%, compared with 42.0% last year.

OPERATING ENVIRONMENT AND OUTLOOK

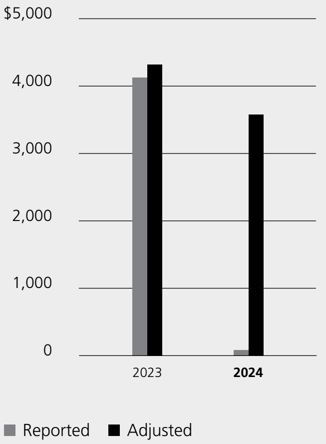
After recording two years of anemic growth, the Canadian economy is expected to pick up modestly in fiscal 2025. Consumer and business spending is expected to benefit from further gradual cuts to the Bank of Canada's policy rate as inflation continues to converge on the 2% target. Within the housing market, sales and prices are expected to gain traction on the back of lower borrowing rates as well as the upcoming federal changes to mortgage rules that will expand homebuyer qualification eligibility. In Q1 2025, while many factors can impact margins, including further Bank of Canada rate cuts, competitive market dynamics, and deposit reinvestment rates and maturity profiles, we expect net interest margin to remain relatively stable.[19] Some increase in PCL is expected in fiscal 2025, reflective of volume growth and some further pressure on credit as we move through this credit cycle. Canadian Personal and Commercial Banking is focused on continuing to manage expenses prudently, while investing in distribution capabilities to serve more customers and enhance their experience, in technology and platforms to purposefully build for the future to meet evolving needs of customers, colleagues and communities, and to further enhance our risk, compliance and controls infrastructure. While the macroeconomic environment is expected to be supportive to overall revenue growth, with declining interest rates and continued business investment, we expect some compression in operating leverage. We believe TD's customer centric and digitally enabled Canadian Personal and Commercial Banking franchise is well-positioned to execute on its growth opportunities.

[19] The Bank's Q1 2025 net interest margin expectations for the segment are based on the Bank's assumptions regarding factors such as Bank of Canada rate cuts, competitive market dynamics, and deposit reinvestment rates and maturity profiles, and are subject to inherent risks and uncertainties, including those set out in the "Risk Factors That May Affect Future Results" section of this document.

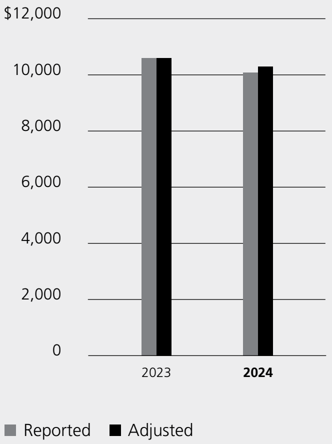
U.S. Retail

Operating under the TD Bank, America's Most Convenient Bank® brand, the U.S. Retail Bank offers a full range of financial products and services to over 10 million customers in the Bank's U.S. personal and business banking operations, including wealth management. U.S. Retail includes an investment in Schwab.

NET INCOME[20]
(millions of U.S. dollars)



TOTAL REVENUE[20]
(millions of U.S. dollars)



AVERAGE DEPOSITS
(billions of U.S. dollars)

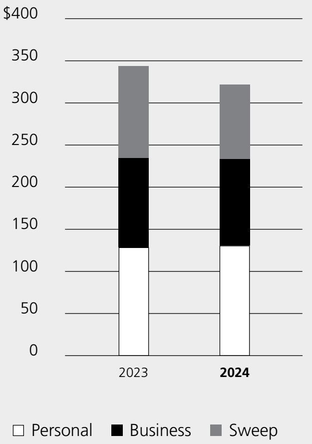


TABLE 17 **REVENUE – Reported**[1]

(millions of dollars)	Canadian dollars		U.S. dollars	
	2024	2023	**2024**	2023
Personal Banking	**$ 8,466**	$ 7,934	**$ 6,219**	$ 5,884
Business Banking	**4,331**	4,259	**3,181**	3,159
Wealth	**483**	474	**355**	351
Other[2]	**433**	1,623	**319**	1,202
Total	**$ 13,713**	$ 14,290	**$ 10,074**	$ 10,596

[1] Excludes equity in net income of an investment in Schwab.
[2] Other revenue consists primarily of revenue from the Schwab IDA Agreement and from investing activities.

[20] For additional information about the Bank's use of non-GAAP financial measures, refer to "Non-GAAP and Other Financial Measures" in the "Financial Results Overview" section of this document.

KEY PRODUCT GROUPS

Personal Banking

- Personal Deposits – chequing, savings, and Certificates of Deposit products and payment solutions for retail customers offered through multiple delivery channels.
- Consumer Lending – financing products, including residential mortgages, home equity and unsecured lending solutions for retail customers.
- Credit Cards Services – TD-branded credit cards for retail customers, private label and co-brand credit cards, and point-of-sale revolving and instalment financing solutions for customers of leading U.S. retailers delivered through nationwide partnerships.
- Retail Auto Finance – indirect retail financing through a network of auto dealers, and real-time payment solutions for auto dealers.

Business Banking

- Commercial Banking – borrowing, deposit and cash management solutions for U.S. businesses and governments across a wide range of industries.
- Small Business Banking – borrowing, deposit and cash management solutions for small businesses including merchant services and TD-branded credit cards.

Wealth

- Wealth Advice – wealth management advice, financial planning solutions, estate and trust planning, and insurance and annuity products for mass affluent, high net worth and institutional clients, delivered by store-based financial advisors, a robo-advisory platform, and a multi-custodial securities-based collateral lending platform.

INDUSTRY PROFILE

The U.S. personal and business banking industry is highly competitive and includes several very large financial institutions, as well as regional banks, small community and savings banks, finance companies, credit unions, and other providers of financial services. The wealth management industry includes national and regional banks, insurance companies, independent mutual fund companies, brokers, and independent asset management companies. The personal and business banking and wealth management industries also include non-traditional competitors, ranging from start-ups to established non-financial companies expanding into financial services. These industries serve individuals, businesses, and governments and offer products including deposits, lending, cash management, financial advice, and asset management. Products may be distributed through a single distribution channel or across multiple channels, including physical locations, ATMs, and telephone and digital and mobile channels. Certain businesses also serve customers through indirect channels. Traditional competitors are embracing new technologies and strengthening their focus on the customer experience. Non-traditional competitors including direct banks, financial technology companies and private lending companies have gained momentum and are increasingly collaborating with banks to develop new products and services, and enhance the customer experience. The keys to profitability continue to be attracting and retaining customer relationships with legendary service and convenience, offering products and services across multiple distribution channels to meet customers' evolving needs, optimizing funding sources and costs, investing strategically while maintaining expense discipline, and managing risk prudently.

STRATEGIC OBJECTIVES, ACCOMPLISHMENTS AND PRIORITIES

BUSINESS STRATEGY	BUSINESS HIGHLIGHTS IN 2024
Remediate our AML Program and strengthen our Governance and Control Infrastructure	• Made progress on our U.S. BSA/AML program remediation, which is organized under five core pillars: (i) people and talent, (ii) governance and structure, (iii) policy and risk assessment, (iv) process and control, and (v) data and technology • Refer to "Significant Events – Global Resolution of the Investigations into the Bank's U.S. BSA/AML Program" for additional information about the AML remediation program
Key Enablers of Business Strategy	• Recognized for leadership in diversity and inclusion: – Top score of 100 in the 2024 Disability Equality Index for the 10th consecutive year – In the top ten of America's Best Employers for Diversity by Forbes in 2024 – One of America's Best Employers for Veterans by Forbes for the third consecutive year – Awarded "Best Employers: Excellence in Health and Well-being" by the Business Group on Health for outstanding commitment to advancing employee well-being through comprehensive and innovative benefits • Certified as a Great Place to Work in the U.S. for the 9th consecutive year • Earned an 'Outstanding' rating on the Community Reinvestment Act exam from the Office of the Comptroller of the Currency (OCC) for TD Bank USA, N.A. (TDBUSA), the sixth consecutive exam for TDBUSA or TD Bank, N.A. (TDBNA) with an 'Outstanding' rating, reflecting our critical role in supporting the needs of our local communities • Announced a 3-year, Community Impact Plan in January for the benefit of diverse and underserved communities, supporting with Mortgage lending, community development, Small Business lending, and a commitment to open new stores in Low- and Moderate-Income areas and/or majority minority markets – Formed a National Community Advisory Board comprised of a diverse set of talented leaders from organizations in the Bank's footprint to help ensure the Community Impact Plan initiatives meet local needs and held inaugural meeting of this advisory board • Delivered sustainable productivity savings to reinvest in our AML remediation program and Governance and Control investments
Advance Our Digital and Mobile Leadership	• Continued to invest in everyday digital and mobile banking capabilities to enhance the customer experience, with implemented improvements to date resulting in a positive response from our customers • Surpassed 5 million active mobile customers while continuing to deliver new capabilities designed to enhance customer experience, upgrade product bundling and credit card pre-delinquency messaging, and enhanced Direct Deposit alerts. Reached 57% digital adoption, up 154 basis points year-over-year

BUSINESS STRATEGY	BUSINESS HIGHLIGHTS IN 2024
Transform Distribution and Enable Wealth Offering Across TD Bank, America's Most Convenient Bank®	• Opened six new stores with four new stores in majority minority communities including two stores in low- and moderate-income areas to ensure more residents have neighbourhood access to a bank and financial services • Renovated over 100 stores with refreshed exteriors and interiors as well as dedicated offices for financial advisors to facilitate deeper conversations about advice, education, and financial literacy to meet customers' evolving needs • Assets under Management (AUM) were US$8 billion as at October 31, 2024, an increase of US$2 billion, or 33%, compared with the fourth quarter last year, reflecting net asset growth • Continued enhancement of OneTD partnerships, yielding approximately one hundred thousand referrals during the year, up 16% year-over-year • Increased 3:1 store-to-advisor coverage model in high opportunity areas, with the goal of driving better advice-based conversations with our customers in renovated next generation stores; strengthened employee training to help identify Wealth opportunities • Launched TD Wealth Portal, providing an integrated 360-degree view of customer relationships across Retail and Wealth businesses on digital and mobile platforms
Invest in Our Cards Franchise	• Enhancements to our Bankcard product in 2023, including the launch of TD Clear and TD FlexPay and refreshed benefits to TD Cash and Double Up cards, has resonated with customers and deepened relationships, helping to grow new accounts for fiscal 2024 by 7% year-over-year and increase balances for fiscal 2024 by 13% year-over-year • Bolstered digital acquisition capabilities, driving increased digital share of Bankcard sales for fiscal 2024 by 6% year-over-year • Progressed on our journey to modernize our Cards infrastructure with unified target platforms that enable full servicing and processing of co-brand partnerships • We extended our relationship with Nordstrom through 2032 with greater control over customer servicing and migrated approximately 1.5 million Retail Cards Services customers onto the unified platform
Strengthen Our Commercial Franchise	• Building on high-quality relationships, delivered growth in middle market, business loan volume of 12% since the fourth quarter of 2023, and 70% since the fourth quarter of 2021, reflecting strong originations and enhanced go-to-market approach including improved AMCB and TD Securities interaction framework • Deepened OneTD collaboration with TDS and TD Cowen to deliver a full suite of products and services to our clients • Differentiated Small Business digital and mobile capabilities with the introduction of Apple Tap to Pay and Zelle for small business, offering customers flexible and convenient payment options • Ranked #1 in its footprint by total number of approved U.S. Small Business Administration (SBA) loan units for the 8th consecutive year and ranked as the #2 national SBA lender[21] for the 3rd year in a row
Drive Profitable Core Deposits	• Served over 10 million customers for our personal banking, business banking, and wealth businesses, powered by deepening relationships with customers in our core franchise businesses and our commitment to customer satisfaction • Drove customer engagement and primacy with the launch of TD Complete Checking and provided access to direct deposits up to two days earlier with Early Pay • Our fee enhancements established over the past two years continued with the elimination of Insufficient Funds fees for our business customers and have reduced attrition and promoted balance consolidation leading to stable core deposits

[21] U.S. Small Business Administration (SBA) loan units in its Maine-to-Florida footprint for the SBA's 2024 fiscal year.

KEY PRIORITIES FOR 2025

- Our top priority remains remediating the U.S. BSA/AML program and strengthening the governance and control environment[22]. The Bank expects U.S. BSA/AML remediation and related governance and control investments of approximately US$500 million pre-tax in fiscal 2025[23].
- In light of the U.S. Retail segment's focus outlined above, the previous guidance that the Bank expects to open 150 stores in the U.S. by 2027 has been suspended
- To help ensure we can continue to support customers' financial needs in the U.S. while not exceeding the limitation on the combined total assets of the U.S. Bank, the Bank will focus on executing its balance sheet restructuring activities. The Bank expects to complete the U.S. investment portfolio repositioning no later than the first half of calendar 2025[24] and reduce its assets by approximately 10% from the asset level as of September 30, 2024 by the end of fiscal 2025[25]:
  - Following the announcement of the Global Resolution on October 10, 2024, the Bank sold approximately US$2.8 billion of bonds from its U.S. investment portfolio, resulting in a loss of US$226 million pre-tax and US$170 million after-tax ($311 million pre-tax and $234 million after-tax). The sale is expected to result in a pre-tax benefit of US$89 million to net interest income for fiscal 2025.
  - As of December 4, 2024, the Bank has sold an additional US$3.3 billion of bonds, resulting in a loss of approximately US$236 million pre-tax and US$177 million after tax ($330 million pre-tax and $247 million after-tax). This sale is expected to result in a benefit of US$80 million – US$90 million to net interest income for fiscal 2025.
  - The Bank intends to continue to reposition its U.S. investment portfolio by continuing to sell lower yielding investment securities and reinvesting the proceeds into a similar composition of assets but yielding higher rates. In total, the Bank expects to sell up to US$50 billion of bonds and this repositioning of the U.S. investment portfolio is expected to be accretive to net interest income over the next two to three years and increase net interest income by US$300 million – US$500 million pre-tax in fiscal 2025.
  - The Bank aims to reduce assets by approximately 10% from the asset level as of September 30, 2024, largely by selling or winding down certain non-scalable or non-core U.S. loan portfolios that do not align with the U.S. Retail segment's focused strategy or have lower returns on investment such as the correspondent lending, residential jumbo mortgage, export and import lending, and commercial auto dealer portfolios. This reduction in assets combined with natural balance sheet run-off, is expected to reduce net interest income in the U.S. Retail segment by approximately US$200 million to US$225 million pre-tax in fiscal 2025. In total, these collective balance sheet restructuring actions are expected to result in a loss up to US$1.5 billion after-tax, and impact capital as executed.
  - During the fourth quarter, the Bank used proceeds from investment maturities, plus cash on hand, to pay down certain short-term borrowings. Accordingly, as of October 31, 2024, the U.S. Bank's assets were US$431 billion. In the first quarter of 2025, the Bank paid down an additional US$14 billion of bank borrowings using mainly cash, which will contribute to a further reduction in the U.S. Bank's assets.
- Deliver productivity to create reinvestment capacity for remediation and governance and control investments
- Relentlessly focus on talent acquisition, development and retention
- Execute on a limited and focused strategic investment agenda focused on client sectors where we have scale, market share and competitive advantage, with the objective of enhancing return on equity over time, including:
  - Enhance our digital / mobile capabilities to better serve our customers' everyday needs
  - Transform Retail distribution model enabling Wealth and Small Business franchises
  - Invest in our Cards business by unifying cards platforms and reducing the cost to serve
  - Strengthen our Commercial Franchise in partnership with TDS, deepening Middle Market relationships in our existing footprint

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[22] Refer to the section entitled "Significant Events – Global Resolution of the Investigations into the Bank's U.S. BSA/AML Program" for further information about the terms of the Global Resolution and impacts to the Bank.

[23] The total amount expected to be spent on remediation and governance and control investments is subject to inherent uncertainties and may vary based on the scope of work in the U.S. BSA/AML remediation plan which could change as a result of additional findings that are identified as work progresses as well as the Bank's ability to successfully execute against the U.S. BSA/AML remediation program in accordance with the U.S. Retail segment's fiscal 2025 plan. The Bank's ability to successfully execute its U.S. BSA/AML remediation plan is subject to inherent risks and uncertainties including the Bank's ability to attract and retain key employees, the ability of third parties to deliver on their contractual obligations, and the successful development and implementation of required technology solutions. Furthermore, the execution of the U.S. BSA/AML remediation plan will not be entirely within the Bank's control including because of (i) the requirement to obtain regulatory approval or non-objection before proceeding with various steps, and (ii) the requirement for the various deliverables to be acceptable to the regulators and/or the monitors. Refer to "Global Resolution of the Investigations into the Bank's U.S. BSA/AML Program" in the "Risk Factors That May Affect Future Results" section for additional information about risks associated with the Global Resolution and the remediation of the Bank's U.S. BSA/AML program.

[24] The amount of bonds that the Bank sells, and accordingly, the loss incurred as well as the amount of net interest income benefit, is subject to risk and uncertainties and is based on assumptions regarding the timing of when such securities are sold, the interest rates at the time of sale as well as other market factors and conditions which are not entirely within the Bank's control.

[25] The Bank's estimates regarding net interest income impacts are based on assumptions regarding the timing of when such assets are sold, or wound-down. The Bank's ability to successfully dispose the assets is subject to inherent risks and uncertainty and there is no guarantee that the Bank will be able to sell the assets in the timeline outlined. The ability to sell the assets will depend on market factors and conditions and any sale will likely be subject to customary closing terms and conditions which could involve regulatory approvals which are not entirely within the Bank's control.

TABLE 18	U.S. RETAIL	
(millions of dollars, except as noted)	**2024**	2023
Canadian Dollars		
Net interest income	**$ 11,600**	$ 12,029
Non-interest income – reported	**2,113**	2,261
Non-interest income – adjusted[1,2]	**2,424**	2,261
Total revenue – reported	**13,713**	14,290
Total revenue – adjusted[1,2]	**14,024**	14,290
Provision for (recovery of) credit losses – impaired	**1,437**	965
Provision for (recovery of) credit losses – performing	**95**	(37)
Total provision for (recovery of) credit losses	**1,532**	928
Non-interest expenses – reported	**12,615**	8,079
Non-interest expenses – adjusted[1,3]	**7,940**	7,735
Provision for (recovery of) income taxes – reported	**200**	658
Provision for (recovery of) income taxes – adjusted[1]	**386**	743
U.S. Retail Bank net income – reported	**(634)**	4,625
U.S. Retail Bank net income – adjusted[1]	**4,166**	4,884
Share of net income from investment in Schwab[4,5]	**709**	939
Net income – reported	**$ 75**	$ 5,564
Net income – adjusted[1]	**4,875**	5,823
U.S. Dollars		
Net interest income	**$ 8,520**	$ 8,919
Non-interest income – reported	**1,554**	1,677
Non-interest income – adjusted[1,2]	**1,780**	1,677
Total revenue – reported	**10,074**	10,596
Total revenue – adjusted[1,2]	**10,300**	10,596
Provision for (recovery of) credit losses – impaired	**1,056**	715
Provision for (recovery of) credit losses – performing	**70**	(28)
Total provision for (recovery of) credit losses	**1,126**	687
Non-interest expenses – reported	**9,245**	5,988
Non-interest expenses – adjusted[1,3]	**5,834**	5,734
Provision for (recovery of) income taxes – reported	**147**	489
Provision for (recovery of) income taxes – adjusted[1]	**283**	551
U.S. Retail Bank net income – reported	**(444)**	3,432
U.S. Retail Bank net income – adjusted[1]	**3,057**	3,624
Share of net income from investment in Schwab[4,5]	**523**	695
Net income – reported	**$ 79**	$ 4,127
Net income – adjusted[1]	**3,580**	4,319
Selected volumes and ratios		
Return on common equity – reported[6]	**0.2%**	13.5%
Return on common equity – adjusted[1,6]	**11.0**	14.1
Net interest margin[1,7]	**2.95**	3.15
Efficiency ratio – reported	**91.8**	56.5
Efficiency ratio – adjusted[1]	**56.6**	54.1
Assets under administration (billions of U.S. dollars)[8]	**$ 43**	$ 40
Assets under management (billions of U.S. dollars)[8,9]	**8**	6
Number of U.S. retail stores	**1,132**	1,177
Average number of full-time equivalent staff	**27,842**	28,134

[1] For additional information about the Bank's use of non-GAAP financial measures, refer to "Non-GAAP and Other Financial Measures" in the "Financial Results Overview" section of this document.

[2] Adjusted non-interest income excludes the following item of note:
i. U.S. balance sheet restructuring – 2024: $311 million or US$226 million ($234 million or US$170 million after-tax).

[3] Adjusted non-interest expenses exclude the following items of note:
i. Charges related to the terminated First Horizon acquisition – 2023: $344 million or US$254 million ($259 million or US$192 million after-tax);
ii. FDIC special assessment – 2024: $442 million or US$323 million ($333 million or US$243 million after-tax); and
iii. Charges for the global resolution of the investigations into the Bank's U.S. BSA/AML program – 2024: $4,233 million or US$3,088 million (before and after-tax).

[4] The Bank's share of Schwab's earnings is reported with a one-month lag. Refer to Note 12 of the 2024 Consolidated Financial Statements for further details.

[5] The after-tax amounts for amortization of acquired intangibles, the Bank's share of acquisition and integration charges associated with Schwab's acquisition of TD Ameritrade, the Bank's share of Schwab's restructuring charges, and the Bank's share of Schwab's FDIC special assessment charge are recorded in the Corporate segment.

[6] Capital allocated to the business segment was 11.5% CET1 effective fiscal 2024 compared with 11% in the prior year.

[7] Net interest margin is calculated by dividing U.S. Retail segment's net interest income by average interest-earning assets excluding the impact related to sweep deposits arrangements and the impact of intercompany deposits and cash collateral, which management believes better reflects segment performance. In addition, the value of tax-exempt interest income is adjusted to its equivalent before-tax value. Net interest income and average interest-earning assets used in the calculation are non-GAAP financial measures. For additional information about the Bank's use of non-GAAP financial measures, refer to "Non-GAAP and Other Financial Measures" in the "Financial Results Overview" section of this document.

[8] For additional information about this metric, refer to the Glossary of this document.

[9] Refer to "Business Focus" section of this document regarding alignment of certain asset management businesses from the U.S. Retail segment to the Wealth Management and Insurance segment.

REVIEW OF FINANCIAL PERFORMANCE

U.S. Retail reported net income for the year was $75 million (US$79 million), a decrease of $5,489 million (US$4,048 million), or 99% (98% in U.S. dollars), compared with last year. On an adjusted basis, net income was $4,875 million (US$3,580 million), a decrease of $948 million (US$739 million), or 16% (17% in U.S. dollars). The reported and adjusted ROE for the year was 0.2% and 11.0%, respectively, compared with 13.5% and 14.1%, respectively, last year.

U.S. Retail net income includes contributions from the U.S. Retail Bank and the Bank's investment in Schwab. Reported net income for the year from the Bank's investment in Schwab was $709 million (US$523 million) a decrease of $230 million (US$172 million), or 24% (25% in U.S. dollars).

U.S. Retail Bank reported net loss for the year was $634 million (US$444 million), compared with reported net income of $4,625 million (US$3,432 million) last year, reflecting the impact of the charges for the global resolution of the investigations into the Bank's U.S. BSA/AML program, the impact of the FDIC special assessment, higher PCL, lower net interest income, and higher expenses, partially offset by acquisition and integration-related charges for the terminated First Horizon transaction last year. U.S. Retail Bank adjusted net income was $4,166 million (US$3,057 million), a decrease of $718 million (US$567 million), or 15% (16% in U.S. dollars), reflecting higher PCL, lower revenue, and higher non-interest expenses.

Reported revenue for the year was US$10,074 million, a decrease of US$522 million, or 5%, compared with last year. On an adjusted basis, revenue for the year was US$10,300 million, a decrease of US$296 million, or 3%. Net interest income of US$8,520 million, decreased US$399 million, or 4%, driven primarily by lower investment income, and lower deposit volumes, partially offset by higher deposit margins, and higher loan volumes. Net interest margin decreased 20 bps, primarily due to maintaining elevated liquidity levels, partially offset by higher deposit margins. Reported non-interest income was US$1,554 million, a decrease of US$123 million, or 7%, compared with last year, reflecting the impact of U.S. balance sheet restructuring, partially offset by fee income growth from increased customer activity. On an adjusted basis, non-interest income was US$1,780 million, an increase of US$103 million, or 6%, reflecting fee income growth from increased customer activity.

Average loan volumes increased US$11 billion, or 6%, compared with last year. Personal loans increased 8%, reflecting good mortgage and auto originations. Business loans increased 4%, reflecting good originations and slower payment rates across portfolios. Average deposit volumes decreased US$22 billion, or 6%, compared with last year, reflecting a 19% decrease in sweep deposits and a 3% decrease in business deposits, partially offset by a 2% increase in personal deposits. Excluding sweep deposits, average deposits decreased 1%.

Assets under administration (AUA) were US$43 billion as at October 31, 2024, an increase of US$3 billion, or 8%, compared with last year, reflecting net asset growth. Assets under management (AUM) were US$8 billion as at October 31, 2024, an increase of US$2 billion, or 33%, compared with last year.

PCL for the year was US$1,126 million, an increase of US$439 million compared with last year. PCL – impaired was US$1,056 million, an increase of US$341 million, or 48%, reflecting credit migration in the consumer and commercial lending portfolios. PCL – performing was US$70 million, compared with a recovery of US$28 million in the prior year. The current year performing provisions largely reflect current credit conditions, including credit migration, and volume growth. U.S. Retail PCL including only the Bank's share of PCL in the U.S. strategic cards portfolio, as an annualized percentage of credit volume, was 0.60%, an increase of 22 bps, compared with last year.

Reported non-interest expenses for the year were US$9,245 million, an increase of US$3,257 million, or 54%, compared with last year, reflecting the impact of the charges for the global resolution of the investigations into the Bank's U.S. BSA/AML program, the impact of the FDIC special assessment, higher legal and regulatory expenses, costs associated with the extension of our credit card program agreement with Nordstrom, real estate optimization costs, and a higher FDIC assessment rate, partially offset by the impact of the acquisition and integration-related charges for the terminated First Horizon transaction from last year. On an adjusted basis, non-interest expenses increased US$100 million, or 2%, reflecting costs associated with the extension of our credit card program agreement with Nordstrom, higher legal and regulatory expenses, and higher operating expenses, partially offset by ongoing productivity initiatives.

The reported and adjusted efficiency ratios for the year were 91.8% and 56.6%, compared with 56.5% and 54.1%, respectively, last year.

OPERATING ENVIRONMENT AND OUTLOOK

Fiscal 2025 is expected to be a challenging year across the entire U.S. banking industry, with a declining rate environment, continued regulatory pressures, and some further pressure on credit as we move through this credit cycle. The U.S. Retail Bank will also face pressure on net interest income as the sweep portfolio continues to wind down in line with the Schwab IDA. However, the Bank expects core business activity to remain strong driven by expected deposit volume stabilization. In Q1 2025, net interest margin is expected to expand modestly driven by balance sheet restructuring actions, partially offset by deposit spread compression driven by Fed rate actions and competitive market dynamics[26].

The U.S. Retail Bank's top priority is the execution of its AML remediation program and the strengthening of its governance and control infrastructure. The U.S. Retail Bank will continue efforts to generate sustainable productivity savings to create capacity for these investments, which are expected to increase into fiscal 2025, as we continue to prioritize the resources needed to meet our remediation requirements. Additionally, to meet the requirements of the consent orders while aiming to maintain a buffer to the asset limitation, the U.S. Retail Bank will continue to restructure the U.S. balance sheet to provide the flexibility to continue to meet our customers' evolving needs. In light of the AML remediation and governance and control expenses, earnings in fiscal 2025 are expected to be lower than earnings in fiscal 2024. However, return on equity is expected to improve through fiscal 2025 and into fiscal 2026, driven by the U.S. balance sheet restructuring actions[27].

THE CHARLES SCHWAB CORPORATION

Refer to Note 12 of the 2024 Consolidated Financial Statements for further information on Schwab.

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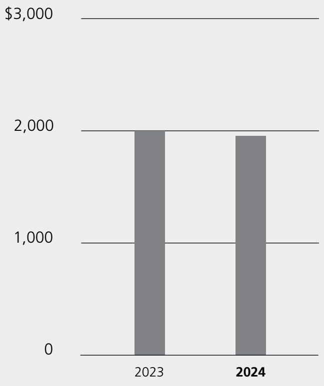
[26] The Bank's Q1 2025 net interest margin expectations for the segment are based on the Bank's assumptions regarding interest rates, deposit reinvestment rates, average asset levels, and other variables, and are subject to inherent risks and uncertainties, including those set out in the "Risk Factors That May Affect Future Results" section of this document.

[27] The Bank's estimates regarding earnings and return on equity are based on assumptions regarding the Bank's ability to successfully execute against its strategies, including the U.S. balance sheet restructuring actions resulting in the estimated net interest income benefits, and are therefore subject to inherent risks and uncertainties, including those set out in the "Risk Factors That May Affect Future Results" section of this document.

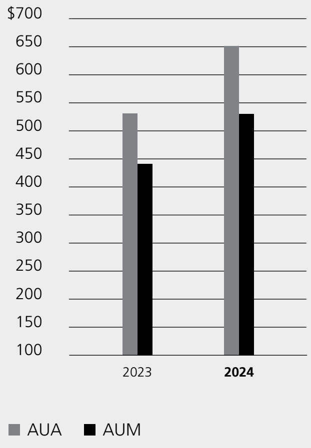
Wealth Management and Insurance

Wealth Management and Insurance provides wealth solutions and insurance protection to approximately 6 million customers in Canada and asset management products to institutional clients in Canada and globally.

NET INCOME[28]
(millions of Canadian dollars)



AUA/AUM[29]
(billions of Canadian dollars)



INSURANCE PREMIUMS
(millions of Canadian dollars)

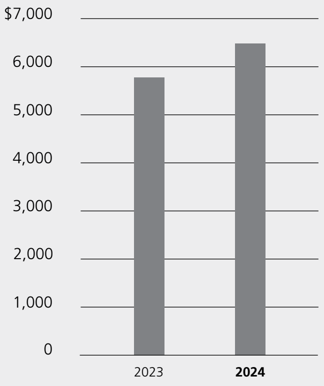


TABLE 19 REVENUE

(millions of Canadian dollars)	**2024**	2023
Wealth	**$ 6,042**	$ 5,401
Insurance[1,2]	**7,493**	6,229
Total	**$ 13,535**	$ 11,630

[1] Includes recoveries from reinsurers for catastrophe claims of $718 million (2023: nil).
[2] For the year ended October 31, 2023, certain amounts have been restated for the adoption of IFRS 17. Refer to Note 4 of the Bank's 2024 Consolidated Financial Statements for further details.

[28] For the year ended October 31, 2023, certain amounts have been restated for the adoption of IFRS 17. Refer to Note 4 of the Bank's 2024 Consolidated Financial Statements for further details.
[29] Includes AUA administered by TD Investor Services, which is part of the Canadian Personal and Commercial Banking segment.

KEY PRODUCT GROUPS

Wealth

- Direct Investing – platforms and resources for self-directed retail investors to facilitate research, investment management and trading in a range of investment products through online, phone, and mobile channels.
- Wealth Advice – wealth management advice and financial planning solutions for mass affluent, high net worth and ultra high net worth clients, integrated with other Wealth businesses and the broader Bank.
- Asset Management – public and private market investment management capabilities for retail and institutional clients, including a diversified suite of investment products designed to provide attractive risk-adjusted returns.

Insurance

- Property and Casualty – home, auto and small business insurance provided through direct channels and to members of affinity groups such as professional associations, post-secondary institutions such as universities and colleges, and employer groups.
- Life and Health – credit protection for Canadian Personal and Business Banking borrowing customers, life and health insurance products, credit card balance protection, and travel insurance products, distributed through customer-assisted and direct to consumer channels.

INDUSTRY PROFILE

The Canadian wealth management industry includes banks, insurance companies, independent asset managers, direct-to-consumer providers, independent financial advisors and planners, and full-service and discount brokerages. Growth relies on the ability to provide differentiated and integrated wealth solutions and holistic financial advice to retail and institutional investors while keeping pace with technological change and regulatory requirements. The property and casualty insurance industry in Canada is fragmented and competitive, consisting of numerous personal and commercial line writers offering products through broker, captive agent and direct distribution channels, while the life and health insurance industry is comprised of several large life and health insurers, and also includes several banks that provide life and health insurance. We expect that providing innovative digital capabilities and solutions will be a key differentiator for customers buying and servicing their insurance policies through direct channels.

STRATEGIC OBJECTIVES, ACCOMPLISHMENTS AND PRIORITIES

BUSINESS STRATEGY	BUSINESS HIGHLIGHTS IN 2024
Deliver legendary experiences and trusted advice to help our customers feel confident about their financial future	• Continued to meet customer needs, resulting in strong Legendary Experience Index (LEI) results: – Wealth continued to prioritize the client experience, posting strong LEI results in Direct Investing and Advice – TD Insurance delivered consistently high LEI results in fiscal 2024 marking the best annual performance since program inception despite the impact of multiple severe weather-related events • Recognized with multiple awards in 2024, reflecting the strength of our products and platforms: – TD Direct Investing was named the top online brokerage in Canada in The Globe and Mail's annual Digital Brokerage Ranking for the second consecutive year[30] – TD Asset Management (TDAM) was recognized in five categories at the 2023 Canada LSEG Lipper Fund Awards for providing attractive risk-adjusted returns relative to industry peers[31] – TDAM received FundGrade A+ rating across 18 TDAM managed mutual funds, portfolios, and Exchange-Traded Funds (ETFs) for outstanding performance in 2023, representing the most FundGrade A+ Awards received by investment funds managed by TDAM in a single period[32] • Introduced several new services, features and capabilities to enhance the client experience: – Launched TD Active Trader mobile app for iOS, offering sophisticated trading capabilities for iOS users – Introduced real-time partial share trading on all direct investing platforms, making investing more accessible for Canadians – Enabled cross-border client advisory with the introduction of U.S. licensing for investment advisors – Introduced capability to deliver financial plans in languages other than English and French, with simplified and traditional Chinese language capabilities – TDAM broadened its product shelf, launching 6 new Mutual Funds and 7 ETFs, including actively managed Target Maturity Bond ETFs and a Cash Management ETF – Strengthened TD Insurance's digital capabilities by enhancing self-serve features, including online quote for Small Business Insurance, travel and accident & sickness coverages for Quebec customers – Enhanced the client experience by launching Auto Insurance Claims Tracker, making it easier for customers to obtain updates on their claims at any time – Life and Health made significant digital investments, making it easier for customers to top up travel insurance coverage online, and introduced balance protection insurance on the MBNA Amazon credit card portfolio

[30] 2024 Globe and Mail Digital Brokerage Ranking: https://www.theglobeandmail.com/investing/article-the-2024-globe-and-mail-digital-brokerage-ranking-who-rules-and-whos/.
[31] 2023 Canada LSEG Lipper Fund Awards: https://lipperfundawards.com/Awards/Canada/2023/Fund.
[32] The FundGrade A+® rating is used with permission from Fundata Canada Inc., all rights reserved. Fundata is a leading provider of market and investment funds data to the Canadian financial services industry and business media. The FundGrade A+® rating identifies funds that have consistently demonstrated the best risk-adjusted returns throughout an entire calendar year. For more information on the rating system, please visit www.Fundata.com/ProductsServices/FundGrade.aspx.

BUSINESS STRATEGY	BUSINESS HIGHLIGHTS IN 2024
Leverage OneTD to deepen customer relationships with solutions that meet their unique financial needs	• Maintained strong market share positions and gained momentum across our businesses: – #1 market share in direct investing revenues and assets[33] – Largest Canadian institutional money manager and largest money manager in Canada for pension assets[34] – #2 market share in mutual fund and ETF assets among the Big 5 Banks[35,36] – Gained market share in TD Wealth Financial Planning and Private Wealth Management businesses[37] – Maintained #1 rank as Canada's Leading Direct Distribution personal lines insurer and leader in the affinity market in Canada[38] – #3 personal home & auto insurer in Canada[38] • Continued to work with partners to deliver OneTD: – Direct Investing partnered with TD Insurance and Personal Banking partners to promote the Direct Investing brand to new customer segments – Advice continued to build strong relationships with Personal and Business Banking, significantly increasing the flow of referrals across businesses – TDAM continued to partner with TD Securities to win global institutional mandates in Asia-Pacific and Europe – Deepened customer relationships across the Bank by increasing colleague confidence in engaging in protected borrowing conversations with customers – Leveraged our market leading brand to provide TD Real Estate Secured Lending customers with TD home insurance – TD Insurance Private Client Advice offered advice and protection to high-net-worth TD Wealth customers
Innovate with purpose to enable our colleagues to execute with speed and impact and strengthen the foundation of our business	• TD Wealth joined TD Insurance, transitioning to the Next Evolution of Work (NEW) operating model, simplifying the way we work to deliver innovative, customer-centric capabilities to market faster • TD Wealth continued to transform operations workflows, building industrial-grade technology and process innovation that helps drive advisor and client value, enhance business efficiency and reduce operational risk • Continued to mature our control environment to help enhance governance and oversight functions across both TD Wealth and TD Insurance
Be an extraordinary place to work where diversity and inclusiveness are valued, and contribute to the well-being of our communities	• Remain committed to our efforts to build a more inclusive and diverse culture at TD, aligning to our purpose to enrich the lives of our customers, colleagues, and communities: – TD Wealth Leaders participated in two signature events to build awareness around our 2SLGBTQ+ colleagues and communities – TD Parents Speak Out Event, highlighting wealth leaders with trans/non-binary children and TD Transgender Day of Visibility Event dedicated to recognizing the achievements of the transgender community and celebrating their contributions to society – TD Insurance launched the Talent Advancement Pathway for Indigenous Peoples wherein successful applicants will take part in a 2-year rotational program to gain critical leadership skills and experience across the Insurance business

KEY PRIORITIES FOR 2025

- Deliver legendary experiences by advancing innovations that are designed to help build and protect the financial well-being of our clients
- Maintain digital leadership while continuing to enhance client and colleague experience
- Strengthen the foundation of our business through investments in data and analytics, technology, and enhancements to governance and control functions to enable scalable growth
- Accelerate growth by deepening relationships leveraging the strength of OneTD, expanding distribution, and enhancing productivity
- Continue to position our brand as a diverse and inclusive employer of choice, enabling colleagues to achieve their full potential
- Extend institutional leadership position in asset management into retail and global markets, leveraging breadth and depth of capabilities
- Rapidly respond to emerging claims trends, ensuring alignment to risk appetite and supporting customers as they face the impacts of climate change
- Expand small business insurance offering to more segments, leveraging digital capabilities and marketing to continue growing the business

[33] Market share ranking is based on most current data available from Investor Economics, a division of ISS Market Intelligence, for TD Direct Investing revenue and asset rankings as at June 2024.
[34] Market share ranking is based on most current data available from Investor Economics, a division of ISS Market Intelligence, for institutional money manager and pension asset money manager rankings as at December 2023.
[35] The Big 5 Banks consist of Bank of Montreal, Canadian Imperial Bank of Commerce, Royal Bank of Canada, Scotiabank, and The Toronto-Dominion Bank.
[36] Market share rankings from Investment Funds Institute of Canada as at September 2024.
[37] Market share is based on most current data available from Investor Economics, a division of ISS Market Intelligence, for TD Wealth Financial Planning and TD Wealth Private Wealth Management assets under administration (AUA) from June 2023 to June 2024.
[38] Rankings based on data available from OSFI, Insurers, Insurance Bureau of Canada, and Provincial Regulators as at December 2023.

TABLE 20	WEALTH MANAGEMENT AND INSURANCE	
(millions of Canadian dollars, except as noted)	**2024**	2023
Net interest income	**$ 1,226**	$ 1,064
Non-interest income[1,2]	**12,309**	10,566
Total revenue[1]	**13,535**	11,630
Provision for (recovery of) credit losses – impaired	**–**	1
Provision for (recovery of) credit losses – performing	**–**	–
Total provision for (recovery of) credit losses	**–**	1
Insurance service expenses[1,3]	**6,647**	5,014
Non-interest expenses[1]	**4,285**	3,908
Provision for (recovery of) income taxes[1]	**648**	706
Net income[1]	**$ 1,955**	$ 2,001
Selected volumes and ratios		
Return on common equity[1,4]	**31.8%**	34.9%
Efficiency ratio[1]	**31.7**	33.6
Efficiency ratio, net of ISE[1,5]	**62.2**	59.1
Assets under administration (billions of Canadian dollars)[6]	**$ 651**	$ 531
Assets under management (billions of Canadian dollars)	**530**	441
Average number of full-time equivalent staff	**15,093**	16,130

[1] For the year ended October 31, 2023, certain amounts have been restated for the adoption of IFRS 17. Refer to Note 4 of the Bank's 2024 Consolidated Financial Statements for further details.
[2] Includes recoveries from reinsurers for catastrophe claims of $718 million (2023: nil).
[3] Includes estimated losses related to catastrophe claims of $1,223 million (2023: $307 million).
[4] Capital allocated to the business segment was increased to 11.5% CET1 Capital effective fiscal 2024 compared with 11% in the prior year.
[5] Efficiency ratio, net of ISE is calculated by dividing non-interest expenses by total revenue, net of ISE. Total revenue, net of ISE – 2024: $6,888 million, 2023: $6,616 million. Total revenue, net of ISE is a non-GAAP financial measure. Refer to "Non-GAAP and Other Financial Measures" in the "How We Performed" section and the Glossary of this document for additional information about this metric.
[6] Includes AUA administered by TD Investor Services, which is part of the Canadian Personal and Commercial Banking segment.

REVIEW OF FINANCIAL PERFORMANCE

Wealth Management and Insurance reported net income for the year was $1,955 million, a decrease of $46 million, or 2%, compared with last year, reflecting higher estimated losses from catastrophe claims and higher non-interest expenses, partially offset by higher revenue. The ROE for the year was 31.8%, compared with 34.9% last year.

Revenue for the year was $13,535 million. This represents an increase of $1,905 million, or 16%, compared with last year, of which $718 million, or 6%, was driven by reinsurance recoveries for catastrophe claims. Non-interest income was $12,309 million. This represents an increase of $1,743 million, or 16%, compared with last year, of which $718 million, or 7%, was driven by reinsurance recoveries for catastrophe claims. The remaining increase reflects higher insurance premiums, higher fee-based revenue, and higher transaction revenue. Net interest income was $1,226 million, an increase of $162 million, or 15%, compared with last year, reflecting higher deposit margins, partially offset by lower deposit volumes.

AUA were $651 billion as at October 31, 2024, an increase of $120 billion, or 23%, compared with last year, reflecting market appreciation and net asset growth. AUM were $530 billion as at October 31, 2024, an increase of $89 billion, or 20%, compared with last year, primarily reflecting market appreciation.

Insurance service expenses for the year were $6,647 million. This represents an increase of $1,633 million, or 33%, compared with last year, of which $916 million, or 18%, was driven by estimated losses from catastrophe claims. The remaining increase reflects less favourable prior years' claims development and increased claims severity.

Non-interest expenses for the year were $4,285 million, an increase of $377 million, or 10%, compared with last year, reflecting higher variable compensation, higher technology spend supporting business growth, and provisions related to litigation matters.

The efficiency ratio for the year was 31.7%, compared with 33.6% last year. The efficiency ratio, net of ISE for the year was 62.2%, compared with 59.1% last year.

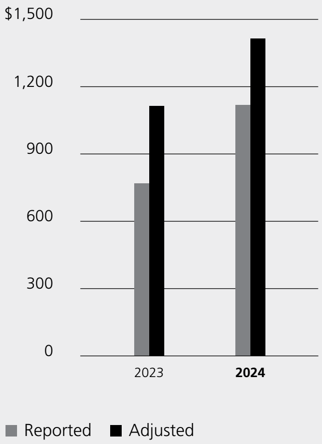
OPERATING ENVIRONMENT AND OUTLOOK

The anticipated declining interest rate environment, modest economic growth and market conditions in Canada and the U.S. are expected to impact Wealth Management and Insurance results in fiscal 2025. Our continued focus on our strategic priorities and investments in leading digital platforms are expected to help offset headwinds from pressure on fees from rising competition, increases in insurance claims due to severe weather-related events and claims severity. Our businesses are focused on continuing to deliver high-quality advice, educational content and innovative financial products to our customers, and investment in risk and control infrastructure while exercising disciplined expense management to help navigate the changing environment.

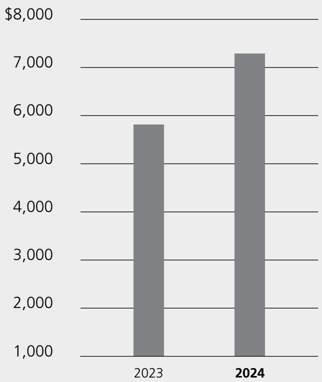
Wholesale Banking

Operating under the brand name TD Securities, Wholesale Banking offers capital markets and corporate and investment banking services to corporate, government, and institutional clients in key global financial centres across North America, Europe and Asia-Pacific.

NET INCOME[39,40]
(millions of Canadian dollars)



TOTAL REVENUE[39]
(millions of Canadian dollars)



AVERAGE GROSS LENDING PORTFOLIO
(billions of Canadian dollars)

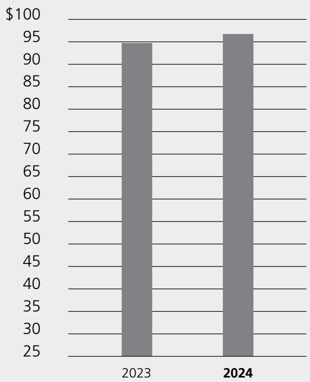


TABLE 21 REVENUE

(millions of Canadian dollars)	**2024**	2023
Global markets	**$ 4,218**	$ 3,265
Corporate and investment banking	**3,104**	2,618
Other	**(36)**	(65)
Total	**$ 7,286**	$ 5,818

LINES OF BUSINESS

- Global Markets – sales, trading and research, debt and equity underwriting, client securitization, prime services, and trade execution services[41].
- Corporate and Investment Banking – corporate lending and syndications, debt and equity underwriting, advisory services, trade finance, cash management, investment portfolios, and related activities[41].
- Other – investment portfolios and other accounting adjustments.

INDUSTRY PROFILE

The wholesale banking sector is a mature, highly competitive market comprised of banks, large global investment firms, and independent niche dealers. Wholesale Banking provides capital markets and corporate and investment banking services to corporate, government, and institutional clients. Changing regulatory requirements continue to impact strategy and returns for the sector. Firms are responding by shifting their focus to client-driven trading revenue and fee income to reduce risk, preserve capital, and are also investing in technology to support growing levels of electronic trading across all markets. Competition is expected to remain intense for transactions with high-quality clients. Longer term, wholesale banks with a diversified client-focused business model, a full suite of products and services, and the ability to manage costs and capital effectively will be well-positioned to achieve attractive returns for shareholders.

[39] Includes the acquisition of Cowen Inc. effective March 1, 2023.
[40] For additional information about the Bank's use of non-GAAP financial measures, refer to "Non-GAAP and Other Financial Measures" in the "Financial Results Overview" section of this document.
[41] Certain revenue streams are shared between Global Markets and Corporate and Investment Banking lines of business in accordance with an established agreement.

STRATEGIC OBJECTIVES, ACCOMPLISHMENTS AND PRIORITIES

BUSINESS STRATEGY	BUSINESS HIGHLIGHTS IN 2024
Become a Top 10 North American Investment Bank with global reach	• TD Securities and TD Cowen achieved significant integration milestones including the implementation of a unified Investment Banking, Capital Markets and Research platform, integrating coverage models, and streamlining delivery of capabilities for clients • TD began a multi-year investment in Global Transaction Banking (GTB) to scale the business; GTB corporate deposits grew by 25% in 2024 • Delivered client-focused ESG advisory and financing solutions as demonstrated by several marquee transactions and recognition including: – Lead Manager on a US$1.5 billion Social Benchmark for the International Finance Corporation (IFC) to support low-income communities in emerging markets. This transaction was IFC's largest ever social bond – Lead Manager on KfW Development Bank AUD1.5 billion Green Bond. This transaction was KfW's largest ever transaction in the Australian market – Winner of Environmental Finance's 2024 Sustainable Debt Award for "Green Bond of the Year", recognizing TD's 2023 Green Bond issuance – Awarded "Best Specialist ESG Research" for 2024 by ESG Investing Awards, highlighting the outstanding dedication and commitment of TD Cowen's research to provide action-oriented and investable research to ESG and sustainability funds and institutional investors • Ranked #1 in Telecommunications and Media in the 2024 Extel Canada Research Survey • Ranked #1 in Washington Research in the 2024 U.S. Extel All-American Research Survey • Recognized in Euromoney Foreign Exchange Awards 2024: World's Best FX Bank for FX Data Management, and Canada's Best FX Bank
In Canada, be a top-ranked Investment Bank	• Achieved top ranking across several major products in the Canadian markets including: – #1 investment bank in Canadian M&A Announced and Completed transactions[42], and in Canadian Loan Syndications[43] • Delivered on several marquee and strategic acquisitions and led notable transactions in the Canadian market: – Advised the Special Committee of Nuvei on its take-private by Advent International with the support of Nuvei's multiple voting shareholders for an implied enterprise value of US$6.3 billion – Advised Pembina Pipeline on its acquisition of Enbridge's interest in Alliance and Aux Sable for $3.1 billion and was lead left bookrunner on $1.3 billion bought offering of subscription receipts financing – Advised Teck Resources on its sale of the steelmaking coal business, Elk Valley Resources, to Glencore and Nippon Steel Corporation for an implied enterprise value of US$9.0 billion – Joint Bookrunner on TMX Group's $1.1 billion 3 Tranche Debt Offering to finance the acquisition of VettaFi – Served as Exclusive Financial Advisor to Advantage Energy Ltd. on its $450 million acquisition of the Charlie Lake and Montney assets; TD also acted as Lead Left Bookrunner on the concurrent bought offering of $125 million extendible convertible debentures, $65 million subscription receipts and entered the company's upsized bank syndicate
In the U.S., deliver value and trusted advice in sectors where we have competitive expertise	• This quarter, TD Securities was joint lead on TD's secondary sale of Schwab shares in a US$2.5 billion block trade, one of the ten largest U.S. block trades since 2010 • Demonstrated the strength of our combined TD Securities and TD Cowen franchises in the U.S.: – Acted as an Initial Underwriter, Joint Lead Arranger and Joint Bookrunner on the US$9.2 billion financing package supporting the acquisition of Truist Insurance Holdings by Stone Point Capital and Clayton, Dubilier & Rice; TD Securities also served as an M&A advisor on this marquee US$15.5 billion transaction – Joint Bookrunner on Arrowhead Pharmaceuticals' US$450 million Underwritten Offering – Joint Bookrunner on Vera Therapeutics' US$287.5 million Follow-On Offering – Lead Bookrunner for Avidity Biosciences' US$461 million Follow-On Offering – Acting as financial advisor to Blue Owl Capital Inc. on its pending acquisition[44] of IPI Partners, LLC for approximately US$1.0 billion • E-trading market leader in Muni Bond trading and expanded volume in Credit; TD ranking for corporate credit trade counts on MarketAxess increased notably throughout 2024 to reach #2 in October 2024
In Europe and Asia-Pacific, leverage our global capabilities to build connected, sustainable franchises	• Continued strong success with global clients: – TD was Lead Manager on a US$5 billion 5-year Sustainable Development Bond for the International Development Association – Active bookrunner on EUR 5 billion dual-tranche benchmark offering for KfW – Inaugural EUR-denominated 1.25 billion benchmark bond for Province of Saskatchewan – Inaugural EUR 500 million preferred senior benchmark for BayerLB • Launched cash equity trading desk in Singapore • Demonstrating continued strength in global coverage for key clients, TD led all 5 Australian dollar bond issuances for Canadian provinces in 2024

[42] Source: Refinitiv; Canadian target completed and announced transactions over the last twelve months ended October 31, 2024.
[43] Source: Bloomberg; Calendar year-to-date through October 31, 2024.
[44] Deal announced on October 7, 2024.

BUSINESS STRATEGY	BUSINESS HIGHLIGHTS IN 2024
Continue to unlock OneTD opportunities to grow with and support our TD Retail and Wealth partners	• In partnership with other TD businesses: – TD Securities and TD Wealth enabled fully paid lending to enhance returns for Wealth clients – Launched real-time trading in partial shares for U.S. and Canadian equities, enabling investors to buy and sell a fraction of stocks and ETFs, making investing more accessible; TD became the first bank-owned brokerage in Canada to provide real-time partial shares capability – In partnership with TD Bank, America's Most Convenient Bank, TD Securities began to issue equity-linked certificates of deposit, broadening the suite of products available to clients in the U.S. – Migrated U.S. retail order flow to internal execution venue, making it fully accessible to TD's institutional clients, resulting in exceptional execution for both retail and institutional clients
Invest in an efficient and agile infrastructure, innovation and data capabilities, and risk & control enhancements	• Implemented T+1 settlements resulting in shortened standard settlement cycle for most trades in North American securities (fixed income and equities) • Successfully transitioned all existing derivatives, securities and loan agreements referencing Canadian Dollar Offered Rate (CDOR) to the alternative reference rate, Canadian Overnight Repo Rate Average (CORRA)
Be an extraordinary and inclusive place to work by attracting, developing, and retaining the best talent	• Raised $2.1 million for children's charities through the annual Underwriting Hope campaign • Recognized in Euromoney Foreign Exchange Awards 2024: World's Best FX Bank for Diversity & Inclusion

KEY PRIORITIES FOR 2025

- Drive growth to build a Top 10 North American investment bank with global reach
  - Scale our advisory and capital markets businesses through a focused client strategy
  - Enhance our e-trading offerings across Global Markets
  - Continue to build an integrated prime brokerage platform
  - Progress a multi-year build to create a digitally enabled North American treasury platform
- Deliver an integrated investment bank and deepen partnerships across the firm to realize OneTD synergies
  - Leverage Wholesale Banking's full-service platform and talent base to expand and deepen client relationships
  - Grow presence with financial sponsors and expand offerings for corporate derivatives
  - Partner with TD's retail businesses to launch new products, as appropriate, to meet TD client needs and realize synergies
- Strengthen foundational capabilities to support business growth
  - Enhance foundation for future growth through investments in core infrastructure, risk and control enhancements, process improvements, and automation
  - Maintain our focus on prudent risk management
  - Continue to be an extraordinary place to work and attract top talent with a focus on culture, inclusion, and diversity

TABLE **22** **WHOLESALE BANKING**[1]

(millions of Canadian dollars, except as noted)	**2024**	2023
Net interest income (TEB)	**$ 582**	$ 1,538
Non-interest income	**6,704**	4,280
Total revenue	**7,286**	5,818
Provision for (recovery of) credit losses – impaired	**247**	16
Provision for (recovery of) credit losses – performing	**70**	110
Total provision for (recovery of) credit losses	**317**	126
Non-interest expenses – reported	**5,576**	4,760
Non-interest expenses – adjusted[2,3]	**5,197**	4,326
Provision for (recovery of) income taxes (TEB) – reported	**275**	162
Provision for (recovery of) income taxes (TEB) – adjusted[2]	**357**	251
Net income – reported	**$ 1,118**	$ 770
Net income – adjusted[2]	**1,415**	1,115
Selected volumes and ratios		
Trading-related revenue (TEB)[4]	**$ 2,782**	$ 2,360
Average gross lending portfolio (billions of Canadian dollars)[5]	**96.7**	94.7
Return on common equity – reported[6]	**7.1%**	5.4%
Return on common equity – adjusted[2,6]	**8.9**	7.9
Efficiency ratio – reported	**76.5**	81.8
Efficiency ratio – adjusted[2]	**71.3**	74.4
Average number of full-time equivalent staff	**7,042**	7,143

[1] Wholesale Banking results for 2023 include the acquisition of Cowen Inc. effective March 1, 2023.
[2] For additional information about the Bank's use of non-GAAP financial measures, refer to "Non-GAAP and Other Financial Measures" in the "Financial Results Overview" section of this document.
[3] Adjusted non-interest expenses exclude the acquisition and integration-related charges for the Cowen acquisition – 2024: $379 million ($297 million after-tax), 2023: $434 million ($345 million after-tax).
[4] Includes net interest income (loss) (TEB) of $(653) million (2023 – $615 million), and trading income (loss) of $3,435 million (2023 – $1,745 million). Trading-related revenue (TEB) is a non-GAAP financial measure. Refer to "Non-GAAP and Other Financial Measures" in the "Financial Results Overview" section and the Glossary of this document for additional information about this metric.
[5] Includes gross loans and bankers' acceptances (BA) relating to Wholesale Banking, excluding letters of credit, cash collateral, credit default swaps, and allowance for credit losses.
[6] Capital allocated to the business segment was increased to 11.5% CET1 Capital effective fiscal 2024 compared with 11% in the prior year.

REVIEW OF FINANCIAL PERFORMANCE

Wholesale Banking reported net income for the year was $1,118 million, an increase of $348 million, or 45%, compared with the prior year, primarily reflecting higher revenues, partially offset by higher non-interest expenses and higher PCL. On an adjusted basis, net income was $1,415 million, an increase of $300 million, or 27%.

Revenue for the period, including TD Cowen, was $7,286 million, an increase of $1,468 million, or 25%, compared with the prior year, primarily reflecting higher lending revenue, trading-related revenue, underwriting fees, and equity commissions.

PCL was $317 million, an increase of $191 million compared with last year. PCL – impaired was $247 million, an increase of $231 million, primarily reflecting a small number of impairments across various industries. PCL – performing was $70 million, a decrease of $40 million. The current year performing provisions largely reflect credit migration across various industries.

Reported non-interest expenses for the period, including TD Cowen, were $5,576 million, an increase of $816 million, or 17%, compared with the prior year, primarily reflecting higher operating expenses, variable compensation commensurate with higher revenue, the impact of foreign exchange translation and payments related to the U.S. record keeping and trading regulatory matters, partially offset by lower acquisition and integration-related costs. On an adjusted basis, non-interest expenses were $5,197 million, an increase of $871 million, or 20%.

OPERATING ENVIRONMENT AND OUTLOOK

The operating environment remains challenging, characterized by volatile markets, economic uncertainty, geopolitical and ESG considerations, disruptive technologies, intensifying competition, and evolving capital and regulatory requirements. These factors may affect corporate and investor sentiment and market and business conditions in a positive or negative manner which makes capital markets results difficult to forecast. TD Securities is confident in its increasingly diversified and client-focused business model, and believes that the combined TD Securities and TD Cowen franchise is well positioned to help support future growth. If market conditions are accommodating, then, in fiscal 2025, the Bank expects that these synergies will help fuel revenue momentum above the average $1.8 billion quarterly revenue seen in 2024 and is targeting to deliver an average quarterly adjusted net income after tax of between $375 million and $425 million, although results may vary from quarter to quarter depending on operating and market conditions[45].

BUSINESS SEGMENT ANALYSIS

Corporate

Corporate segment is comprised of service and control functions. Certain costs relating to these functions are allocated to operating business segments. The basis of allocation and methodologies are reviewed periodically to align with management's evaluation of the Bank's business segments.

TABLE 23 **CORPORATE**

(millions of Canadian dollars)	**2024**	2023
Net (loss) – reported	**$ (1,525)**	$ (4,389)
Adjustments for items of note		
Amortization of acquired intangibles	**290**	313
Acquisition and integration charges related to the Schwab transaction	**109**	149
Share of restructuring and other charges from investment in Schwab	**49**	35
Restructuring charges	**566**	363
Payment related to the termination of the FHN transaction	**–**	306
Impact from the terminated FHN acquisition-related capital hedging strategy	**242**	1,251
Impact of retroactive tax legislation on payment card clearing services	**–**	57
Gain on sale of Schwab shares	**(1,022)**	–
Indirect tax matters	**226**	–
Civil matter provision/Litigation settlement	**274**	1,642
Less: impact of income taxes		
CRD and federal tax rate increase for fiscal 2022	**–**	(585)
Other items of note	**396**	944
Net (loss) – adjusted[1]	**$ (1,187)**	$ (632)
Decomposition of items included in net (loss) – adjusted		
Net corporate expenses[2]	**$ (1,641)**	$ (942)
Other	**454**	310
Net (loss) – adjusted[1]	**$ (1,187)**	$ (632)
Selected volumes		
Average number of full-time equivalent staff	**23,103**	22,889

[1] For additional information about the Bank's use of non-GAAP financial measures, refer to "Non-GAAP and Other Financial Measures" in the "Financial Results Overview" section of this document.

[2] For additional information about this metric, refer to the Glossary of this document.

[45] This paragraph contains forward-looking information, that is based on the Bank's assumptions about interest rates, market volatility, market engagement, credit conditions, competition, and productivity initiatives, and is subject to risks and uncertainties, including those identified in the paragraph, as well as other risk factors identified in the "Risk Factors That May Affect Future Results" section in this document, including global economic conditions, regulatory requirements and investor sentiment.

Corporate segment includes expenses related to service and control functions, the impact of treasury and balance sheet management activities, certain enterprise level tax items, and intercompany items such as elimination of TEB and the retailer program partners' share of the results of the U.S. strategic cards portfolio.

Corporate segment's reported net loss for the year was $1,525 million, compared with a net loss of $4,389 million last year. The lower net loss primarily reflects the current year gain on sale of Schwab shares, lower negative impacts from the hedging strategy related to the terminated First Horizon acquisition and lower civil matter provision/litigation settlement, partially offset by the higher restructuring charges and the impact of the provision for indirect tax matters in the current year. Net corporate expenses increased $699 million compared to the prior year, primarily reflecting higher investments in risk and control infrastructure. Of the segment's net corporate expenses for the current year, approximately $460 million (US$340 million) reflects our U.S. governance and control investments, including costs for U.S. BSA/AML remediation. The adjusted net loss for the year was $1,187 million, compared with an adjusted net loss of $632 million last year.

2024 ACCOMPLISHMENTS AND FOCUS FOR 2025

- In 2024, the Corporate segment continued to support the Bank's business segments by executing on enterprise and regulatory initiatives and managing the Bank's balance sheet and funding activities.
- In 2025, the Corporate segment's service and control functions are focused on continuing to evolve to meet the complex and challenging operating environment and respond to changing expectations of all our stakeholders.
- The Corporate segment will also maintain its focus on enhancing the processes, technologies and regulatory controls that help enable the Bank's businesses to operate efficiently, effectively and in compliance with all applicable regulatory requirements.

2023 FINANCIAL RESULTS OVERVIEW

Summary of 2023 Performance

NET INCOME

Reported net income for the year was $10,634 million, a decrease of $6,795 million, or 39%, compared with the prior year. The decrease reflects higher non-interest expenses, the impact of the terminated First Horizon acquisition-related capital hedging strategy, and higher PCL, partially offset by higher revenues. On an adjusted basis, net income for the year was $14,995 million, a decrease of $430 million, or 3%, compared with prior year. The reported ROE for the year was 9.9%, compared with 18.0% prior year. The adjusted ROE for the year was 14.2%, compared with 15.9% prior year.

Reported diluted EPS for the year was $5.52, a decrease of 42%, compared with $9.47 prior year. Adjusted diluted EPS for the year was $7.91, a decrease of 5%, compared with $8.36 prior year.

Reported revenue was $50,690 million, an increase of $1,658 million, or 3%, compared with prior year. Adjusted revenue was $52,037 million, an increase of $5,867 million, or 13%, compared with prior year.

NET INTEREST INCOME

Reported net interest income for the year was $29,944 million, an increase of $2,591 million, or 9%, compared with the prior year. The increase reflects margin growth in the personal and commercial banking businesses and the impact of foreign exchange translation, partially offset by lower net interest income in Wholesale Banking and lower sweep and other deposit volumes in U.S. Retail. Adjusted net interest income was $30,394 million, an increase of $3,087 million, or 11%.

NON-INTEREST INCOME

Reported non-interest income for the year was $20,746 million, a decrease of $933 million, or 4%, compared with the prior year, primarily reflecting the impact of the terminated First Horizon acquisition-related capital hedging strategy and gain in the prior year on sale of Schwab shares. Adjusted non-interest income was $21,643 million, an increase of $2,780 million, or 15%, primarily reflecting higher equity commissions, global transaction banking revenue, advisory fees, and equity underwriting fees in Wholesale Banking, including TD Cowen, and higher insurance revenue, partially offset by lower fee-based revenue in the personal and commercial banking and wealth businesses.

PROVISION FOR CREDIT LOSSES

PCL for the year was $2,933 million, an increase of $1,866 million compared with the prior year. PCL – impaired was $2,486 million, an increase of $1,049 million, reflecting some normalization of credit performance. PCL – performing was $447 million, compared with a recovery of $370 million in the prior year. This year's performing provisions were largely recorded in the Canadian Personal and Commercial Banking and Wholesale Banking segments, reflecting credit conditions and volume growth. Total PCL as an annualized percentage of credit volume was 0.34%.

INSURANCE SERVICE EXPENSES

Insurance service expenses were $5,014 million, an increase of $2,114 million, or 73%, compared with the prior year, reflecting presentation changes from the adoption of IFRS 17 which resulted in a corresponding decrease primarily in non-interest expenses, the impact of changes in the discount rate which resulted in a similar increase in the fair value of investments supporting claims liabilities reported in non-interest income, increased claims severity and higher estimated losses from catastrophe claims.

NON-INTEREST EXPENSES

Reported non-interest expenses for the year were $29,855 million, an increase of $5,214 million, or 21%, compared with the prior year, reflecting higher employee-related expenses, including TD Cowen, the Stanford litigation settlement, and higher acquisition and integration related charges, including charges related to the terminated First Horizon acquisition. On an adjusted basis, non-interest expenses were $26,517 million, an increase of $2,158 million, or 9%.

PROVISION FOR INCOME TAXES

Reported total income and other taxes decreased by $631 million, or 10.9%, compared with the prior year, reflecting a decrease in income tax expense of $868 million, or 21.8%, partially offset by an increase in other taxes of $237 million, or 13.2%. Adjusted total income and other taxes increased by $293 million from the prior year, or 5.4%, reflecting an increase in income tax expense of $56 million, or 1.6%, and an increase in other taxes of $237 million, or 13.2%.

The Bank's reported effective income tax rate was 24.2% for 2023, compared with 19.5% in the prior year. The year-over-year increase primarily reflects the implementation of the Canada Recovery Dividend and the 1.5% Canadian federal tax rate increase beginning in 2022, the impact of the terminated First Horizon transaction, and favourable tax impacts in the prior year associated with the sale of Schwab shares, earnings mix and the recognition of unused tax losses. For a reconciliation of the Bank's effective income tax rate with the Canadian statutory income tax rate, refer to Note 24 of the 2023 Consolidated Financial Statements.

The Bank reported its investment in Schwab using the equity method of accounting. Schwab's tax expense (2023: $279 million; 2022: $319 million) was not part of the Bank's effective tax rate.

BALANCE SHEET

Total assets were $1,955 billion as at October 31, 2023, an increase of $38 billion, from October 31, 2022. The impact of foreign exchange translation from the depreciation in the Canadian dollar increased total assets by $16 billion. The increase in total assets reflects an increase in loans, net of allowances for loan losses of $65 billion, securities purchased under reverse repurchase agreements of $44 billion, other assets of $15 billion, trading loans, securities, and other of $8 billion, financial assets designated at fair value through profit or loss of $1 billion and investment in Schwab of $1 billion. The increase was partially offset by a decrease in cash and interest-bearing deposits with banks of $41 billion, debt securities at amortized cost of $35 billion, derivative assets of $16 billion, and non-trading financial assets at fair value through profit or loss of $4 billion.

Total liabilities were $1,843 billion as at October 31, 2023, an increase of $37 billion from October 31, 2022. The impact of foreign exchange translation from the depreciation in the Canadian dollar increased total liabilities by $17 billion. The increase in total liabilities reflects an increase in obligations related to securities sold under repurchase agreements of $39 billion, financial liabilities designated at fair value through profit or loss of $29 billion, other liabilities of $15 billion and trading deposits of $7 billion. The increase was partially offset by a decrease in deposits of $32 billion, derivative liabilities of $19 billion and subordinated notes and debentures of $2 billion.

Equity was $112 billion as at October 31, 2023, an increase of $1 billion from October 31, 2022. The increase reflects common shares issued with a 2% discount under the dividend reinvestment plan, net of share repurchases, and gains in accumulated other comprehensive income, partially offset by lower retained earnings. The increase in accumulated other comprehensive income is primarily driven by the impact of foreign currency translation. The retained earnings decreased as the net income for the year is offset by the dividends paid and the premium on the repurchase of common shares.

GROUP FINANCIAL CONDITION

Balance Sheet Review

TABLE 24 **CONDENSED CONSOLIDATED BALANCE SHEET ITEMS**

(millions of Canadian dollars)		*As at*
	October 31 2024	October 31 2023
Assets		
Cash and Interest-bearing deposits with banks	**$ 176,367**	$ 105,069
Trading loans, securities, and other	**175,770**	152,090
Non-trading financial assets at fair value through profit or loss	**5,869**	7,340
Derivatives	**78,061**	87,382
Financial assets designated at fair value through profit or loss	**6,417**	5,818
Financial assets at fair value through other comprehensive income	**93,897**	69,865
Debt securities at amortized cost, net of allowance for credit losses	**271,615**	308,016
Securities purchased under reverse repurchase agreements	**208,217**	204,333
Loans, net of allowance for loan losses	**949,549**	895,947
Investment in Schwab	**9,024**	8,907
Other[1]	**86,965**	110,372
Total assets[1]	**$ 2,061,751**	$ 1,955,139
Liabilities		
Trading deposits	**$ 30,412**	$ 30,980
Derivatives	**68,368**	71,640
Financial liabilities designated at fair value through profit or loss	**207,914**	192,130
Deposits	**1,268,680**	1,198,190
Obligations related to securities sold under repurchase agreements	**201,900**	166,854
Subordinated notes and debentures	**11,473**	9,620
Other[1]	**157,844**	173,654
Total liabilities[1]	**1,946,591**	1,843,068
Total equity[1]	**115,160**	112,071
Total liabilities and equity[1]	**$ 2,061,751**	$ 1,955,139

[1] For the year ended October 31, 2023, certain amounts have been restated for the adoption of IFRS 17. Refer to Note 4 of the Bank's 2024 Consolidated Financial Statements for further details.

Total assets were $2,062 billion as at October 31, 2024, an increase of $107 billion, from October 31, 2023. The impact of foreign exchange translation from the depreciation in the Canadian dollar increased total assets by $3 billion.

The increase in total assets reflects an increase in cash and interest-bearing deposits with banks of $71 billion, loans, net of allowances for loan losses of $53 billion, trading loans, securities, and other of $24 billion, financial assets at fair value through other comprehensive income of $24 billion, securities purchased under reverse repurchase agreements of $4 billion and financial assets designated at fair value through profit or loss of $1 billion. The increase was partially offset by a decrease in debt securities at amortized cost of $37 billion, other assets of $23 billion, derivative assets of $9 billion and non-trading financial assets at fair value through profit or loss of $1 billion.

Cash and interest-bearing deposits with banks increased $71 billion primarily reflecting cash management activities.

Trading loans, securities, and other increased $24 billion primarily in equity securities, securitized mortgages and commodities held for trading, partially offset by government securities held for trading.

Non-trading financial assets at fair value through profit or loss decreased $1 billion primarily reflecting maturities and sales.

Derivative assets decreased $9 billion primarily reflecting changes in mark-to-market values of foreign exchange and interest rate contracts.

Financial assets designated at fair value through profit or loss increased $1 billion primarily reflecting purchases, partially offset by maturities and sales.

Financial assets at fair value through other comprehensive income increased $24 billion primarily reflecting new investments, partially offset by maturities and sales.

Debt securities at amortized cost, net of allowance for credit losses decreased $37 billion primarily reflecting maturities and sales of government securities, partially offset by new investments and the impact of risk management activities.

Securities purchased under reverse repurchase agreements increased $4 billion primarily reflecting an increase in volume.

Loans, net of allowance for loan losses increased $53 billion reflecting volume growth in business and government loans, including the impact of bankers' acceptances transitioned to business and government loans following the cessation of CDOR, volume growth in residential real estate secured lending, and the impact of foreign exchange translation.

Investment in Schwab remains relatively flat as the impact of the Bank's share of Schwab's other comprehensive income and net income is offset by the reduction in the Bank's ownership interest in Schwab with the sale of 40.5 million shares.

Other assets decreased $23 billion primarily reflecting the impact of the cessation of CDOR on customer's liabilities under acceptances and decrease in amounts receivable from brokers, dealers and clients due to lower volumes of pending trades.

Total liabilities were $1,947 billion as at October 31, 2024, an increase of $104 billion from October 31, 2023. The impact of foreign exchange translation from the depreciation in the Canadian dollar increased total liabilities by $3 billion.

The increase in total liabilities reflects an increase in deposits of $71 billion, obligations related to securities sold under repurchase agreements of $35 billion, financial liabilities designated at fair value through profit or loss of $16 billion and subordinated notes and debentures of $2 billion. The increase was partially offset by a decrease in other liabilities of $16 billion, derivative liabilities of $3 billion and trading deposits of $1 billion.

Trading deposits decreased $1 billion primarily reflecting maturities, partially offset by new issuances.

Derivative liabilities decreased $3 billion primarily reflecting changes in mark-to-market values of foreign exchange and interest rate contracts.

Financial liabilities designated at fair value through profit or loss increased $16 billion primarily reflecting new issuances, partially offset by maturities.

Deposits increased $71 billion reflecting higher volumes in business and government, bank and personal deposits and the impact of foreign exchange translation.

Obligations related to securities sold under repurchase agreements increased $35 billion primarily reflecting an increase in volume.

Subordinated notes and debentures increased $2 billion primarily reflecting new issuances, partially offset by redemptions.

Other liabilities decreased $16 billion primarily reflecting the impact of the cessation of CDOR on acceptances and a volume decrease in obligations related to securities sold short and amounts payable to brokers, dealers and clients, partially offset by increase in securitization liabilities at fair value and liabilities related to structured entities.

Equity was $115 billion as at October 31, 2024, an increase of $3 billion from October 31, 2023. The increase reflects gains in accumulated other comprehensive income, partially offset by lower retained earnings. The increase in accumulated other comprehensive income is primarily driven by gains on cash flow hedges and the Bank's share of the other comprehensive income from investment in Schwab. The retained earnings decreased as the net income for the year is more than offset by the dividends paid and the premium on the repurchase of common shares.

GROUP FINANCIAL CONDITION

Credit Portfolio Quality

AT A GLANCE OVERVIEW

- **Loans and acceptances, net of allowance for loan losses were $950 billion, an increase of $36 billion compared with last year.**
- **Impaired loans net of Stage 3 allowances were $3,407 million, an increase of $1,130 million compared with last year.**
- **Provision for credit losses was $4,253 million, compared with $2,933 million last year.**
- **Total allowance for credit losses including off-balance sheet positions increased by $952 million to $9,141 million.**

LOAN PORTFOLIO

The Bank increased its loans and acceptances net of allowance for loan losses by $36 billion, or 4%, from the prior year, primarily reflecting volume growth in the real estate secured lending and business and government portfolios, and the impact of foreign exchange.

While the majority of the Bank's credit risk exposure is related to loans and acceptances, the Bank also engaged in activities that have off-balance sheet credit risk. These include credit instruments and derivative financial instruments, as explained in Note 30 of the 2024 Consolidated Financial Statements.

CONCENTRATION OF CREDIT RISK

The Bank's loan portfolio continued to be concentrated in Canadian and U.S. consumer lending, comprised of residential mortgages, consumer instalment and other personal loans, and credit card loans, representing 63% of total loans net of Stage 3 allowances, flat compared with 2023. During the year, these portfolios increased by $24 billion, or 4%, and totalled $600 billion at year end. Residential mortgages represented 35% of total loans net of Stage 3 allowances in 2024, flat compared with 2023. Consumer instalment and other personal loans, and credit card loans were 28% of total loans net of Stage 3 allowances in 2024, flat compared with 2023.

The Bank's business and government loan portfolio was 37% of total loans net of Stage 3 allowances, flat compared with 2023. The largest business and government sector concentrations in Canada were the Real estate and Financial sectors, which comprised 6% and 2% of net loans, respectively. Real estate and Financial sectors were the largest U.S. sector concentrations in 2024, representing 4% and 3% of net loans, respectively.

Geographically, the credit portfolio remained concentrated in Canada. In 2024, the percentage of loans net of Stage 3 allowances held in Canada was 66%, flat compared with 2023. The largest Canadian regional exposure was in Ontario, which represented 39% of total loans net of Stage 3 allowances for 2024, flat compared to the prior year.

The remaining credit portfolio was predominantly in the U.S., which represented 33% of loans net of Stage 3 allowances, flat compared with 2023. Exposures to other geographic regions were relatively small. The largest U.S. regional exposures were in New York and New England which represented 6% and 5% of total loans net of Stage 3 allowances, respectively, and consistent with the prior year.

Under IFRS 9, *Financial Instruments* (IFRS 9), the Bank calculates allowances for expected credit losses (ECLs) on debt securities at amortized cost (DSAC) and debt securities at fair value through other comprehensive income (FVOCI). The Bank has $361 billion in such debt securities of which $361 billion are performing securities (Stage 1 and 2) and none are impaired. The allowance for credit losses on DSAC and debt securities at FVOCI was $3 million and $1 million, respectively.

TABLE 25 LOANS AND ACCEPTANCES, NET OF STAGE 3 ALLOWANCE FOR LOAN LOSSES BY INDUSTRY SECTOR[1,2]

(millions of Canadian dollars, except as noted)			*As at*		*Percentage of total*	
			October 31 2024	October 31 2023	**October 31 2024**	October 31 2023
	Gross loans	**Stage 3 allowances for loan losses impaired**	**Net loans**	Net loans		
Canada						
Residential mortgages	**$ 273,069**	**$ 28**	**$ 273,041**	$ 263,709	**28.6%**	28.7%
Consumer instalment and other personal						
HELOC[3]	**123,036**	**31**	**123,005**	117,587	**12.9**	12.8
Indirect Auto	**29,837**	**98**	**29,739**	28,721	**3.1**	3.1
Other	**19,885**	**48**	**19,837**	18,548	**2.1**	2.0
Credit card	**20,510**	**90**	**20,420**	18,746	**2.0**	2.0
Total personal	**466,337**	**295**	**466,042**	447,311	**48.7**	48.6
Real estate						
Residential	**27,874**	**7**	**27,867**	27,782	**2.9**	3.0
Non-residential	**25,962**	**25**	**25,937**	24,820	**2.7**	2.7
Total real estate	**53,836**	**32**	**53,804**	52,602	**5.6**	5.7
Agriculture	**11,218**	**7**	**11,211**	9,892	**1.2**	1.1
Automotive	**10,389**	**84**	**10,305**	9,384	**1.1**	1.0
Financial	**20,233**	**36**	**20,197**	18,873	**2.1**	2.1
Food, beverage, and tobacco	**3,387**	**96**	**3,291**	3,059	**0.3**	0.3
Forestry	**854**	**4**	**850**	829	**0.1**	0.1
Government, public sector entities, and education	**3,577**	**8**	**3,569**	4,190	**0.4**	0.5
Health and social services	**9,922**	**58**	**9,864**	9,822	**1.0**	1.1
Industrial construction and trade contractors	**6,180**	**16**	**6,164**	5,607	**0.6**	0.6
Metals and mining	**2,935**	**14**	**2,921**	2,400	**0.3**	0.3
Oil and gas	**2,265**	**11**	**2,254**	2,288	**0.2**	0.2
Power and utilities	**8,526**	**–**	**8,526**	8,299	**0.9**	0.9
Professional and other services	**5,733**	**43**	**5,690**	5,716	**0.6**	0.6
Retail sector	**5,020**	**66**	**4,954**	4,564	**0.5**	0.5
Sundry manufacturing and wholesale	**4,648**	**37**	**4,611**	4,070	**0.5**	0.4
Telecommunications, cable, and media	**5,325**	**6**	**5,319**	4,294	**0.6**	0.5
Transportation	**4,099**	**25**	**4,074**	3,602	**0.4**	0.4
Other	**5,811**	**12**	**5,799**	6,345	**0.6**	0.7
Total business and government	**163,958**	**555**	**163,403**	155,836	**17.0**	17.0
Total Canada	**$ 630,295**	**$ 850**	**$ 629,445**	$ 603,147	**65.7%**	65.6%

[1] Primarily based on the geographic location of the customer's address.
[2] Includes loans that are measured at FVOCI.
[3] Home equity line of credit.

TABLE 25	**LOANS AND ACCEPTANCES, NET OF STAGE 3 ALLOWANCE FOR LOAN LOSSES BY INDUSTRY SECTOR** (continued) [1,2]

(millions of Canadian dollars, except as noted)				*As at*	*Percentage of total*	
			October 31 2024	October 31 2023	**October 31 2024**	October 31 2023
	Gross loans	**Stage 3 allowances for loan losses impaired**	**Net loans**	Net loans		
United States						
Residential mortgages	**$ 58,580**	**$ 32**	**$ 58,548**	$ 56,515	**6.1%**	6.1%
Consumer instalment and other personal						
HELOC[3]	**11,525**	**22**	**11,503**	10,566	**1.3**	1.2
Indirect Auto	**42,981**	**58**	**42,923**	41,012	**4.5**	4.5
Other	**1,099**	**5**	**1,094**	897	**0.1**	0.1
Credit card	**20,123**	**288**	**19,835**	19,596	**2.1**	2.1
Total personal	**134,308**	**405**	**133,903**	128,586	**14.1**	14.0
Real estate						
Residential	**13,727**	**10**	**13,717**	11,956	**1.4**	1.2
Non-residential	**28,152**	**25**	**28,127**	28,514	**2.9**	3.0
Total real estate	**41,879**	**35**	**41,844**	40,470	**4.3**	4.2
Agriculture	**1,182**	**–**	**1,182**	1,173	**0.1**	0.1
Automotive	**13,119**	**–**	**13,119**	10,843	**1.4**	1.2
Financial	**25,418**	**–**	**25,418**	22,292	**2.7**	2.4
Food, beverage, and tobacco	**4,584**	**1**	**4,583**	4,396	**0.5**	0.5
Forestry	**573**	**–**	**573**	746	**0.1**	0.1
Government, public sector entities, and education	**17,405**	**15**	**17,390**	17,017	**1.8**	1.8
Health and social services	**15,252**	**6**	**15,246**	16,200	**1.6**	1.8
Industrial construction and trade contractors	**2,555**	**4**	**2,551**	2,413	**0.3**	0.3
Metals and mining	**1,906**	**–**	**1,906**	1,853	**0.2**	0.2
Oil and gas	**1,586**	**5**	**1,581**	1,594	**0.2**	0.2
Power and utilities	**6,421**	**66**	**6,355**	7,831	**0.7**	0.9
Professional and other services	**18,434**	**24**	**18,410**	17,518	**1.9**	1.9
Retail sector	**6,199**	**8**	**6,191**	6,318	**0.6**	0.7
Sundry manufacturing and wholesale	**9,696**	**6**	**9,690**	10,516	**1.0**	1.1
Telecommunications, cable, and media	**7,748**	**45**	**7,703**	9,175	**0.8**	1.0
Transportation	**5,046**	**1**	**5,045**	5,083	**0.5**	0.6
Other	**4,104**	**6**	**4,098**	2,746	**0.4**	0.3
Total business and government	**183,107**	**222**	**182,885**	178,184	**19.1**	19.3
Total United States	**317,415**	**627**	**316,788**	306,770	**33.2**	33.3
International						
Personal	**25**	**–**	**25**	19	**–**	–
Business and government	**10,138**	**65**	**10,073**	10,024	**1.1**	1.1
Total international	**10,163**	**65**	**10,098**	10,043	**1.1**	1.1
Total excluding other loans	**957,873**	**1,542**	**956,331**	919,960	**100.0**	100.0
Other loans						
Acquired credit-impaired loans[4]	**–**	**–**	**–**	85	**–**	–
Total other loans	**–**	**–**	**–**	85	**–**	–
Total	**$ 957,873**	**$ 1,542**	**$ 956,331**	$ 920,045	**100.0%**	100.0%
Stage 1 and Stage 2 allowance for loan losses – performing						
Personal, business and government			**6,552**	6,108		
Total, net of allowance			**$ 949,779**	$ 913,937		
Percentage change over previous year – loans and acceptances, net of Stage 3 allowance for loan losses (impaired)			**3.9%**	7.1%		
Percentage change over previous year – loans and acceptances, net of allowance			**3.9**	7.1		

[1] Primarily based on the geographic location of the customer's address.
[2] Includes loans that are measured at FVOCI.
[3] Home equity line of credit.
[4] Includes FDIC covered loans and other ACI loans.

TABLE 26	LOANS AND ACCEPTANCES, NET OF STAGE 3 ALLOWANCE FOR LOAN LOSSES BY GEOGRAPHY[1,2]

(millions of Canadian dollars, except as noted)				*As at*		*Percentage of total*
			October 31 2024	October 31 2023	**October 31 2024**	October 31 2023
	Gross loans	**Stage 3 allowances for loan losses impaired**	**Net loans**	Net loans		
Canada						
Atlantic provinces	**$ 14,500**	**$ 18**	**$ 14,482**	$ 13,662	**1.5%**	1.5%
British Columbia[3]	**103,107**	**63**	**103,044**	96,010	**10.8**	10.4
Ontario[3]	**375,521**	**662**	**374,859**	355,619	**39.2**	38.7
Prairies[3]	**84,753**	**72**	**84,681**	88,417	**8.8**	9.6
Québec	**52,414**	**35**	**52,379**	49,439	**5.5**	5.4
Total Canada	**630,295**	**850**	**629,445**	603,147	**65.8**	65.6
United States						
Carolinas (North and South)	**17,943**	**21**	**17,922**	17,983	**1.9**	2.0
Florida	**27,841**	**49**	**27,792**	26,709	**2.9**	2.9
New England[4]	**49,097**	**43**	**49,054**	47,988	**5.1**	5.2
New Jersey	**27,814**	**51**	**27,763**	26,043	**2.9**	2.8
New York	**59,422**	**95**	**59,327**	56,821	**6.2**	6.2
Pennsylvania	**17,513**	**18**	**17,495**	18,731	**1.8**	2.0
Other[5]	**117,785**	**350**	**117,435**	112,495	**12.3**	12.2
Total United States	**317,415**	**627**	**316,788**	306,770	**33.1**	33.3
International						
Europe	**5,506**	**65**	**5,441**	5,843	**0.6**	0.6
Other	**4,657**	**–**	**4,657**	4,200	**0.5**	0.5
Total international	**10,163**	**65**	**10,098**	10,043	**1.1**	1.1
Total excluding other loans	**957,873**	**1,542**	**956,331**	919,960	**100.0**	100.0
Other loans	**–**	**–**	**–**	85	**–**	–
Total	**$ 957,873**	**$ 1,542**	**$ 956,331**	$ 920,045	**100.0%**	100.0%
Stage 1 and Stage 2 allowances			**6,552**	6,108		
Total, net of allowance			**$ 949,779**	$ 913,937		
Percentage change over previous year – loans and acceptances, net of Stage 3 allowances for loan losses (impaired)			**2024**	2023		
Canada			**4.4%**	6.5%		
United States			**3.3**	12.2		
International			**0.5**	(46.4)		
Other loans			**(100.0)**	(23.4)		
Total			**3.9%**	7.1%		

[1] Primarily based on the geographic location of the customer's address.
[2] Includes loans that are measured at FVOCI.
[3] The territories are included as follows: Yukon is included in British Columbia; Nunavut is included in Ontario; and Northwest Territories is included in the Prairies region.
[4] The states included in New England are as follows: Connecticut, Maine, Massachusetts, New Hampshire, and Vermont.
[5] Includes loans attributable to other states/regions including those outside TD's core U.S. geographic footprint.

REAL ESTATE SECURED LENDING

Retail real estate secured lending includes mortgages and lines of credit to North American consumers to satisfy financing needs including home purchases and refinancing. While the Bank retains first lien on the majority of properties held as security, there is a small portion of loans with second liens, but most of these are behind a TD mortgage that is in first position. In Canada, credit policies are designed so that the combined exposure of all uninsured facilities on one property does not exceed 80% of the collateral value at origination. Lending at a higher loan-to-value ratio is permitted by legislation but requires default insurance. This insurance is contractual coverage for the life of eligible facilities and protects the Bank's real estate secured lending portfolio against potential losses caused by borrowers' default. The Bank may also purchase default insurance on lower loan-to-value ratio loans. The insurance is provided by either government-backed entities or approved private mortgage insurers. In the U.S., for residential mortgage originations, mortgage insurance is usually obtained from either government-backed entities or approved private mortgage insurers when the loan-to-value exceeds 80% of the collateral value at origination.

The Bank regularly performs stress tests on its real estate lending portfolio as part of its overall stress testing program. This is done with a view to determine the extent to which the portfolio would be vulnerable to a severe downturn in economic conditions. The effect of severe changes in house prices, interest rates, and unemployment levels are among the factors considered when assessing the impact on credit losses and the Bank's overall profitability. A variety of portfolio segments, including dwelling type and geographical regions, are examined during the exercise to determine whether specific vulnerabilities exist.

TABLE 27 CANADIAN REAL ESTATE SECURED LENDING[1,2]

(millions of Canadian dollars)					*As at*
			Amortizing	Non-amortizing	Total
	Residential Mortgages	Home equity lines of credit	Total amortizing real estate secured lending	Home equity lines of credit	
					October 31, 2024
Total	**$ 273,069**	**$ 89,369**	**$ 362,438**	**$ 33,667**	**$ 396,105**
					October 31, 2023
Total	$ 263,733	$ 86,943	$ 350,676	$ 30,675	$ 381,351

[1] Excludes loans classified as trading as the Bank intends to sell the loans immediately or in the near term, and loans designated at FVTPL for which no allowance is recorded.

[2] Amortizing includes loans where the fixed contractual payments are no longer sufficient to cover the interest based on the rates in effect at October 31, 2024 and October 31, 2023, respectively.

TABLE 28 REAL ESTATE SECURED LENDING[1,2]

(millions of Canadian dollars, except as noted)												*As at*
	Residential mortgages				Home equity lines of credit				Total			
	Insured[3]		Uninsured		Insured[3]		Uninsured		Insured[3]		Uninsured	
												October 31, 2024
Canada												
Atlantic provinces	**$ 2,445**	**0.9%**	**$ 4,753**	**1.7%**	**$ 158**	**0.1%**	**$ 2,207**	**1.8%**	**$ 2,603**	**0.7%**	**$ 6,960**	**1.8%**
British Columbia[4]	**8,311**	**3.0**	**48,362**	**17.7**	**804**	**0.7**	**22,840**	**18.6**	**9,115**	**2.3**	**71,202**	**18.0**
Ontario[4]	**21,943**	**8.1**	**126,294**	**46.3**	**2,734**	**2.2**	**67,567**	**54.9**	**24,677**	**6.2**	**193,861**	**48.9**
Prairies[4]	**17,685**	**6.5**	**22,120**	**8.1**	**1,499**	**1.2**	**12,459**	**10.1**	**19,184**	**4.8**	**34,579**	**8.7**
Québec	**6,616**	**2.4**	**14,540**	**5.3**	**509**	**0.4**	**12,259**	**10.0**	**7,125**	**1.8**	**26,799**	**6.8**
Total Canada	**57,000**	**20.9%**	**216,069**	**79.1%**	**5,704**	**4.6%**	**117,332**	**95.4%**	**62,704**	**15.8%**	**333,401**	**84.2%**
United States	**1,517**		**57,063**		**–**		**11,525**		**1,517**		**68,588**	
Total	**$ 58,517**		**$ 273,132**		**$ 5,704**		**$ 128,857**		**$ 64,221**		**$ 401,989**	
												October 31, 2023
Canada												
Atlantic provinces	$ 2,561	1.0%	$ 4,557	1.7%	$ 181	0.2%	$ 1,938	1.6%	$ 2,742	0.7%	$ 6,495	1.7%
British Columbia[4]	8,642	3.3	46,003	17.4	920	0.8	21,642	18.4	9,562	2.5	67,645	17.7
Ontario[4]	22,559	8.6	118,882	45.1	3,126	2.7	64,095	54.4	25,685	6.8	182,977	48.1
Prairies[4]	18,621	7.1	20,385	7.7	1,746	1.5	11,956	10.2	20,367	5.3	32,341	8.5
Québec	7,221	2.7	14,302	5.4	590	0.5	11,424	9.7	7,811	2.0	25,726	6.7
Total Canada	59,604	22.7%	204,129	77.3%	6,563	5.7%	111,055	94.3%	66,167	17.3%	315,184	82.7%
United States	1,439		55,169		–		10,591		1,439		65,760	
Total	$ 61,043		$ 259,298		$ 6,563		$ 121,646		$ 67,606		$ 380,944	

[1] Geographic location is based on the address of the property mortgaged.

[2] Excludes loans classified as trading as the Bank intends to sell the loans immediately or in the near term, and loans designated at FVTPL for which no allowance is recorded.

[3] Default insurance is contractual coverage for the life of eligible facilities whereby the Bank's exposure to real estate secured lending, all or in part, is protected against potential losses caused by borrower default. It is provided by either government-backed entities or other approved private mortgage insurers.

[4] The territories are included as follows: Yukon is included in British Columbia; Nunavut is included in Ontario; and the Northwest Territories is included in the Prairies region.

The following table provides a summary of the period over which the Bank's residential mortgages would be fully repaid based on the amount of the most recent payment received. All figures are calculated based on current customer payment amounts, including voluntary payments larger than the original contractual amounts and/or other voluntary prepayments. The most recent customer payment amount may exceed the original contractual amount due.

Balances with a remaining amortization longer than 30 years primarily reflect Canadian variable rate mortgages where prior interest rate increases relative to current customer payment levels have resulted in a longer current amortization period. At renewal, the amortization period for Canadian mortgages reverts to the remaining contractual amortization, which may require increased payments.

TABLE 29 **RESIDENTIAL MORTGAGES BY REMAINING AMORTIZATION**[1,2,3]

									As at
	<=5 years	**>5 – 10 years**	**>10 – 15 years**	**>15 – 20 years**	**>20 – 25 years**	**>25 – 30 years**	**>30 – 35 years**	**>35 years**	**Total**
									October 31, 2024
Canada	**0.8%**	**2.7%**	**6.4%**	**16.8%**	**33.3%**	**28.9%**	**2.4%**	**8.7%**	**100.0%**
United States	**2.3**	**1.3**	**3.4**	**7.6**	**14.2**	**70.2**	**0.5**	**0.5**	**100.0**
Total	**1.0%**	**2.5%**	**5.9%**	**15.1%**	**29.9%**	**36.2%**	**2.1%**	**7.3%**	**100.0%**
									October 31, 2023
Canada	0.8%	2.7%	5.7%	14.1%	31.5%	24.6%	1.4%	19.2%	100.0%
United States	5.3	1.4	3.8	7.8	10.6	69.5	1.1	0.5	100.0
Total	1.6%	2.5%	5.3%	13.0%	27.8%	32.6%	1.4%	15.8%	100.0%

[1] Excludes loans classified as trading as the Bank intends to sell the loans immediately or in the near term, and loans designated at FVTPL for which no allowance is recorded.
[2] Percentage based on outstanding balance.
[3] $15.6 billion or 6% of the mortgage portfolio in Canada (October 31, 2023: $37.4 billion or 14%) relates to mortgages in which the fixed contractual payments are no longer sufficient to cover the interest based on the rates in effect at October 31, 2024 and October 31, 2023, respectively.

TABLE 30 **UNINSURED AVERAGE LOAN-TO-VALUE – Newly Originated and Newly Acquired**[1,2,3]

						For the 12 months ended
		October 31, 2024				October 31, 2023
	Residential mortgages	**Home equity lines of credit**[4,5]	**Total**	Residential mortgages	Home equity lines of credit[4,5]	Total
Canada						
Atlantic provinces	**69%**	**67%**	**68%**	70%	68%	69%
British Columbia[6]	**66**	**61**	**64**	66	61	64
Ontario[6]	**67**	**61**	**64**	66	61	64
Prairies[6]	**73**	**69**	**71**	73	70	72
Québec	**69**	**68**	**69**	69	69	69
Total Canada	**68**	**63**	**66**	67	63	65
United States	**73**	**61**	**68**	74	62	71
Total	**69%**	**63%**	**66%**	68%	63%	66%

[1] Geographic location is based on the address of the property mortgaged.
[2] Excludes loans classified as trading as the Bank intends to sell the loans immediately or in the near term, and loans designated at FVTPL for which no allowance is recorded.
[3] Based on house price at origination.
[4] HELOC loan-to-value includes first position collateral mortgage if applicable.
[5] HELOC fixed rate advantage option is included in loan-to-value calculation.
[6] The territories are included as follows: Yukon is included in British Columbia; Nunavut is included in Ontario; and the Northwest Territories is included in the Prairies region.

SOVEREIGN RISK

The following table provides a summary of the Bank's direct credit exposures outside of Canada and the U.S. (Europe excludes United Kingdom).

TABLE 31 TOTAL NET EXPOSURE BY REGION AND COUNTERPARTY

(millions of Canadian dollars) *As at*

	Loans and commitments[1]				Derivatives, repos, and securities lending[2]				Trading and investment portfolio[3]				
Region	**Corporate**	**Sovereign**	**Financial**	**Total**	**Corporate**	**Sovereign**	**Financial**	**Total**	**Corporate**	**Sovereign**	**Financial**	**Total**	**Total Exposure[4]**
													October 31, 2024
Europe	**$ 8,490**	**$ 8**	**$ 5,050**	**$ 13,548**	**$ 4,847**	**$ 2,117**	**$ 8,145**	**$ 15,109**	**$ 1,157**	**$ 24,124**	**$ 2,660**	**$ 27,941**	**$ 56,598**
United Kingdom	**8,462**	**3,124**	**2,661**	**14,247**	**3,490**	**1,172**	**13,536**	**18,198**	**866**	**1,691**	**1,104**	**3,661**	**36,106**
Asia	**241**	**30**	**2,412**	**2,683**	**519**	**533**	**2,739**	**3,791**	**290**	**10,486**	**893**	**11,669**	**18,143**
Other[5]	**209**	**–**	**598**	**807**	**370**	**416**	**2,481**	**3,267**	**218**	**1,012**	**3,187**	**4,417**	**8,491**
Total	**$ 17,402**	**$ 3,162**	**$ 10,721**	**$ 31,285**	**$ 9,226**	**$ 4,238**	**$ 26,901**	**$ 40,365**	**$ 2,531**	**$ 37,313**	**$ 7,844**	**$ 47,688**	**$ 119,338**
													October 31, 2023
Europe	$ 7,577	$ 7	$ 5,324	$ 12,908	$ 3,763	$ 1,945	$ 6,736	$ 12,444	$ 777	$ 25,015	$ 2,001	$ 27,793	$ 53,145
United Kingdom	8,928	7,965	2,131	19,024	2,759	490	13,431	16,680	491	596	257	1,344	37,048
Asia	254	20	2,167	2,441	262	706	2,640	3,608	325	10,728	830	11,883	17,932
Other[5]	233	8	517	758	233	720	2,883	3,836	209	1,205	3,443	4,857	9,451
Total	$ 16,992	$ 8,000	$ 10,139	$ 35,131	$ 7,017	$ 3,861	$ 25,690	$ 36,568	$ 1,802	$ 37,544	$ 6,531	$ 45,877	$ 117,576

[1] Exposures, including interest-bearing deposits with banks, are presented net of impairment charges where applicable.
[2] Exposures are calculated on a fair value basis and presented net of collateral. Derivatives are presented as net exposures where there is an International Swaps and Derivatives Association master netting agreement.
[3] Trading exposures are net of eligible short positions.
[4] In addition to the exposures identified above, the Bank also has $35.5 billion (October 31, 2023 – $40.8 billion) of exposure to supranational entities.
[5] Other regional exposure largely attributable to Australia.

IMPAIRED LOANS

A loan is considered impaired and migrates to Stage 3 when it is 90 days or more past due for retail exposures, rated borrower risk rating (BRR) 9 for non-retail exposures, or when there is objective evidence that there has been a deterioration of credit quality to the extent that the Bank no longer has reasonable assurance as to the timely collection of the full amount of principal and interest. Gross impaired loans excluding ACI loans increased $1,650 million, or 50%, compared with the prior year.

In Canada, impaired loans net of Stage 3 allowances increased by $352 million, or 45% in 2024. Residential mortgages, consumer instalment and other personal loans, and credit cards, had net impaired loans of $512 million, an increase of $136 million, or 36%, compared with the prior year, reflecting credit migration. Business and government impaired loans net of Stage 3 allowances were $622 million, an increase of $216 million, compared with $406 million in the prior year, reflecting an increase in the commercial and Wholesale lending portfolios as new formations outpaced resolutions.

In the U.S., impaired loans net of Stage 3 allowances increased by $753 million, or 50% in 2024. Residential mortgages, consumer instalment and other personal loans, and credit cards, had net impaired loans of $1,118 million, an increase of $133 million, or 14%, compared with the prior year, reflecting credit migration. Business and government net impaired loans were $1,130 million, an increase of $620 million, compared with $510 million in the prior year, reflecting an increase in the commercial lending portfolios as new formations outpaced resolutions, and the impact of foreign exchange.

Geographically, 33% of total net impaired loans were located in Canada and 66% in the U.S. The largest regional concentration of net impaired loans in Canada was in Ontario, representing 24% of total net impaired loans, compared with 23% in the prior year. The largest regional concentration of net impaired loans in the U.S. was in New York, representing 23% of total net impaired loans, compared with 21% in the prior year.

TABLE 32	CHANGES IN GROSS IMPAIRED LOANS AND ACCEPTANCES[1,2,3]	
(millions of Canadian dollars)	**2024**	2023
Personal, Business and Government Loans		
Impaired loans as at beginning of period	**$ 3,299**	$ 2,503
Classified as impaired during the period	**8,655**	5,885
Transferred to performing during the period	**(1,094)**	(931)
Net repayments	**(1,801)**	(1,351)
Disposals of loans	**(158)**	–
Amounts written off	**(3,984)**	(2,846)
Exchange and other movements	**32**	39
Impaired loans as at end of year	**$ 4,949**	$ 3,299

[1] Includes customers' liability under acceptances.
[2] Excludes ACI loans.
[3] Includes loans that are measured at FVOCI.

TABLE 33 **IMPAIRED LOANS NET OF STAGE 3 ALLOWANCE FOR LOAN LOSSES BY INDUSTRY SECTOR**[1,2,3,4]

(millions of Canadian dollars, except as noted)				*As at*		*Percentage of total*
			October 31 2024	October 31 2023	**October 31 2024**	October 31 2023
	Gross impaired loans	**Stage 3 allowances for loan losses impaired**	**Net impaired loans**	Net impaired loans		
Canada						
Residential mortgages	**$ 275**	**$ 28**	**$ 247**	$ 162	**7.2%**	7.1%
Consumer instalment and other personal						
HELOC	**185**	**31**	**154**	117	**4.5**	5.1
Indirect auto	**132**	**98**	**34**	30	**1.0**	1.4
Other	**72**	**48**	**24**	21	**0.7**	0.9
Credit card[5]	**143**	**90**	**53**	46	**1.6**	2.0
Total personal	**807**	**295**	**512**	376	**15.0**	16.5
Real estate						
Residential	**53**	**7**	**46**	6	**1.4**	0.3
Non-residential	**100**	**25**	**75**	62	**2.2**	2.7
Total real estate	**153**	**32**	**121**	68	**3.6**	3.0
Agriculture	**56**	**7**	**49**	13	**1.5**	0.5
Automotive	**160**	**84**	**76**	14	**2.2**	0.6
Financial	**47**	**36**	**11**	3	**0.3**	0.1
Food, beverage, and tobacco	**126**	**96**	**30**	19	**0.9**	0.8
Forestry	**11**	**4**	**7**	2	**0.2**	0.1
Government, public sector entities, and education	**12**	**8**	**4**	4	**0.1**	0.2
Health and social services	**138**	**58**	**80**	102	**2.4**	4.5
Industrial construction and trade contractors	**43**	**16**	**27**	12	**0.8**	0.5
Metals and mining	**22**	**14**	**8**	15	**0.2**	0.7
Oil and gas	**11**	**11**	**–**	1	**–**	–
Power and utilities	**–**	**–**	**–**	–	**–**	–
Professional and other services	**74**	**43**	**31**	24	**0.9**	1.1
Retail sector	**144**	**66**	**78**	61	**2.3**	2.7
Sundry manufacturing and wholesale	**100**	**37**	**63**	14	**1.8**	0.6
Telecommunications, cable, and media	**10**	**6**	**4**	13	**0.1**	0.6
Transportation	**45**	**25**	**20**	16	**0.6**	0.7
Other	**25**	**12**	**13**	25	**0.4**	1.1
Total business and government	**1,177**	**555**	**622**	406	**18.3**	17.8
Total Canada	**$ 1,984**	**$ 850**	**$ 1,134**	$ 782	**33.3%**	34.3%

[1] Includes customers' liability under acceptances.
[2] Primarily based on the geographic location of the customer's address.
[3] Includes loans that are measured at FVOCI.
[4] Excludes ACI loans, debt securities classified as loans under IAS 39, *Financial Instruments: Recognition and Measurement* and DSAC and debt securities at FVOCI under IFRS 9.
[5] Credit cards are considered impaired when they are 90 days past due and written off at 180 days past due.

TABLE 33	**IMPAIRED LOANS NET OF STAGE 3 ALLOWANCE FOR LOAN LOSSES BY INDUSTRY SECTOR** (continued)[1,2,3,4]

(millions of Canadian dollars, except as noted)				*As at*		*Percentage of total*
			October 31 2024	October 31 2023	**October 31 2024**	October 31 2023
	Gross impaired loans	**Stage 3 allowances for loan losses impaired**	**Net impaired loans**	Net impaired loans		
United States						
Residential mortgages	**$ 490**	**$ 32**	**$ 458**	$ 399	**13.5%**	17.5%
Consumer instalment and other personal						
HELOC	**282**	**22**	**260**	213	**7.6**	9.4
Indirect auto	**309**	**58**	**251**	215	**7.4**	9.4
Other	**10**	**5**	**5**	2	**0.1**	0.1
Credit card[5]	**432**	**288**	**144**	156	**4.2**	6.9
Total personal	**1,523**	**405**	**1,118**	985	**32.8**	43.3
Real estate						
Residential	**201**	**10**	**191**	79	**5.6**	3.5
Non-residential	**409**	**25**	**384**	203	**11.3**	8.9
Total real estate	**610**	**35**	**575**	282	**16.9**	12.4
Agriculture	**2**	**–**	**2**	3	**0.1**	0.1
Automotive	**4**	**–**	**4**	3	**0.1**	0.1
Financial	**1**	**–**	**1**	1	**–**	–
Food, beverage, and tobacco	**11**	**1**	**10**	3	**0.3**	0.1
Forestry	**–**	**–**	**–**	–	**–**	–
Government, public sector entities, and education	**62**	**15**	**47**	2	**1.4**	0.1
Health and social services	**55**	**6**	**49**	35	**1.4**	1.6
Industrial construction and trade contractors	**38**	**4**	**34**	18	**1.0**	0.8
Metals and mining	**2**	**–**	**2**	–	**0.1**	–
Oil and gas	**4**	**4**	**–**	1	**–**	–
Power and utilities	**98**	**67**	**31**	–	**0.9**	–
Professional and other services	**165**	**24**	**141**	52	**4.1**	2.3
Retail sector	**54**	**8**	**46**	27	**1.3**	1.2
Sundry manufacturing and wholesale	**48**	**6**	**42**	48	**1.2**	2.1
Telecommunications, cable, and media	**150**	**45**	**105**	18	**3.1**	0.8
Transportation	**13**	**1**	**12**	6	**0.4**	0.3
Other	**35**	**6**	**29**	11	**0.9**	0.5
Total business and government	**1,352**	**222**	**1,130**	510	**33.2**	22.4
Total United States	**2,875**	**627**	**2,248**	1,495	**66.0**	65.7
International	**90**	**65**	**25**	–	**0.7**	–
Total	**$ 4,949**	**$ 1,542**	**$ 3,407**	$ 2,277	**100.0%**	100.0%
Net impaired loans as a % of common equity			**3.27%**	2.25%		

[1] Includes customers' liability under acceptances.
[2] Primarily based on the geographic location of the customer's address.
[3] Includes loans that are measured at FVOCI.
[4] Excludes ACI loans, debt securities classified as loans under IAS 39, *Financial Instruments: Recognition and Measurement* and DSAC and debt securities at FVOCI under IFRS 9.
[5] Credit cards are considered impaired when they are 90 days past due and written off at 180 days past due.

TABLE 34	IMPAIRED LOANS NET OF STAGE 3 ALLOWANCE FOR LOAN LOSSES BY GEOGRAPHY[1,2,3,4,5]

(millions of Canadian dollars, except as noted)				As at		Percentage of total
			October 31 2024	October 31 2023	**October 31 2024**	October 31 2023
	Gross impaired loans	**Stage 3 allowances for loan losses impaired**	**Net impaired loans**	Net impaired loans		
Canada						
Atlantic provinces	**$ 39**	**$ 18**	**$ 21**	$ 22	**0.6%**	1.0%
British Columbia[6]	**193**	**63**	**130**	59	**3.8**	2.5
Ontario[6]	**1,463**	**662**	**801**	533	**23.5**	23.4
Prairies[6]	**208**	**72**	**136**	128	**4.0**	5.6
Québec	**81**	**35**	**46**	40	**1.4**	1.8
Total Canada	**1,984**	**850**	**1,134**	782	**33.3**	34.3
United States						
Carolinas (North and South)	**122**	**21**	**101**	74	**3.0**	3.2
Florida	**291**	**49**	**242**	206	**7.1**	9.1
New England[7]	**275**	**43**	**232**	177	**6.8**	7.8
New Jersey	**311**	**51**	**260**	150	**7.6**	6.6
New York	**865**	**95**	**770**	486	**22.6**	21.3
Pennsylvania	**141**	**18**	**123**	56	**3.6**	2.5
Other	**870**	**350**	**520**	346	**15.3**	15.2
Total United States	**2,875**	**627**	**2,248**	1,495	**66.0**	65.7
Total International	**90**	**65**	**25**	–	**0.7**	–
Total	**$ 4,949**	**$ 1,542**	**$ 3,407**	$ 2,277	**100.0%**	100.0%
Net impaired loans as a % of net loans			**0.36%**	0.25%		

[1] Includes customers' liability under acceptances.
[2] Primarily based on the geographic location of the customer's address.
[3] Includes loans that are measured at FVOCI.
[4] Excludes ACI loans.
[5] Credit cards are considered impaired when they are 90 days past due and written off at 180 days past due.
[6] The territories are included as follows: Yukon is included in British Columbia; Nunavut is included in Ontario; and the Northwest Territories is included in the Prairies region.
[7] The states included in New England are as follows: Connecticut, Maine, Massachusetts, New Hampshire, and Vermont.

ALLOWANCE FOR CREDIT LOSSES

The allowance for credit losses including off-balance sheet positions of $9,141 million as at October 31, 2024, was comprised of Stage 3 allowance for impaired loans of $1,553 million, Stage 2 allowance of $4,675 million, and Stage 1 allowance of $2,909 million, and allowance for debt securities of $4 million. The Stage 1 and 2 allowances are for performing loans and off-balance sheet instruments.

Stage 3 allowances (impaired)

The Stage 3 allowance for loan losses increased $517 million, or 50%, compared with last year, largely reflected in the Business and Government lending portfolios, and the impact of foreign exchange.

Stage 1 and Stage 2 allowances (performing)

As at October 31, 2024, the performing allowance was $7,584 million, up from $7,149 million as at October 31, 2023. The increase this year largely reflected credit conditions, including credit migration, volume growth, and the impact of foreign exchange. The allowance increase included $12 million attributable to the partners' share of the U.S. strategic cards portfolios. The performing allowance for debt securities is flat compared with last year.

Forward-looking information, including macroeconomic variables deemed to be predictive of ECLs based on the Bank's experience, is used to determine ECL scenarios and associated probability weights to determine the probability-weighted ECLs. Each quarter, all base forecast macroeconomic variables are refreshed, resulting in new upside and downside macroeconomic scenarios. The probability weightings assigned to each ECL scenario are also reviewed each quarter and updated as required, as part of the Bank's ECL governance process. As a result of periodic reviews and quarterly updates, the allowance for credit losses may be revised to reflect updates in loss estimates based on the Bank's recent loss experience and its forward-looking views. The Bank periodically reviews the methodology and has performed certain additional quantitative and qualitative portfolio and loan level assessments of significant increase in credit risk. Refer to Note 3 of the Bank's 2024 Consolidated Financial Statements for further details on forward-looking information.

The probability-weighted allowance for credit losses reflects the Bank's forward-looking views. To the extent that certain anticipated effects cannot be fully incorporated into quantitative models, management continues to exercise expert credit judgment in determining the amount of ECLs. Refer to Note 3 of the Bank's 2024 Consolidated Financial Statements for additional detail.

PROVISION FOR CREDIT LOSSES

The PCL is the amount charged to income to bring the total allowance for credit losses, including both Stage 1 and 2 allowances (performing) and Stage 3 allowance (impaired), to a level that management considers adequate to absorb expected and incurred credit-related losses in the Bank's loan portfolio. Provisions are reduced by any recoveries in the year.

In Canada, PCL – impaired related to residential mortgages, consumer instalment and other personal loans, and credit card loans was $1,158 million, an increase of $347 million, or 43%, compared to 2023 reflecting credit migration. PCL – impaired related to business and government loans was $445 million, an increase of $246 million, compared to $199 million in the prior year, reflecting credit migration.

In the U.S., PCL – impaired related to residential mortgages, consumer instalment and other personal loans, and credit card loans was $1,712 million, an increase of $433 million, or 34%, compared to 2023, reflecting credit migration and the impact of foreign exchange. PCL – impaired related to business and government loans was $457 million, an increase of $260 million, compared to $197 million in the prior year, largely reflecting credit migration and the impact of foreign exchange.

Geographically, the largest regional concentration of PCL – impaired in Canada was in Ontario. The largest regional concentration of PCL – impaired in the U.S. was in New York.

The following table provides a summary of provisions charged to the Consolidated Statement of Income.

TABLE 35 **PROVISION FOR CREDIT LOSSES**[1]

(millions of Canadian dollars)	**2024**	2023
Provision for credit losses – Stage 3 (impaired)		
Canadian Personal and Commercial Banking	**$ 1,555**	$ 1,013
U.S. Retail	**1,437**	965
Wealth Management and Insurance	**–**	1
Wholesale Banking	**247**	16
Corporate[2]	**638**	491
Total provision for credit losses – Stage 3	**3,877**	2,486
Provision for credit losses – Stage 1 and Stage 2 (performing)		
Canadian Personal and Commercial Banking	**200**	330
U.S. Retail	**95**	(37)
Wealth Management and Insurance	**–**	–
Wholesale Banking	**70**	110
Corporate[2]	**11**	44
Total provision for credit losses – Stage 1 and 2	**376**	447
Provision for credit losses	**$ 4,253**	$ 2,933

[1] Includes PCL for off-balance sheet instruments.
[2] Includes PCL on the retailer program partners' share of the U.S. strategic cards portfolio.

TABLE 36 **PROVISION FOR CREDIT LOSSES BY INDUSTRY SECTOR**[1,2]

(millions of Canadian dollars, except as noted)	*For the years ended*		*Percentage of total*	
	October 31 2024	October 31 2023	**October 31 2024**	October 31 2023
Stage 3 provision for credit losses (impaired)				
Canada				
Residential mortgages	**$ 9**	$ 9	**0.2%**	0.4%
Consumer instalment and other personal				
HELOC	**7**	8	**0.2**	0.3
Indirect auto	**396**	227	**10.2**	9.1
Other	**244**	188	**6.3**	7.6
Credit card	**502**	379	**12.9**	15.2
Total personal	**1,158**	811	**29.8**	32.6
Real estate				
Residential	**2**	1	**–**	–
Non-residential	**19**	12	**0.5**	0.5
Total real estate	**21**	13	**0.5**	0.5
Agriculture	**7**	1	**0.2**	–
Automotive	**69**	14	**1.8**	0.6
Financial	**37**	–	**1.0**	–
Food, beverage, and tobacco	**81**	16	**2.1**	0.6
Forestry	**3**	–	**0.1**	–
Government, public sector entities, and education	**–**	–	**–**	–
Health and social services	**18**	40	**0.4**	1.6
Industrial construction and trade contractors	**24**	14	**0.6**	0.6
Metals and mining	**4**	–	**0.1**	–
Oil and gas	**–**	(1)	**–**	–
Power and utilities	**–**	–	**–**	–
Professional and other services	**30**	19	**0.8**	0.8
Retail sector	**44**	11	**1.1**	0.4
Sundry manufacturing and wholesale	**63**	8	**1.6**	0.3
Telecommunications, cable, and media	**3**	4	**0.1**	0.2
Transportation	**31**	5	**0.8**	0.2
Other	**10**	55	**0.3**	2.2
Total business and government	**445**	199	**11.5**	8.0
Total Canada	**$ 1,603**	$ 1,010	**41.3%**	40.6%

[1] Primarily based on the geographic location of the customer's address.
[2] Includes loans that are measured at FVOCI.

TABLE 36	PROVISION FOR CREDIT LOSSES BY INDUSTRY SECTOR (continued)[1,2]			
(millions of Canadian dollars, except as noted)	*For the years ended*		*Percentage of total*	
	October 31 2024	October 31 2023	**October 31 2024**	October 31 2023
United States				
Residential mortgages	**$ (2)**	$ (2)	**(0.1)%**	(0.1)%
Consumer instalment and other personal				
HELOC	**3**	(2)	**0.1**	(0.1)
Indirect auto	**355**	205	**9.2**	8.2
Other	**233**	222	**6.0**	9.0
Credit card	**1,123**	856	**29.0**	34.4
Total personal	**1,712**	1,279	**44.2**	51.4
Real estate				
Residential	**13**	2	**0.3**	0.1
Non-residential	**89**	80	**2.3**	3.2
Total real estate	**102**	82	**2.6**	3.3
Agriculture	**1**	–	**–**	–
Automotive	**4**	3	**0.1**	0.1
Financial	**1**	(2)	**–**	(0.1)
Food, beverage, and tobacco	**10**	–	**0.3**	–
Government, public sector entities, and education	**17**	–	**0.5**	–
Health and social services	**6**	5	**0.2**	0.2
Industrial construction and trade contractors	**18**	5	**0.5**	0.2
Metals and mining	**–**	(1)	**–**	–
Oil and gas	**–**	–	**–**	–
Power and utilities	**65**	–	**1.7**	–
Professional and other services	**47**	16	**1.2**	0.6
Retail sector	**29**	9	**0.7**	0.4
Sundry manufacturing and wholesale	**39**	36	**1.0**	1.5
Telecommunications, cable, and media	**53**	16	**1.4**	0.6
Transportation	**9**	4	**0.2**	0.2
Other	**56**	24	**1.4**	1.0
Total business and government	**457**	197	**11.8**	8.0
Total United States	**2,169**	1,476	**56.0**	59.4
International	**105**	–	**2.7**	–
Total excluding other loans	**3,877**	2,486	**100.0**	100.0
Other loans				
Debt securities at amortized cost and FVOCI	**–**	–	**–**	–
Acquired credit-impaired loans[3]	**–**	–	**–**	–
Total other loans	**–**	–	**–**	–
Total Stage 3 provision for credit losses (impaired)	**$ 3,877**	$ 2,486	**100.0%**	100.0%
Stage 1 and 2 provision for credit losses				
Personal, business, and government	**$ 376**	$ 447		
Debt securities at amortized cost and FVOCI	**–**	–		
Total Stage 1 and 2 provision for credit losses	**376**	447		
Total provision for credit losses	**$ 4,253**	$ 2,933		

[1] Primarily based on the geographic location of the customer's address.
[2] Includes loans that are measured at FVOCI.
[3] Includes all FDIC covered loans and other ACI loans.

TABLE 37 PROVISION FOR CREDIT LOSSES BY GEOGRAPHY[1,2,3]

(millions of Canadian dollars, except as noted)	For the years ended		Percentage of total	
	October 31 2024	October 31 2023	**October 31 2024**	October 31 2023
Canada				
Atlantic provinces	**$ 63**	$ 49	**1.5%**	1.7%
British Columbia[4]	**186**	116	**4.4**	4.0
Ontario[4]	**938**	551	**22.0**	18.8
Prairies[4]	**276**	203	**6.5**	6.9
Québec	**140**	91	**3.3**	3.1
Total Canada	**1,603**	1,010	**37.7**	34.5
United States				
Carolinas (North and South)	**93**	68	**2.2**	2.3
Florida	**242**	173	**5.7**	5.9
New England[5]	**186**	135	**4.4**	4.6
New Jersey	**158**	109	**3.7**	3.7
New York	**328**	262	**7.7**	9.0
Pennsylvania	**79**	53	**1.8**	1.8
Other[6]	**1,083**	676	**25.5**	23.0
Total United States	**2,169**	1,476	**51.0**	50.3
International	**105**	–	**2.5**	–
Total excluding other loans	**3,877**	2,486	**91.2**	84.8
Other loans[7]	**–**	–	**–**	–
Total Stage 3 provision for credit losses (impaired)	**3,877**	2,486	**91.2**	84.8
Stage 1 and 2 provision for credit losses	**376**	447	**8.8**	15.2
Total provision for credit losses	**$ 4,253**	$ 2,933	**100.0%**	100.0%

Provision for credit losses as a % of average net loans and acceptances[6]	**October 31 2024**	October 31 2023
Canada		
Residential mortgages	**–%**	–%
Credit card, consumer instalment and other personal	**0.62**	0.46
Business and government	**0.25**	0.12
Total Canada	**0.25**	0.17
United States		
Residential mortgages	**–**	–
Credit card, consumer instalment and other personal	**2.43**	1.96
Business and government	**0.28**	0.13
Total United States	**0.75**	0.54
International	**2.49**	–
Total excluding other loans	**0.42**	0.28
Other loans	**–**	–
Total Stage 3 provision for credit losses (impaired)	**0.42**	0.28
Stage 1 and 2 provision for credit losses	**0.04**	0.05
Total provision for credit losses as a % of average net loans and acceptances	**0.46%**	0.34%

[1] Primarily based on the geographic location of the customer's address.
[2] Includes loans that are measured at FVOCI.
[3] Includes customers' liability under acceptances.
[4] 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.
[5] The states included in New England are as follows: Connecticut, Maine, Massachusetts, New Hampshire, and Vermont.
[6] Includes PCL attributable to other states/regions including those outside TD's core U.S. geographic footprint.
[7] Other loans include ACI.

Capital Position

TABLE 38	CAPITAL STRUCTURE AND RATIOS – Basel III	
(millions of Canadian dollars, except as noted)	**2024**	2023
Common Equity Tier 1 Capital		
Common shares plus related contributed surplus	**$ 25,543**	$ 25,522
Retained earnings	**70,826**	73,044
Accumulated other comprehensive income	**7,904**	2,750
Common Equity Tier 1 Capital before regulatory adjustments	**104,273**	101,316
Common Equity Tier 1 Capital regulatory adjustments		
Goodwill (net of related tax liability)	**(18,645)**	(18,424)
Intangibles (net of related tax liability)	**(2,921)**	(2,606)
Deferred tax assets excluding those arising from temporary differences	**(212)**	(207)
Cash flow hedge reserve	**3,015**	5,571
Shortfall of provisions to expected losses	**–**	–
Gains and losses due to changes in own credit risk on fair valued liabilities	**(193)**	(379)
Defined benefit pension fund net assets (net of related tax liability)	**(731)**	(908)
Investment in own shares	**(21)**	(21)
Non-significant investments in the capital of banking, financial, and insurance entities, net of eligible short positions (amount above 10% threshold)	**(1,835)**	(1,976)
Significant investments in the common stock of banking, financial, and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	**–**	–
Equity investments in funds subject to the fall-back approach	**(32)**	(49)
Other deductions or regulatory adjustments to CET1 as determined by OSFI	**16**	–
Total regulatory adjustments to Common Equity Tier 1 Capital	**(21,559)**	(18,999)
Common Equity Tier 1 Capital	**82,714**	82,317
Additional Tier 1 Capital instruments		
Directly issued qualifying Additional Tier 1 instruments plus stock surplus	**10,887**	10,791
Additional Tier 1 Capital instruments before regulatory adjustments	**10,887**	10,791
Additional Tier 1 Capital instruments regulatory adjustments		
Non-significant investments in the capital of banking, financial, and insurance entities, net of eligible short positions (amount above 10% threshold)	**(3)**	(6)
Significant investments in the capital of banking, financial, and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	**(350)**	(350)
Total regulatory adjustments to Additional Tier 1 Capital	**(353)**	(356)
Additional Tier 1 Capital	**10,534**	10,435
Tier 1 Capital	**93,248**	92,752
Tier 2 Capital instruments and provisions		
Directly issued qualifying Tier 2 instruments plus related stock surplus	**11,273**	9,424
Collective allowances	**1,512**	1,964
Tier 2 Capital before regulatory adjustments	**12,785**	11,388
Tier 2 regulatory adjustments		
Investment in own Tier 2 instruments	**–**	–
Non-significant investments in the capital of banking, financial, and insurance entities, net of eligible short positions (amount above 10% threshold)[1]	**(224)**	(196)
Non-significant investments in the other TLAC-eligible instruments issued by G-SIBs and Canadian D-SIBs, where the institution does not own more than 10% of the issued common share capital of the entity: amount previously designated for the 5% threshold but that no longer meets the conditions	**(64)**	(136)
Significant investments in the capital of banking, financial, and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	**–**	(160)
Total regulatory adjustments to Tier 2 Capital	**(288)**	(492)
Tier 2 Capital	**12,497**	10,896
Total Capital	**$ 105,745**	$ 103,648
Risk-weighted assets	**$ 630,900**	$ 571,161
Capital Ratios and Multiples		
Common Equity Tier 1 Capital (as percentage of risk-weighted assets)	**13.1%**	14.4%
Tier 1 Capital (as percentage of risk-weighted assets)	**14.8**	16.2
Total Capital (as percentage of risk-weighted assets)	**16.8**	18.1
Leverage ratio[2]	**4.2**	4.4

[1] Includes other TLAC-eligible instruments issued by global systemically important banks (G-SIBs) and Canadian domestic systemically important banks (D-SIBs) that are outside the scope of regulatory consolidation, where the institution does not own more than 10% of the issued common share capital of the entity.

[2] The Leverage ratio is calculated as Tier 1 Capital divided by leverage exposure, as defined in the "Regulatory Capital" section of this document.

THE BANK'S CAPITAL MANAGEMENT OBJECTIVES

The Bank's capital management objectives are:

- To maintain an adequate level of capital based on the Bank's risk profile as determined by:
  - the Bank's Risk Appetite Statement (RAS);
  - capital requirements defined by relevant regulatory authorities; and
  - the Bank's internal assessment of capital requirements, including stress test analysis, consistent with the Bank's risk profile and risk tolerance levels.
- Manage capital levels, in order to:
  - insulate the Bank from unexpected loss events;
  - maintain stakeholder confidence in the Bank;
  - establish that the Bank has adequate capital under a severe but plausible stress event; and
  - support and facilitate business growth and/or strategic deployment consistent with the Bank's strategy and risk appetite.
- To have the most economic weighted-average cost of capital achievable, while preserving the appropriate mix of capital elements to meet targeted capitalization levels.
- To support strong external debt ratings, in order to manage the Bank's overall cost of funds and to maintain access to required funding (in the event of unexpected loss or business growth).
- To maintain a robust capital planning process and framework to support capital funding decisions such as issuances, redemptions and distributions which in turn support the Bank's capital adequacy.

These objectives are applied in a manner consistent with the Bank's overall objective of providing a satisfactory return on shareholders' equity.

CAPITAL SOURCES

The Bank's capital is primarily derived from common shareholders and retained earnings. Other sources of capital include the Bank's preferred shareholders, limited recourse capital noteholders, perpetual subordinated capital noteholders, and holders of the Bank's subordinated debt.

CAPITAL MANAGEMENT

The Treasury and Balance Sheet Management (TBSM) group manages capital for the Bank and is responsible for forecasting and monitoring compliance with capital targets, recommending capital management actions, managing the internal capital adequacy assessment process (ICAAP), and developing and maintaining capital management policies. Oversight of capital management is provided by Risk Management and the Asset/Liability and Capital Committee (ALCO). The Board of Directors (the Board) is ultimately responsible for oversight of capital adequacy risk management.

The Bank continues to hold sufficient capital levels to provide flexibility to support organic growth and strategic priorities. Strong capital ratios are the result of the Bank's internal capital generation, management of the balance sheet, and periodic issuance of capital securities.

ECONOMIC CAPITAL

Economic capital, an internal measure of capital requirements, is a key component of the Bank's internal assessment of capital adequacy. The Economic capital framework requires assessment of all material risks to the Bank and determination of the amount of risk-based capital required to cover unexpected losses from the Bank's business operations in a manner consistent with the Bank's capital management objectives. The internal models used to perform this assessment are described in the "Managing Risk" section of this document.

The Bank operates its capital regime under the Basel Capital Framework. Consequently, in addition to addressing Pillar 1 risks covering credit risk, market risk, and operational risk, the Bank's economic capital framework captures other material Pillar 2 risks including non-trading market risk (interest rate risk in the banking book), additional credit risk due to concentration (commercial and wholesale portfolios), and "Other risks", such as business risk, insurance risk, and risks associated with significant investments. The framework also captures diversification benefits across risk types and business segments.

Please refer to the "Economic Capital and Risk-Weighted Assets by Segment" section for a business segment breakdown of the Bank's economic capital.

REGULATORY CAPITAL

Capital requirements established by the Basel Committee on Banking Supervision (BCBS) are commonly referred to as Basel III. Under Basel III, Total Capital consists of three components, namely CET1, Additional Tier 1, and Tier 2 Capital. Risk sensitive regulatory capital ratios are calculated by dividing CET1, Tier 1, and Total Capital by risk-weighted assets (RWA), inclusive of any minimum requirements outlined under the regulatory floor. Basel III also introduced a non-risk sensitive leverage ratio to act as a supplementary measure to the risk-sensitive capital requirements. The leverage ratio is calculated by dividing Tier 1 Capital by leverage exposure which is primarily comprised of on-balance sheet assets with adjustments made to derivative and securities financing transaction exposures, and credit equivalent amounts of off-balance sheet exposures. TD manages its regulatory capital in accordance with OSFI's implementation of the Basel III Capital Framework.

OSFI's Capital Requirements under Basel III

OSFI's CAR and LR guidelines detail how the Basel III capital rules apply to Canadian banks.

The Domestic Stability Buffer (DSB) level increased from 3% to 3.5% as of November 1, 2023. The 50 bps increase reflects OSFI's view of appropriate actions to enhance the resilience of Canada's largest banks. Currently, the DSB can range from 0 to 4%, with the effective level adjusted by OSFI in response to developments in Canada's financial system and the broader economy.

On February 1, 2023, OSFI implemented revised capital rules that incorporate the Basel III reforms with adjustments to make them suitable for domestic implementation. These revised rules include changes to the calculation of credit risk and operational risk requirements, and amendments to the LR Guideline to include a requirement for domestic systemically important banks (D-SIBs) to hold a leverage ratio buffer of 0.50% in addition to the regulatory minimum requirement of 3.0%. The LR buffer requirement also applies to the TLAC leverage ratio. On November 1, 2023, OSFI implemented the second and final phase of the Basel III reforms relating to the calculation of credit valuation adjustment (CVA) and market risk RWA requirements. In addition, effective November 1, 2023, the regulatory capital floor transitioned to 67.5% of RWA for fiscal 2024 from 65% of RWA in fiscal 2023.

On November 1, 2023, the Bank implemented OSFI's Parental Stand-Alone (Solo) Total Loss Absorbing Capacity (TLAC) Framework for D-SIBs, which establishes a risk-based measure intended to ensure that a non-viable D-SIB has sufficient loss absorbing capacity on a stand-alone, legal entity basis to support its resolution. The Bank is compliant with the requirements set out in this framework.

The table below summarizes OSFI's published regulatory minimum capital targets for the Bank as at October 31, 2024.

Regulatory Capital and TLAC Target Ratios

	Minimum	Capital Conservation Buffer	D-SIB / G-SIB Surcharge[1]	Pillar 1 Regulatory Target[2]	DSB	Pillar 1 & 2 Regulatory Target
CET1	4.5%	2.5%	1.0%	8.0%	3.5%	11.5%
Tier 1	6.0	2.5	1.0	9.5	3.5	13.0
Total Capital	8.0	2.5	1.0	11.5	3.5	15.0
Leverage	3.0	n/a[3]	0.5	3.5	n/a	3.5
TLAC	18.0	2.5	1.0	21.5	3.5	25.0
TLAC Leverage	6.75	n/a	0.50	7.25	n/a	7.25

[1] The higher of the D-SIB and G-SIB surcharge applies to risk weighted capital. The D-SIB surcharge is currently equivalent to the Bank's 1% G-SIB additional common equity requirement for risk weighted capital. The G-SIB surcharge may increase above 1% if the Bank's G-SIB score increases above certain thresholds to a maximum of 4.5%. OSFI's LR Guideline includes a requirement for D-SIBs to hold a leverage ratio buffer set at 50% of a D-SIB's higher loss absorbency risk-weighted requirements, effectively 0.50%. This buffer also applies to the TLAC Leverage ratio.

[2] The Bank's countercyclical buffer requirement is 0% as of October 31, 2024.

[3] Not applicable.

Capital Position and Capital Ratios

The Basel framework allows qualifying banks to determine capital levels consistent with the way they measure, manage, and mitigate risks. It specifies methodologies for the measurement of credit, trading market, and operational risks. The Bank uses the Internal Ratings-Based approaches to credit risk for all material portfolios.

For accounting purposes, IFRS is followed for consolidation of subsidiaries and joint ventures. For regulatory capital purposes, all subsidiaries of the Bank are consolidated except for insurance subsidiaries which are deconsolidated and follow prescribed treatment as per OSFI's CAR guidelines. Insurance subsidiaries are subject to their own capital adequacy reporting, such as OSFI's Minimum Capital Test for General Insurance and Life Insurance Capital Adequacy Test for Life and Health.

Some of the Bank's subsidiaries are individually regulated by either OSFI or other regulators. Many of these entities have minimum capital requirements which may limit the Bank's ability to repatriate or redeploy capital or funds for other uses.

The impact to CET1 capital upon adoption of IFRS 17 is immaterial to the Bank.

As at October 31, 2024, the Bank's CET1, Tier 1, and Total Capital ratios were 13.1%, 14.8%, and 16.8%, respectively. The decrease in the Bank's CET1 Capital ratio from 14.4% as at October 31, 2023, was primarily attributable to the charges for the global resolution of the investigations into the Bank's U.S. BSA/AML program, common shares repurchased for cancellation, and RWA growth across various segments. CET1 was also impacted by regulatory changes related to the Fundamental Review of the Trading Book and negatively amortizing mortgages and the FDIC special assessment booked in the fiscal year. The impact of the foregoing items was partially offset by internal capital generation, the sale of TD's common share holdings in Schwab and First Horizon, and the issuance of common shares pursuant to the Bank's dividend reinvestment plan. In the fourth quarter of fiscal 2024: (i) the operational risk RWA impact from the Bank's provisions for investigations into the Bank's U.S. BSA/AML program had a negative 35 basis point impact on the Bank's CET1 ratio, which is reported on a one-quarter lag basis consistent with the Basel III reforms; (ii) the Bank's sale of 40.5 million Schwab shares had a positive 54 basis point impact on the Bank's CET1 ratio; and (iii) U.S. balance sheet restructuring activities had a negative 4 basis point impact on the Bank's CET1 ratio.

As at October 31, 2024, the Bank's leverage ratio was 4.2%. Compared with the Bank's leverage ratio of 4.4% at October 31, 2023, the decrease was attributable primarily to increased leverage exposures across various segments, largely driven by the expiration of the temporary exclusion of central bank reserves in determining leverage exposure, common shares repurchased for cancellation, and an increase in the goodwill and intangibles deduction related to the Cowen acquisition, partially offset by organic capital growth and the issuance of common shares pursuant to the Bank's dividend reinvestment plan.

Common Equity Tier 1 Capital

CET1 Capital was $82.7 billion as at October 31, 2024. Capital management funding activities during the year included common share issuance of $0.6 billion under the dividend reinvestment plan and from stock option exercises, offset by common shares repurchased of $0.7 billion.

Tier 1 and Tier 2 Capital

Tier 1 Capital was $93.2 billion as at October 31, 2024, consisting of CET1 Capital and Additional Tier 1 Capital of $82.7 billion and $10.5 billion, respectively. The Bank's Tier 1 Capital management activities during the year consisted of the issue and redemption of Tier 1-qualifying capital instruments as follows:

- On April 30, 2024, the Bank redeemed all of its 14 million outstanding Class A Preferred Shares Series 22, at a redemption price of $25.00 per share, for a total redemption cost of $350 million.
- On July 3, 2024, the Bank issued US$750 million Limited Recourse Capital Notes (LRCN) Series 4, which bear interest at a rate of 7.25 per cent annually for the initial period ending July 31, 2029. Thereafter, the interest rate will reset every five years at the prevailing 5-year U.S. Treasury Rate plus 2.977 per cent. LRCN Series 4 will mature on July 31, 2084. Concurrently with the issuance of the LRCNs, the Bank issued 750,000 Preferred Shares Series 31. The Preferred Shares Series 31 are eliminated on the Bank's consolidated financial statements.
- On July 31, 2024, the Bank redeemed all of its 20 million outstanding Class A Preferred Shares Series 3, at a redemption price of $25.00 per share, for a total redemption cost of approximately $500 million.
- On July 31, 2024, the Bank redeemed all of its 18 million outstanding Class A Preferred Shares Series 24, at a redemption price of $25.00 per share, for a total redemption cost of approximately $450 million.
- On July 10, 2024, the Bank issued SGD 310 million of Perpetual Subordinated Additional Tier 1 Capital Notes ("Perpetual Notes"). The Perpetual Notes will bear interest at a rate of 5.7 per cent annually for the initial period ending July 31, 2029. Thereafter, the interest rate will reset every five years at a rate equal to the 5-year SORA-OIS Rate plus 2.652 per cent. The Perpetual Notes have no scheduled maturity or redemption date.

Tier 2 Capital was $12.5 billion as at October 31, 2024. Tier 2 Capital management activities during the year consisted of the issue and redemption of Tier 2-qualifying capital instruments as follows:

- On April 9, 2024, the Bank issued $1.75 billion of 5.177% Subordinated Notes. The notes bear interest at a fixed rate of 5.177% per annum until April 9, 2029, and daily compounded CORRA plus 1.53% thereafter until maturity on April 9, 2034.
- On July 25, 2024, the Bank redeemed all of its outstanding $1.5 billion 3.224% Subordinated Notes due July 25, 2029, at par plus accrued and unpaid interest.
- On September 10, 2024, the Bank issued US$1 billion of 5.164% Subordinated Notes. The notes bear interest at a fixed rate of 5.146% per annum until September 10, 2029, and the 5-year U.S. Treasury Rate plus 1.500% thereafter until maturity on September 10, 2034.
- On October 30, 2024, the Bank issued JPY 20 billion of 1.601% Subordinated Notes. The notes bear interest at a fixed rate of 1.601% per annum until October 30, 2029, and at the 5-year Japanese Government Bond rate plus 1.032% thereafter, until maturity on October 30, 2034.

INTERNAL CAPITAL ADEQUACY ASSESSMENT PROCESS

The Bank's Internal Capital Adequacy Assessment Process (ICAAP) is an integrated enterprise-wide process that encompasses the governance, management, and control of risk and capital functions within the Bank. It provides a framework for relating risks to capital requirements through the Bank's capital modelling and stress testing practices which help inform the Bank's overall capital adequacy requirements.

The ICAAP is led by TBSM with support from numerous functional areas who collectively help assess the Bank's internal capital adequacy. This assessment evaluates the capacity to bear risk in alignment with the Bank's risk profile and RAS. TBSM assesses and monitors the overall adequacy of the Bank's available capital in relation to both internal and regulatory capital requirements under normal and stressed conditions.

NVCC Provision

If an NVCC trigger event were to occur, for all series of Class A First Preferred Shares excluding the preferred shares issued with respect to LRCNs, the maximum number of common shares that could be issued, assuming there are no declared and unpaid dividends on the respective series of preferred shares at the time of conversion, would be 0.8 billion in aggregate.

The LRCNs, by virtue of the recourse to the preferred shares held in the Limited Recourse Trust, include NVCC provisions. For LRCNs, if an NVCC trigger were to occur, the maximum number of common shares that could be issued, assuming there are no declared and unpaid dividends on the preferred shares series issued in connection with such LRCNs, would be 1.3 billion in aggregate.

For NVCC subordinated notes and debentures (including Perpetual Notes), if an NVCC trigger event were to occur, the maximum number of common shares that could be issued, assuming there is no accrued and unpaid interest on the respective subordinated notes and debentures, would be 3.5 billion in aggregate.

DIVIDEND RESTRICTIONS

The Bank is prohibited by the *Bank Act (Canada)* from declaring dividends on its preferred or common shares if there are reasonable grounds for believing that the Bank is, or the payment would cause the Bank to be, in contravention of the capital adequacy and liquidity regulations of the *Bank Act (Canada)* or directions of OSFI. The Bank does not anticipate that this condition will restrict it from paying dividends in the normal course of business. In addition, the ability to pay dividends on common shares without the approval of the holders of the outstanding preferred shares is restricted unless all dividends on the preferred shares have been declared and paid or set apart for payment. Currently, these limitations do not restrict the payment of dividends on common shares or preferred shares.

DIVIDENDS

On December 4, 2024, the Board approved a dividend in an amount of one dollar and five cents ($1.05) per fully paid common share in the capital stock of the Bank for the quarter ending January 31, 2025, payable on and after January 31, 2025, to shareholders of record at the close of business on January 10, 2025.

At October 31, 2024, the quarterly dividend was $1.02 per common share. Common share cash dividends declared and paid during the year totalled $4.08 per share (2023 – $3.84), representing a payout ratio of 52.1%, slightly above the Bank's target payout range of 40-50% of adjusted earnings. For cash dividends payable on the Bank's preferred shares, refer to Note 20 of the 2024 Consolidated Financial Statements. As at October 31, 2024, 1,750 million common shares were outstanding (2023 – 1,791 million).

DIVIDEND REINVESTMENT PLAN

The Bank offers a dividend reinvestment plan for its common shareholders. Participation in the plan is optional and under the terms of the plan, cash dividends on common shares are used to purchase additional common shares. At the option of the Bank, the common shares may be issued from treasury at an average market price based on the last five trading days before the date of the dividend payment, with a discount of between 0% to 5% at the Bank's discretion or purchased from the open market at market price.

During the year ended October 31, 2024, under the dividend reinvestment plan, the Bank issued 6.6 million common shares from treasury with no discount. During the year ended October 31, 2023, under the dividend reinvestment plan, the Bank issued 3.7 million common shares from treasury with no discount and 16.8 million common shares with a 2% discount.

NORMAL COURSE ISSUER BID

On August 28, 2023, the Bank announced that the Toronto Stock Exchange (TSX) and OSFI approved a normal course issuer bid (NCIB) to repurchase for cancellation up to 90 million of its common shares. The NCIB commenced on August 31, 2023, and during the year ended October 31, 2024, the Bank repurchased 49.4 million common shares under the NCIB at an average price of $80.15 per share for a total amount of $4.0 billion. From the commencement of the NCIB to October 31, 2024, the Bank repurchased 71.4 million shares under the program.

RISK-WEIGHTED ASSETS

Based on Basel III, RWA are calculated for each of credit risk, market risk, and operational risk. Details of the Bank's RWA are included in the following table.

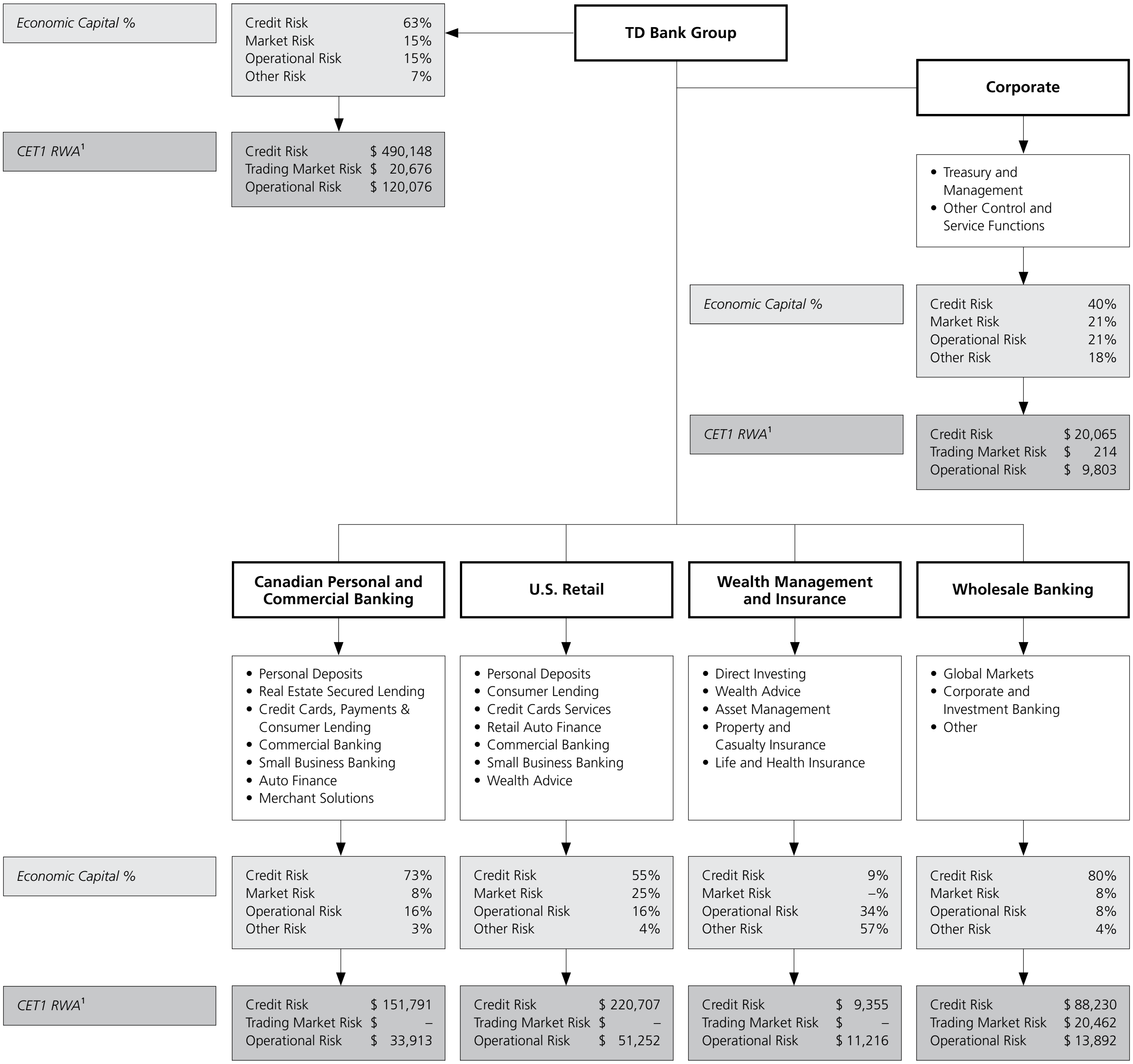
TABLE 39 RISK-WEIGHTED ASSETS

(millions of Canadian dollars)		*As at*
	October 31 2024	October 31 2023
Credit risk		
Retail		
Residential secured	**$ 58,215**	$ 53,611
Qualifying revolving retail	**40,186**	39,834
Other retail	**53,929**	45,298
Non-retail		
Corporate	**222,370**	211,479
Sovereign	**12,929**	13,656
Bank	**11,555**	14,080
Securitization exposures	**16,524**	16,652
Subordinated debt, equity, and other capital instruments	**37,986**	34,655
Other assets	**36,454**	37,867
Exposures subject to standardized or Internal Ratings-Based (IRB) approaches	**490,148**	467,132
Total credit risk	**490,148**	467,132
Market risk	**20,676**	16,952
Operational risk[1]	**120,076**	87,077
Total	**$ 630,900**	$ 571,161

[1] Increase in Operational Risk RWA is primarily driven by the charges for the global resolution of the investigations into the Bank's U.S. BSA/AML program as well as the business growth.

ECONOMIC CAPITAL AND RISK-WEIGHTED ASSETS BY SEGMENT

The following chart provides a breakdown of the Bank's RWA and economic capital as at October 31, 2024. RWA reflects capital requirements assessed based on regulatory prescribed rules for credit risk, trading market risk, and operational risk. Economic capital reflects the Bank's internal view of capital requirements for these risks as well as risks not captured within the assessment of RWA as described in the "Economic Capital" section of this document. The results shown in the chart do not reflect attribution of goodwill and intangibles. For additional information on the risks highlighted below, refer to the "Managing Risk" section of this document.



[1] Amounts are in millions of Canadian dollars

TABLE 40	EQUITY AND OTHER SECURITIES[1]			

(millions of shares/units and millions of Canadian dollars, except as noted)

				As at
	October 31, 2024		October 31, 2023	
	Number of shares/units	**Amount**	Number of shares/units	Amount
Common shares				
Common shares outstanding	**1,750.3**	**$ 25,373**	1,791.4	$ 25,434
Treasury – common shares	**(0.2)**	**(17)**	(0.7)	(64)
Total common shares	**1,750.1**	**$ 25,356**	1,790.7	$ 25,370
Stock options				
Vested	**5.4**		5.1	
Non-vested	**9.3**		9.0	
Preferred shares – Class A				
Series 1[2,3]	**20.0**	**$ 500**	20.0	$ 500
Series 3[4]	**–**	**–**	20.0	500
Series 5	**20.0**	**500**	20.0	500
Series 7	**14.0**	**350**	14.0	350
Series 9	**8.0**	**200**	8.0	200
Series 16	**14.0**	**350**	14.0	350
Series 18	**14.0**	**350**	14.0	350
Series 22[5]	**–**	**–**	14.0	350
Series 24[6]	**–**	**–**	18.0	450
Series 27	**0.8**	**850**	0.8	850
Series 28	**0.8**	**800**	0.8	800
	91.6	**$ 3,900**	143.6	$ 5,200
Other equity instruments[7]				
Limited Recourse Capital Notes – Series 1	**1.8**	**1,750**	1.8	1,750
Limited Recourse Capital Notes – Series 2	**1.5**	**1,500**	1.5	1,500
Limited Recourse Capital Notes – Series 3[8]	**1.7**	**2,403**	1.7	2,403
Limited Recourse Capital Notes – Series 4[8,9]	**0.7**	**1,023**	–	–
Perpetual Subordinated Capital Notes – Series 2023-9[10]	**0.1**	**312**	–	–
	97.4	**$ 10,888**	148.6	$ 10,853
Treasury – preferred shares and other equity instruments	**(0.2)**	**(18)**	(0.1)	(65)
Total preferred shares and other equity instruments	**97.2**	**$ 10,870**	148.5	$ 10,788

[1] For further details, including the conversion and exchange features, distributions, and significant terms and conditions, refer to Note 20 of the Bank's 2024 Consolidated Financial Statements.
[2] On September 23, 2024, TD announced that it does not intend to exercise its right to redeem all or any part of the currently outstanding 20 million Non-Cumulative 5-Year Rate Reset Class A First Preferred Shares, Series 1 (Non-Viability Contingent Capital (NVCC)) ("Series 1 Shares") of TD on October 31, 2024.
[3] On October 16, 2024, the Bank announced that none of its 20 million Non-Cumulative 5-Year Rate Reset Class A First Preferred Shares, Series 1 NVCC ("Series 1 Shares") would be converted on October 31, 2024 into Non-Cumulative Floating Rate Class A First Preferred Shares, Series 2 NVCC of TD. As previously announced on October 16, 2024, the dividend rate for the Series 1 Shares for the 5-year period from and including October 31, 2024 to but excluding October 31, 2029 will be 4.97%.
[4] On July 31, 2024, the Bank redeemed all of its 20 million outstanding Non-Cumulative 5-Year Rate Reset Class A First Preferred Shares NVCC, Series 3 ("Series 3 Preferred Shares"), at a redemption price of $25.00 per Series 3 Preferred Share, for a total redemption cost of approximately $500 million.
[5] On April 30, 2024, the Bank redeemed all of its 14 million outstanding Non-Cumulative 5-Year Rate Reset Class A First Preferred Shares NVCC, Series 22 ("Series 22 Preferred Shares"), at a redemption price of $25.00 per Series 22 Preferred Share, for a total redemption cost of $350 million.
[6] On July 31, 2024, the Bank redeemed all of its 18 million outstanding Non-Cumulative 5-Year Rate Reset Class A First Preferred Shares NVCC, Series 24 ("Series 24 Preferred Shares"), at a redemption price of $25.00 per Series 24 Preferred Share, for a total redemption cost of approximately $450 million.
[7] For other equity instruments, the number of shares/units represents the number of notes issued.
[8] For LRCNs – Series 3 and Series 4, the amount represents the Canadian dollar equivalent of the US dollar notional amount.
[9] On July 3, 2024, the Bank issued US$750 million 7.250% Fixed Rate Reset Limited Recourse Capital Notes, Series 4 NVCC (the "LRCNs"). The LRCNs will bear interest at a rate of 7.250 per cent annually, payable quarterly, for the initial period ending on, but excluding, July 31, 2029. Thereafter, the interest rate on the LRCNs will reset every five years at a rate equal to the prevailing U.S. Treasury Rate plus 2.977 per cent. The LRCNs will mature on July 31, 2084. Concurrently with the issuance of the LRCNs, the Bank issued 750,000 Non-Cumulative 7.250% Fixed Rate Reset Preferred Shares, Series 31 NVCC ("Preferred Shares Series 31"). The Preferred Shares Series 31 are eliminated on the Bank's consolidated financial statements.
[10] On July 10, 2024, the Bank issued SGD 310 million of Fixed Rate Reset Perpetual Subordinated Additional Tier 1 Capital Notes, Series 2023-9 NVCC (the "AT1 Perpetual Notes"). The AT1 Perpetual Notes will bear interest at a rate of 5.700 per cent annually, payable semi-annually, for the initial period ending on, but excluding, July 31, 2029. Thereafter, the interest rate on the AT1 Perpetual Notes will reset every five years at a rate equal to the prevailing 5-year SORA-OIS Rate plus 2.652 per cent. The AT1 Perpetual Notes have no scheduled maturity or redemption date. With the prior written approval of OSFI, the Bank may redeem the AT1 Perpetual Notes on July 31, 2029 and every January 31st and July 31st thereafter, in whole or in part, on not less than 10 nor more than 60 days' prior notice to holders. For AT1 Perpetual Notes, the amount represents the Canadian dollar equivalent of the Singapore dollar notional amount.

Future Regulatory Capital Developments

On July 5, 2024, OSFI announced a one-year delay to the planned increase of the standardized capital floor level. With this delay, the floor is expected to be fully transitioned in fiscal 2027. The standardized capital floor subjects banks using internal model-based approaches to a floor, with the floor calculated as a percentage of RWA under the standardized approach.

Global Systemically Important Banks Designation and Disclosures

The Financial Stability Board (FSB), in consultation with the BCBS and national authorities, identifies G-SIBs. The G-SIB assessment methodology is based on the submissions of the largest global banks. Twelve indicators are used in the G-SIB assessment methodology to determine systemic importance. The score for a particular indicator is calculated by dividing the individual bank value by the aggregate amount for the indicator summed across all banks included in the assessment. Accordingly, an individual bank's ranking is reliant on the results and submissions of other global banks.

The Bank is required to publish the twelve indicators used in the G-SIB indicator-based assessment framework. Public disclosure of financial year-end data is required annually, no later than the date of a bank's first quarter public disclosure of shareholder financial data in the following year.

Public communications on G-SIB status are issued annually each November. On November 22, 2019, the Bank was designated as a G-SIB by the FSB. The Bank continued to maintain its G-SIB status when the FSB published the 2024 list of G-SIBs on November 26, 2024. As a result of this designation, the Bank is subject to an additional loss absorbency requirement (CET1 as a percentage of RWA) of 1% under applicable FSB member authority requirements; however, in accordance with OSFI's CAR guideline, the higher of the D-SIB and G-SIB surcharges applies to Canadian banks designated as a G-SIB. As the D-SIB surcharge is currently equal to the incremental 1% G-SIB common equity ratio requirement, the Bank's G-SIB designation has no additional impact on the Bank's minimum CET1 regulatory requirements. The G-SIB surcharge may increase above 1% if the Bank's G-SIB score increases above certain thresholds to a maximum of 4.5%.

As a result of the Bank's G-SIB designation, the U.S. Federal Reserve requires that TD Group US Holding LLC (TDGUS), as TD's U.S. Intermediate Holding Company (IHC), maintain a minimum amount of TLAC and long-term debt.

GROUP FINANCIAL CONDITION

Securitization and Off-Balance Sheet Arrangements

In the normal course of operations, the Bank engages in a variety of financial transactions that, under IFRS, are either not recorded on the Bank's Consolidated Balance Sheet or are recorded in amounts that differ from the full contract or notional amounts. These off-balance sheet arrangements involve, among other risks, varying elements of market, credit, and liquidity risks which are discussed in the "Managing Risk" section of this document. Off-balance sheet arrangements are generally undertaken for risk management, capital management, and funding management purposes and include securitizations, contractual obligations, and certain commitments and guarantees.

STRUCTURED ENTITIES

TD carries out certain business activities through arrangements with structured entities (SEs). The Bank uses SEs to raise capital, obtain sources of liquidity by securitizing certain of the Bank's financial assets, to assist TD's clients in securitizing their financial assets, and to create investment products for the Bank's clients. Securitizations are an important part of the financial markets, providing liquidity by facilitating investor access to specific portfolios of assets and risks. Refer to Notes 2, 9, and 10 of the 2024 Consolidated Financial Statements for further information regarding the Bank's involvement with SEs.

Securitization of Bank-Originated Assets

The Bank securitizes residential mortgages, credit card loans, and business and government loans to enhance its liquidity position, to diversify sources of funding, and to optimize the management of the balance sheet.

The Bank securitizes residential mortgages under the National Housing Act Mortgage-Backed Securities (NHA MBS) program sponsored by the CMHC. The securitization of the residential mortgages with the CMHC does not qualify for derecognition and the mortgages remain on the Bank's Consolidated Balance Sheet. Additionally, the Bank securitizes credit card loans by selling them to Bank-sponsored SEs that are consolidated by the Bank. The Bank also securitizes U.S. residential mortgages with U.S. government-sponsored entities which qualify for derecognition and are removed from the Bank's Consolidated Balance Sheet. Refer to Notes 9 and 10 of the 2024 Consolidated Financial Statements for further information.

Residential Mortgage Loans

The Bank securitizes residential mortgage loans through significant unconsolidated SEs and Canadian non-SE third parties. Residential mortgage loans securitized by the Bank may give rise to full derecognition of the financial assets depending on the individual arrangement of each transaction. In instances where the Bank fully derecognizes residential mortgage loans, the Bank may be exposed to the risks of transferred loans through retained interests. As at October 31, 2024, there were $24.0 billion of securitized residential mortgage loans outstanding through significant unconsolidated SEs (October 31, 2023 – $21.0 billion), and $6.7 billion outstanding through non-SE third parties (October 31, 2023 – $3.5 billion).

Credit Card Loans

The Bank securitizes credit card loans through an SE. The Bank consolidates the SE as it serves as a financing vehicle for the Bank's assets, the Bank has power over the key economic decisions of the SE, and the Bank is exposed to the majority of the residual risks of the SE. As at October 31, 2024, the Bank had $3.0 billion of securitized credit card receivables outstanding (October 31, 2023 – $1.5 billion). Due to the nature of the credit card receivables, their carrying amounts approximate fair value.

Business and Government Loans

The Bank securitizes business and government loans through Canadian non-SE third parties. Business and government loans securitized by the Bank may be derecognized from the Bank's balance sheet depending on the individual arrangement of each transaction. In instances where the Bank fully derecognizes business and government loans, the Bank may be exposed to the risks of transferred loans through retained interests. There are no ECLs on the retained interests of the securitized business and government loans as the loans are all government insured. As at October 31, 2024, the Bank had $189 million of securitized business and government loans outstanding (October 31, 2023 – $401 million), with carrying value of retained interests of $1 million (October 31, 2023 – $3 million).

Securitization of Third-Party Originated Assets

Significant Unconsolidated Special Purpose Entities

Multi-Seller Conduits

The Bank securitizes third party-originated assets through Bank-sponsored SEs, including its Canadian multi-seller conduits which are not consolidated. These Canadian multi-seller conduits securitize Canadian originated third-party assets. The Bank administers multi-seller conduits and provides liquidity facilities as well as securities distribution services; it may also provide credit enhancements. TD's total potential exposure to loss through the provision of liquidity facilities for multi-seller conduits was $16.8 billion as at October 31, 2024 (October 31, 2023 – $15.2 billion). As at October 31, 2024, the Bank had funded exposure of $15.4 billion under such liquidity facilities relating to outstanding issuances of asset-backed commercial paper (ABCP) (October 31, 2023 – $13.3 billion).

TABLE 41	FUNDED EXPOSURE TO THIRD-PARTY ORIGINATED ASSETS SECURITIZED BY BANK-SPONSORED UNCONSOLIDATED CONDUITS[1]

(millions of Canadian dollars, except as noted)		*As at*
	October 31 2024	October 31 2023
Residential mortgage loans	**$ 8,527**	$ 8,221
Automobile loans and leases	**5,580**	4,266
Equipment leases	**1,246**	102
Trade receivables	**–**	64
Investment loans	**66**	609
Total funded exposure	**$ 15,419**	$ 13,262

[1] The Bank's funded exposure through the provision of liquidity facilities only relates to outstanding issuances of ABCP funding 'AAA' rated assets.

As at October 31, 2024, the Bank held $0.4 billion of ABCP issued by Bank-sponsored multi-seller conduits recorded on its 2024 Consolidated Balance Sheet (October 31, 2023 – $2.2 billion).

COMMITMENTS

The Bank enters into various commitments to meet the financing needs of the Bank's clients, to earn fee income, and to lease premises and equipment. Significant commitments of the Bank include financial and performance standby letters of credit, documentary and commercial letters of credit, commitments to extend credit, and obligations under long-term non-cancellable leases for premises and equipment. These products may expose the Bank to liquidity, credit, and reputational risks. There are adequate risk management and control processes in place to mitigate these risks. Certain commitments still remain off-balance sheet. Note 26 of the 2024 Consolidated Financial Statements provides detailed information about the Bank's commitments including credit-related arrangements and long-term commitments or leases.

GUARANTEES

In the normal course of business, the Bank enters into various guarantee contracts to support its clients. The Bank's significant types of guarantee products are financial and performance standby letters of credit, credit enhancements, and indemnification agreements. Certain guarantees remain off-balance sheet. Refer to Note 26 of the 2024 Consolidated Financial Statements for further information.

GROUP FINANCIAL CONDITION

Related Party Transactions

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL, THEIR CLOSE FAMILY MEMBERS, AND THEIR RELATED ENTITIES

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Bank, directly or indirectly. The Bank considers certain of its officers and directors to be key management personnel. The Bank makes loans to its key management personnel, their close family members, and their related entities on market terms and conditions with the exception of banking products and services for key management personnel, which are subject to approved policy guidelines that govern all employees.

In addition, the Bank offers deferred share and other plans to non-employee directors, executives, and certain other key employees. Refer to Note 22 of the 2024 Consolidated Financial Statements for more details.

In the ordinary course of business, the Bank also provides various banking services to associated and other related corporations on terms similar to those offered to non-related parties.

TRANSACTIONS WITH SUBSIDIARIES, SCHWAB, AND SYMCOR INC.

Transactions between the Bank and its subsidiaries meet the definition of related party transactions. If these transactions are eliminated on consolidation, they are not disclosed as related party transactions.

Transactions between the Bank, Schwab, and Symcor Inc. (Symcor) also qualify as related party transactions. There were no significant transactions between the Bank, Schwab, and Symcor during the year ended October 31, 2024, other than as described in the following sections and in Note 12 of the 2024 Consolidated Financial Statements.

i) TRANSACTIONS WITH SCHWAB

The Bank has significant influence over Schwab and accounts for its investment in Schwab using the equity method. Pursuant to the Stockholder Agreement in relation to the Bank's equity investment in Schwab, subject to certain conditions, the Bank has the right to designate two members of Schwab's Board of Directors and has representation on two Board Committees. As of October 31, 2024, the Bank's designated directors were the Bank's Group President and Chief Executive Officer and the Bank's former Chair of the Board.

A description of significant transactions between the Bank and its affiliates with Schwab is set forth below.

Insured Deposit Account Agreement

During the year ended October 31, 2024, Schwab exercised its option to buy down the remaining $0.7 billion (US$0.5 billion) of the US$5 billion FROA permitted and paid $32 million (US$23 million) in termination fees to the Bank in accordance with the 2023 Schwab IDA Agreement. During the year ended October 31, 2023, Schwab exercised its option to buy down an initial $6.1 billion (US$4.5 billion) of FROA and paid $305 million (US$227 million) in termination fees to the Bank in accordance with the 2023 Schwab IDA Agreement.

As at October 31, 2024, deposits under the Schwab IDA Agreement were $117 billion (US$84 billion) (October 31, 2023 – $133 billion (US$96 billion)). The Bank paid fees, net of the termination fees received from Schwab, of $908 million during the year ended October 31, 2024 (October 31, 2023 – $932 million) to Schwab related to sweep deposit accounts. The amount paid by the Bank is based on the average insured deposit balance of $121 billion for the year ended October 31, 2024 (October 31, 2023 – $147 billion) and yields based on agreed upon market benchmarks, less the actual interest paid to clients of Schwab.

As at October 31, 2024, amounts receivable from Schwab were $12 million (October 31, 2023 – $38 million). As at October 31, 2024, amounts payable to Schwab were $42 million (October 31, 2023 – $24 million).

ii) TRANSACTIONS WITH SYMCOR

The Bank has one-third ownership in Symcor, a Canadian provider of business process outsourcing services offering a diverse portfolio of integrated solutions in item processing, statement processing and production, and cash management services. The Bank accounts for Symcor's results using the equity method of accounting. During the year ended October 31, 2024, the Bank paid $88 million (October 31, 2023 – $81 million) for these services. As at October 31, 2024, the amount payable to Symcor was $6 million (October 31, 2023 – $12 million).

The Bank and two other shareholder banks have also provided a $100 million unsecured loan facility to Symcor which was undrawn as at October 31, 2024 and October 31, 2023.

GROUP FINANCIAL CONDITION

Financial Instruments

As a financial institution, the Bank's assets and liabilities are substantially composed of financial instruments. Financial assets of the Bank include, but are not limited to, cash, interest-bearing deposits, securities, loans, derivative instruments and securities purchased under reverse repurchase agreements; while financial liabilities include, but are not limited to, deposits, obligations related to securities sold short, securitization liabilities, obligations related to securities sold under repurchase agreements, derivative instruments, and subordinated debt.

The Bank uses financial instruments for both trading and non-trading activities. The Bank typically engages in trading activities by the purchase and sale of securities to provide liquidity and meet the needs of clients and, less frequently, by taking trading positions with the objective of earning a profit. Trading financial instruments include, but are not limited to, trading securities, trading deposits, and trading derivatives. Non-trading financial instruments include the majority of the Bank's lending portfolio, non-trading securities, hedging derivatives, and the majority of the Bank's financial liabilities. In accordance with accounting standards related to financial instruments, financial assets or liabilities classified as held-for-trading, non-trading FVTPL, designated at FVTPL, FVOCI, and all derivatives are measured at fair value in the Bank's 2024 Consolidated Financial Statements. DSAC, most loans, and other liabilities are carried at amortized cost using the effective interest rate (EIR) method. For details on how fair values of financial instruments are determined, refer to the "Accounting Judgments, Estimates, and Assumptions" – "Fair Value Measurements" section of this document. The use of financial instruments allows the Bank to earn profits in trading, interest, and fee income. Financial instruments also create a variety of risks which the Bank manages with its extensive risk management policies and procedures. The key risks include interest rate, credit, liquidity, market, and foreign exchange risks. For a more detailed description on how the Bank manages its risk, refer to the "Managing Risk" section of this document.

Risk Factors That May Affect Future Results

In addition to the risks described in the "Managing Risk" section, there are numerous other risk factors, many of which are beyond the Bank's control and the effects of which can be difficult to predict, that could cause the Bank's results to differ significantly from the Bank's plans, objectives, and estimates or could impact the Bank's reputation or the sustainability of its business model. All forward-looking statements, including those in this MD&A, are, by their very nature, subject to inherent risks and uncertainties, general and specific, which may cause the Bank's actual results to differ materially from the plan, objectives, estimates or expectations expressed in the forward-looking statements. Some of these factors are discussed below and others are noted in the "Caution Regarding Forward-Looking Statements" section of this document.

TOP AND EMERGING RISKS

The Bank considers it critical to regularly assess its operating environment and highlight top and emerging risks. These are risks with a potential to have a material effect on the Bank and where the attention of senior management is focused due to the potential magnitude or immediacy of their impacts.

Risks are identified, discussed, and actioned by senior management and reported quarterly to the Risk Committee and the Board. Specific plans to mitigate top and emerging risks are prepared, monitored, and adjusted as required.

General Business and Economic Conditions

The Bank and its customers operate in Canada, the U.S., and, to a lesser extent, in other countries. As a result, the Bank's earnings are significantly affected by the general business and economic conditions in these regions, which could have an adverse impact on the Bank's results, business, financial condition or liquidity, and could result in changes to the way the Bank operates. These conditions include short-term and long-term interest rates, inflation, declines in economic activity (recession), volatility in financial markets, and related market liquidity, funding costs, real estate prices, employment levels, consumer spending and debt levels, evolving consumer trends and related changes to business models, business investment and overall business sentiment, government policy including levels of government spending, monetary policy, fiscal policy (including tax policy and rate changes), exchange rates, sovereign debt risks and the effects of pandemics and other public health emergencies.

Geopolitical Risk

Government policy, international trade and political relations across the globe may impact overall market and economic stability, including in the regions where the Bank operates, or where its customers operate. While the nature and extent of risks may vary, they have the potential to disrupt global economic growth, create volatility in financial markets that may affect the Bank's trading and non-trading activities, market liquidity, funding costs, interest rates, foreign exchange, commodity prices, credit spreads, fiscal policy, and directly and indirectly influence general business and economic conditions in ways that may have an adverse impact on the Bank and its customers. Geopolitical risks in 2024 included ongoing global tensions resulting in sanctions and countersanctions and related operational complexities, supply chain disruptions, being subjected to heightened regulatory focus on climate change and transition to a low-carbon economy, increased likelihood of cyber-attacks on critical public and private infrastructure and networks, the Russia-Ukraine war and the resulting tensions between Russia and other nations, social unrest and volatility in the Middle East that have escalated due to the ongoing conflict between Israel and Hamas and Hezbollah, political and economic turmoil, threats of terrorism and ongoing protectionism measures due to a decline in global alignment and elections in geopolitically significant markets that have potential to generate regulatory and policy uncertainty. These risks are expected to continue in the coming years, with an increased probability of new tariffs or meaningful changes to trade policies. For example, renegotiation of the U.S.-Mexico-Canada Agreement (USMCA) or tariffs imposed before its renewal could result in negative impacts for some industries or economies that the Bank operates in.

Inflation, Interest Rates and Recession Uncertainty

Fluctuating interest rates and inflation, together with overall macroeconomic conditions, could have adverse impacts on the Bank's cost of funding, result in increased loan delinquencies or impairments and higher credit losses due to deterioration in the financial condition of the Bank's customers and may necessitate further increases in the Bank's provision for credit losses and net charge offs, all of which could negatively impact the Bank's business, financial condition, liquidity and results of operations. Inflation has slowed from peak levels, but households continue to feel the effect of past price increases, which have weighed on confidence and reduced spending power. Heightened geopolitical risk and the potential for increased tariffs and trade barriers adds uncertainty to the outlook for inflation and interest rates. A reacceleration in inflation could trigger a reversal in recent interest rate declines and a tightening in financial conditions, while a deterioration in economic conditions, especially within the labour market, could lead to faster decline in interest rates. In addition, actual stress levels experienced by the Bank's borrowers may differ from assumptions incorporated in estimates or models used by the Bank. The uncertain inflation and interest rate environment increases concerns around the possibility of a recession in Canada, the U.S. and other regions where the Bank and its customers operate and continues to impact the macroeconomic and business environment. Such developments could have an adverse impact on the Bank's business, financial condition, liquidity and results of operations.

Global Resolution of the Investigations into the Bank's U.S. BSA/AML Program

On October 10, 2024, the Bank and certain of its U.S. subsidiaries consented to orders with the Office of the Comptroller of the Currency (OCC), the Federal Reserve Board (FRB), and the Financial Crimes Enforcement Network (FinCEN) and entered into plea agreements with the Department of Justice, Criminal Division, Money Laundering and Asset Recovery Section and the United States Attorney's Office for the District of New Jersey (collectively, the "Global Resolution"). The Global Resolution includes a number of limitations on the Bank's U.S. business, including an asset limit in certain entities (TD Bank, N.A. and TD Bank USA, N.A., also referred to as the "U.S. Bank") and more stringent approval processes for new retail bank products, services, markets and branches, that could adversely affect the Bank's business, operations, financial condition, capital and credit ratings (some of which were downgraded following the announcement of the Global Resolution), cash flows and funding costs, as well as affect or restrict the ability of the Bank's U.S. business to compete effectively. Board certifications will be required for dividend distributions from certain of the Bank's U.S. subsidiaries, namely TD Bank, N.A., TD Bank US Holding Company, TD Bank USA, N.A. and TD Group US Holdings LLC, to help ensure the Bank continues to prioritize the U.S. Bank Secrecy Act/Anti-Money Laundering program (U.S. BSA/AML program) remediation. More details on the terms of the Global Resolution are set out under the heading "Significant Events – Global Resolution of the Investigations into the Bank's U.S. BSA/AML Program".

The orders and plea agreements have a number of short-term and long-term deliverables and obligations, many of which are overlapping and interdependent. Additional information about these deliverables and obligations are set out in the "Key Terms of the Global Resolution" section of the "Significant Events" section. Satisfying the terms of the Global Resolution, including the requirement to remediate the Bank's U.S. BSA/AML program, is expected to be a multi-year endeavor, and will not be entirely within the Bank's control including because of (i) the requirement to obtain regulatory approval or non-objection before proceeding with various steps, and (ii) the requirement for the various deliverables to be acceptable to the regulators and/or the monitors. Some of the terms of the Global Resolution are unusual and without precedent, which exposes the Bank to uncertainty regarding how and when these terms will be satisfied in full. The Bank, its regulators or applicable law enforcement agencies in various jurisdictions may also identify other issues as the Bank remediates and enhances its risk and control infrastructure, which may result in additional regulatory proceedings or requirements in the United States or elsewhere, and may result in significant additional consequences. Furthermore, there is risk that the remediation may not meet expectations set by regulators and this may result in additional actions against the Bank. Until the deficiencies in the Bank's U.S. BSA/AML program are fully remediated, the Bank faces potentially escalating consequences. For example, if the U.S. Bank does not achieve compliance with all actionable articles in the OCC consent orders (and for each successive year that the U.S. Bank remains non-compliant), the OCC may require the U.S. Bank to further reduce total consolidated assets by up to 7%. Furthermore, delays in satisfying one regulatory requirement could affect the Bank's progress on others. Failure to satisfy the requirements of the Global Resolution on a timely basis could result in additional fines, penalties, business restrictions, limitations on subsidiary capital distributions, increased capital or liquidity requirements, enforcement actions, increased regulatory oversight, and other adverse consequences, which could be significant. Compliance with the terms of the Global Resolution, as well as the implementation of their requirements and remediation of the U.S. BSA/AML program, is expected to continue to increase the Bank's costs, require the Bank to revise some of its business strategies and plans and reallocate resources away from managing its business and require the Bank to undergo significant changes to its business, operations, products and services, and risk management practices. In particular, the remediation process will expose the Bank to the following risks that are described in more detail below: (i) Model Risk, as the Bank replaces and enhances the portfolio of tools being used to detect, escalate, investigate and action financial crime risks, (ii) Technology and Data Risk, as the Bank implements new technology and data solutions, (iii) Third Party Risk, as the Bank engages third party advisors and vendors to support the Bank's change objectives, and (iv) Operational Risk, as the Bank introduces new organization structures, creates new roles, onboards new talent, enhances the global control environment, and invests in updated processes and procedures to support financial crime risks. In addition, as a result of a third-party review of governance at the Bank, the Bank's Board of Directors may be required to make changes in management and/or directors. As noted under "Significant Events – Global Resolution of the Investigations into the Bank's U.S. BSA/AML Program", the Bank is also undertaking certain remediation and enhancements of the Enterprise AML program and will be exposed to similar risks as noted above in respect of such remediation and enhancement process. In addition, as we make such remediation and enhancements to our Enterprise AML Program, we expect an increase in identification of reportable transactions and/or events. This increase will add to the operational backlog in our FCRM investigations processing that the Bank currently faces, but is working towards remediating, across the enterprise.

The Global Resolution could have indirect adverse effects on the Bank and its subsidiaries and businesses, including subsidiaries and businesses that are not directly party to or subject to the orders and plea agreements, including by jeopardizing the status of certain regulatory qualifications, permissions, or exemptions, or by causing certain counterparties to seek to terminate contracts or other relationships with the Bank. For example, the plea agreements have resulted in one TD entity becoming disqualified from serving as an investment adviser or underwriter to registered investment companies in the United States, and that TD entity has applied for a waiver from such disqualification from the U.S. Securities and Exchange Commission ("SEC"). In addition, one TD entity has become disqualified from relying on the U.S. Department of Labor's "qualified professional asset manager" exemption for purposes of providing asset management services to employee benefit plans subject to the U.S. Employee Retirement Income Security Act of 1974, and, as a result, TD has been relying on alternative exemptions for purposes of ERISA compliance and is expected to continue to be required to rely on alternative exemptions. In the future, the Bank may be required to seek additional waivers, consents, approvals or other exemptions to continue operating its businesses as presently conducted, and any failure to obtain such waivers, consents, approvals or other exemptions could adversely affect the Bank's results of operations or financial condition.

Failure to comply with the terms of the plea agreements with the DOJ during the five-year term of probation, including by failing to complete the compliance undertakings, failing to cooperate or to report alleged misconduct as required, or committing additional crimes, could also subject the Bank to further prosecution and additional financial penalties and ongoing compliance commitments, and could result in an extension of the length of the term of probation. In addition, the Bank's current or former directors, officers and employees, as well as the current or former directors, officers and employees of the U.S. Bank, may become subject to civil or criminal investigations or enforcement proceedings in relation to the Bank's U.S. BSA/AML program, which could result in claims against the Bank for damages or indemnification, further disruptions to the Bank's personnel (including negative impact on the morale of its personnel) and its operations and further damage to its reputation or to the perceptions of the Bank among the Bank's customers, service providers and investors.

The Global Resolution (including the limitations imposed on the Bank's U.S. businesses imposed by the terms of the Global Resolution) have negatively affected the Bank's brand and reputation, which may be further negatively affected if any of the Bank's or U.S. Bank's former or current directors, officers or employees become subject to civil or criminal investigations or enforcement proceedings, or if the Bank is unable to satisfy the terms of the Global Resolution (including the requirement to remediate the Bank's U.S. BSA/AML program) in a manner that is acceptable to the regulators and/or the monitors. This negative impact on the Bank's brand and reputation, as well as the limitations imposed on the Bank's U.S. businesses by the Global Resolution, may adversely affect: (i) the Bank's ability to attract and retain customers and employees; (ii) the willingness of key third parties, including service providers, vendors, financial counterparties, government agencies, and other market participants, to transact with the Bank; and (iii) the willingness of investors to retain Bank securities in their investment portfolios or to acquire Bank securities. See also "Level of Competition, Shifts in Consumer Attitudes, and Disruptive Technology", "Ability to Attract, Develop, and Retain Key Talent", "Third Party Risk", and "Value and Market Price of our Common Shares and other Securities", below.

The value and trading price of the Bank's securities could be negatively affected by a number of factors related to the terms of the Global Resolution and the remediation of the issues resulting in the investigations, including if: (i) the Bank fails to satisfy the terms of the Global Resolution (including the requirement to remediate the Bank's U.S. BSA/AML program) in a manner that is acceptable to the regulators and/or the monitors; (ii) the impact of the non-monetary penalties imposed on the Bank are more negative or sustained than anticipated, including if the limitations imposed on the Bank's U.S. businesses weaken the Bank's U.S. franchise; (iii) the Bank becomes subject to further prosecution or financial penalties (which may occur if the Bank fails to comply with the terms of the plea agreements with the DOJ during the five-year term of probation); (iv) the Bank's or U.S. Bank's former or current directors, officers or employees become subject to civil or criminal investigations or enforcement proceedings in relation to the Bank's U.S. BSA/AML program; (v) the impact on the Bank's brand and reputation is more negative or sustained than anticipated; and/or (vi) if any of the risks described in this "Global Resolution of the Investigations into the Bank's U.S. BSA/AML Program" section materializes. The foregoing factors may also lead to rating agencies further downgrading the Bank's credit ratings and outlooks. See also "Value and Market Price of our Common Shares and other Securities" and "Downgrade, Suspension or Withdrawal of Ratings Assigned by any Rating Agency", below.

See also the risks described under "Regulatory Oversight and Compliance".

Regulatory Oversight and Compliance

The Bank and its businesses are subject to extensive regulation and oversight by a number of different governments, regulators and self-regulatory organizations (collectively, "Bank regulators") around the world. Regulatory and legislative changes and changes in the Bank's regulators' expectations occur in all jurisdictions in which the Bank operates.

Bank regulators around the world have demonstrated an increased focus on capital, liquidity, and interest rate risk (IRR) risk management; consumer protection; data management; conduct risk and internal risk and control frameworks across the three lines of defense; foreign interference; and financial crime including money laundering, terrorist financing and economic sanctions risks and threats. There is heightened focus by Bank regulators globally on the impact of interest rates and inflation on customers, as well as on the Bank's operations and its management and oversight of risks associated with these matters. In addition, these risks continue to rapidly evolve, as a result of new or emerging threats, including geopolitical and those associated with use of new, emerging and interrelated technologies, artificial intelligence (AI), machine learning, models and decision-making tools.

The content and application of laws, rules and regulations affecting financial services institutions may sometimes vary according to factors such as the size of the institution, the jurisdiction in which it is organized or operates, and other criteria. There can also be significant differences in the ways that similar regulatory initiatives affecting the financial services industry are implemented in Canada, the United States and other countries and regions in which the Bank does business. For example, when adopting rules that are intended to implement a global regulatory standard, a national regulator may introduce additional or more restrictive requirements. Furthermore, some of the Bank's regulators have the discretion to impose additional requirements, standards or guidance regarding the Bank's risk, capital and liquidity management, or other matters within their regulatory scope, and in some cases the Bank may be prohibited by law from publicly disclosing such additional requirements, standards or guidance. Compliance with these additional requirements, standards or guidance may increase the Bank's compliance and operational costs, and could adversely affect the Bank's businesses and results of operations. Regulators have indicated the potential for escalating consequences for banks that do not timely resolve open issues or have repeat issues. Furthermore, delays in satisfying one regulatory requirement could affect the Bank's progress on others. Failure to satisfy regulatory requirements on a timely basis could result in additional fines, penalties, business restrictions, limitations on subsidiary capital distributions, increased capital or liquidity requirements, enforcement actions, increased regulatory oversight, and other adverse consequences, which could be significant. Compliance with any consent orders or regulatory proceedings, as well as the implementation of their requirements, may increase the Bank's costs, require the Bank to reallocate resources away from managing its business, negatively impact the Bank's capital and credit ratings, cash flows and funding costs, require the Bank to undergo significant changes to its business, operations, products and services, and risk management practices, damage the Bank's reputation, and subject the Bank to other adverse consequences, including additional financial penalties, restrictions and limitations.

The Bank monitors and evaluates the potential impact of applicable regulatory developments (including enacted and proposed rules, standards, public enforcement actions, consent orders, and regulatory guidance). However, while the Bank devotes substantial compliance, legal, and operational business resources to facilitate compliance with these developments by their respective effective dates, and also to the consideration of other Bank regulator expectations, it is possible that: (i) the Bank may not be able to accurately predict the impact of regulatory developments, or the interpretation or focus of enforcement actions taken by governments, regulators and courts, (ii) the Bank may not be able to develop or enhance the platforms, technology, or operational procedures and frameworks necessary to comply with, or adapt to, such rules or expectations in advance of or by their effective dates; or (iii) regulators and other parties could challenge the Bank's compliance. Also, it may be determined that the Bank has not adequately, completely or addressed on a timely basis regulatory developments or other regulatory requirements, including enforcement actions, to which it is subject, in a manner which meets Bank regulator expectations.

At any given time, the Bank is subject to a significant number of legal and regulatory proceedings and to numerous governmental and regulatory examinations. Additionally, the Bank has been subject to regulatory enforcement proceedings and has entered into settlement agreements with Bank regulators, and the Bank may continue to face a greater number or wider scope of investigations, enforcement actions and litigation. The Bank could also be subject to negative regulatory evaluation or examination findings not only because of violations of laws and regulations, but also due to failures, as determined by its regulators, to have adequate policies and procedures, or to remedy deficiencies on a timely basis. Regulatory and legislative changes and changes in expectations will continue to increase the Bank's compliance and operational risks and costs. In addition, legislative and regulatory initiatives could require the Bank to make significant modifications to its operations in the relevant countries or regions in order to comply with those requirements. This could result in increased costs as well as adversely affect the Bank's businesses and results of operations.

In the future, the Bank may be subject to additional regulatory enforcement proceedings or enter into future settlement arrangements with Bank regulators, and it may incur fines, penalties, judgments or business restrictions not in its favour associated with regulatory non-compliance, all of which could also lead to negative impacts on the Bank's financial performance, operational changes including restrictions on offering certain products or services or on operating in certain jurisdictions, and its reputation.

See also the risks described under the heading "Introduction of New and Changes to Current Laws, Rules and Regulations" and "Global Resolution of the Investigations into the Bank's U.S. BSA/AML Program".

Executing on Long-Term Strategies and Shorter-Term Key Strategic Priorities

The Bank has a number of strategies and priorities, including those detailed in each Segment's "Business Segment Analysis" section of this document, which may include large scale strategic or regulatory initiatives that are at various stages of development or implementation. Examples include organic growth strategies; integrating recently acquired businesses (e.g., TD Cowen); implementing strategic agreements; projects to meet new regulatory requirements; building new platforms, technology, and omnichannel capabilities; and enhancements to existing technology. Strategies may adjust in response to shifts in the internal and external environment and/or changes in leadership. Risk can be elevated due to the size, scope, velocity, interdependency, and complexity of projects; limited timeframes to complete projects; and competing priorities for limited specialized resources. The Global Resolution of the civil and criminal investigations into the Bank's U.S. BSA/AML program, including the limitations on the Bank's U.S. business, has impacted and could adversely affect the Bank's ability to achieve some of its strategies and priorities.

The Bank regularly explores opportunities which include acquisitions and dispositions of companies or businesses, directly or indirectly, through its subsidiaries. In respect of acquisitions and dispositions, the Bank undertakes transaction assessments and due diligence before completing a merger, acquisition or disposition to confirm the transaction fits within the Bank's Risk Appetite, and closely monitors integration activities and performance post-close. However, the Bank's ability to successfully complete an acquisition or disposition is often subject to regulatory and other approvals, and the Bank cannot be certain when, or if, or on what terms and conditions, any required approvals will be granted.

While there is significant management attention on the governance, oversight, methodology, tools, and resources needed to manage the Bank's strategies and priorities, the Bank's ability to execute on them is dependent on a number of assumptions and factors. These include those set out in the "Economic Summary and Outlook", "Key Priorities for 2025", "2024 Accomplishments and Focus for 2025", "Operating Environment and Outlook", and "Managing Risk" sections of this document, as well as disciplined resource and expense management and the Bank's ability to implement (and the costs associated with the implementation of) programs to comply with new or enhanced regulations or regulator demands, all of which may not be in the Bank's control and are difficult to predict.

The Bank may not achieve its financial or strategic objectives including anticipated cost savings or revenue synergies, following acquisition and integration activities. In addition, from time to time, the Bank may invest in companies without taking a controlling position in those companies, which may subject the Bank to those companies' operational and financial risks, the risk that these companies may make decisions the Bank does not agree with, and the risk that the Bank may have differing objectives than the companies in which the Bank has interests.

If any of the Bank's strategies, priorities, acquisition and integration activities, dispositions or investments are not successfully executed, or do not achieve their financial or strategic objectives, there may be an impact on the Bank's operations and financial performance and the Bank's earnings could grow more slowly or decline.

TD's Schwab Equity Investment and Schwab IDA Agreement Exposes the Bank to Certain Risks

As at October 31, 2024, the Bank's reported investment in Schwab was approximately 10.1% of the outstanding voting and non-voting common shares of Schwab, representing approximately 13.5% of TD's market capitalization. The Bank accounts for its investment in Schwab using the equity method, recognizing the Bank's share of Schwab's earnings available to common shareholders, which on an adjusted basis represented 6.2% of TD's net income in fiscal 2024. Schwab's stock price has historically experienced higher levels of volatility than the TD stock, and the size of the Schwab investment relative to TD's market capitalization exposes TD to the risk of large declines in the value of the investment and a corresponding impact on TD's market value. The value of the Bank's investment in Schwab and its contribution to the Bank's financial results are also vulnerable to poor financial performance or other adverse developments in Schwab's business. In addition, the Bank has a Schwab IDA Agreement with Schwab and it may be affected by actions taken by Schwab, or if Schwab does not perform its obligations, pursuant to the Schwab IDA agreement (as further described in the "Related Party Transactions" section of this document).

Technology and Cyber Security Risk

Technology and cyber security risks for large financial institutions like the Bank have increased in recent years, especially due to heightened geopolitical tensions and a challenging macroeconomic environment that increase the risk of cyber-attacks. The rising risk of attacks on critical infrastructure and supply chains is due, in part, to the proliferation, sophistication and constant evolution of new technologies and attack methodologies used by threat actors, such as organized criminals, nation states, sociopolitical entities and other internal and external parties. Heightened risks may also result from the size and scale of a financial institution's operations, geographic footprint, the complexity of its technology infrastructure, its reliance on internet capabilities, cloud and telecommunications technologies to conduct financial transactions, such as the continued development of mobile and internet banking platforms, as well as opportunistic threats by actors that have accelerated exploitations of new weaknesses, misconfigurations, or vulnerabilities.

The Bank's technologies, systems and networks, those of the Bank's customers (including their own devices), and those of third parties providing services to the Bank, continue to be subject to cyber-attacks, and may be subject to disruption of services, data security or other breaches (such as loss or exposure of confidential information, including customer or employee information), identity theft and corporate espionage, or other incidents. The Bank has experienced service disruptions due to technology failure or connectivity issues triggered by a third party and may be subject to service disruptions in the future due to cyber-attacks and/or technology failure or connectivity issues. The Bank's use of third-party service providers, which are subject to these potential incidents, increases the risk of potential attack, breach or disruption; and may delay our response as the Bank has less immediate oversight and direct control over the third parties' technology infrastructure or information security.

The Bank may experience material loss or damage in the future as a result of online attacks on banking systems and applications, supply chain attacks, ransomware attacks, introduction of malicious software, denial of service attacks, malicious insiders or service provider exfiltration of data, AI-assisted attacks, and phishing attacks, among others. Any of these attacks could result in fraud, unauthorized disclosure or theft of data or funds, or the disruption of the Bank's operations. Cyber-attacks may include attempts by malicious insiders or service providers of the Bank to disrupt operations, access or disclose sensitive information or other data of the Bank, its customers, or its employees. Attempts to deceive employees, customers, service providers, or other users of the Bank's systems continue to occur, in an effort to obtain sensitive information, gain access to the Bank's or its customers' or employees' data or customer or Bank funds, or to disrupt the Bank's operations. While these deception attempts have not resulted in materially adverse impacts on the Bank thus far, there can be no assurance that future deception attempts may not be successful, especially as threats become more sophisticated. In addition, the Bank's customers may use personal devices, such as computers, smartphones, and tablets, which limits the Bank's ability to mitigate certain risks introduced through these personal devices.

The Bank regularly reviews external events and assesses and may enhance its controls and response capabilities as it considers necessary to help mitigate against the risk of cyber-attacks or data security or other breaches in response to the evolving threat environment, but these activities may not mitigate all risks, and the Bank may experience loss or damage arising from such attacks or breaches. As a result, the industry and the Bank are susceptible to experiencing potential financial and non-financial loss and/or harm from these attacks or breaches. The adoption of certain technologies, such as cloud computing, AI, machine learning, robotics, and process automation call for continued focus and investment to manage the Bank's risks. It is possible that the Bank, or those with whom the Bank does business, have not anticipated or implemented or may not anticipate or implement effective measures against all such cyber and technology-related risks, particularly because the tactics, techniques, and procedures used by threat actors change frequently and risks can originate from a wide variety of sources that have also become increasingly sophisticated.

Furthermore, the Bank's owned and operated applications, platforms, networks, processes, products, and services could be subject to failures or disruptions, or non-compliance with regulations as a result of human error, natural disasters, utility or infrastructure disruptions, pandemics or other public health emergencies, malicious insiders or service providers, cyber-attacks or other criminal or terrorist acts, which may impact the Bank's operations. Such adverse effects could limit the Bank's ability to deliver products and services to customers, and/or damage the Bank's reputation, which in turn could lead to financial loss. While cyber insurance premiums have stabilized, providers continue to be concerned about systemic cyber risk, causing coverage term changes across the industry. This has the potential to impact the Bank's ability to mitigate risks through cyber insurance and may limit the amount of coverage available for financial losses. As such, with any cyber-attack, disruption of services, data, security or other breaches (including loss or exposure of confidential information), identity theft, corporate espionage or other compromise of technology or information systems, hardware or related processes, or any significant issues caused by weakness in information technology infrastructure and systems, the Bank may experience, among other things, financial loss; a loss of customers or business opportunities; disruption to operations; misappropriation or unauthorized disclosure of confidential, financial or personal information; damage to computers or systems of the Bank and those of its customers and counterparties; violations of applicable laws; litigation; regulatory penalties or intervention, remediation, investigation or restoration costs; increased costs to maintain and update the Bank's operational and security systems and infrastructure; and reputational damage. If the Bank were to experience such an incident, it may take a significant amount of time and resources to investigate the incident to obtain information necessary to assess the impact.

The Bank's investments in its Technology and Cyber infrastructure, including the investment in its risk and control environment, may be inadequate to meet regulatory expectations, remain competitive, serve clients effectively, and avoid business disruptions or operational errors.

Data Risk

Data risk is the risk associated with inadequate or inappropriate use, management, or protection of the Bank's data assets, which may adversely impact the Bank's operations, strategic objectives, reputation, customer trust and financial results, and may result in financial losses, regulatory investigations and enforcement proceedings, and legal proceedings.

Data use cases have increased due to process automation and greater reliance on analytics and business intelligence to support decision-making. There is heightened risk and expectations for managing integrity and quality of customer data and privacy. This risk highlights the importance of data usage, data management, and access controls to mitigate data risk and build and maintain the trust of our customers, shareholders, and regulators. Data risk spans broadly across multiple risk categories and business segments and typically arises out of operational risks such as technology, cyber security, generative AI, fraud, and third-party risks.

TD's investments to improve its risk and control environment, modernize its data and technology, and operating model changes to further enhance data management and protection may be inadequate to meet regulatory expectations, remain competitive, serve clients effectively, and avoid business disruptions or operational errors.

Model Risk

Model Risk is the potential for adverse consequences arising from decisions based on incorrect or misused models and their outputs. Model uncertainty remains due to emerging risks (including elevated inflation and interest rates over an extended period of time), with model reliability impacted across some business areas. Short- and long-term mitigants that were identified and executed to help improve resilience of models trained on historical data, may become less relevant under the current environment (e.g., in the case of IFRS 9 and stress testing models), and Management's efforts to assess and update models may not adequately or successfully improve the resilience of such models.

Fraud Activity

Fraud risk is the risk associated with acts designed to deceive others, resulting in financial loss and harm to shareholder value, brand, reputation, employee satisfaction and customers. Fraud Risk arises from numerous sources, including potential or existing customers, agents, third parties, contractors, employees and other internal or external parties, including service providers to the Bank and the Bank's customers that store bank account credentials and harvest data based on customers' web banking information and activities. In deciding whether to extend credit or enter into other transactions with customers or counterparties, the Bank may rely on information furnished by or on behalf of such customers, counterparties or other external parties, including financial statements and financial information and authentication information. The Bank may also rely on the representations of customers, counterparties, and other external parties as to the accuracy and completeness of such information. Misrepresentation of this information potentially exposes the Bank to increased fraud events when transacting with customers or counterparties. In order to authenticate customers, whether through the Bank's phone or digital channels or in its branches and stores, the Bank may also rely on certain authentication methods which could be subject to fraud.

Additionally, TD, and the industry as a whole, has experienced an increase in attack levels year-over-year. Despite the Bank's investments in fraud prevention and detection programs, capabilities, measures and defences, they have not fully mitigated, and in the future may not successfully mitigate, against all fraudulent activity which could result in financial loss or disruptions in the Bank's businesses. In addition to the risk of material loss (financial loss, misappropriation of confidential information or other assets of the Bank or its customers and counterparties) that could result from fraudulent activity, the Bank could face legal action and customer and market confidence in the Bank could be impacted.

Insider Risk

Insider risk is the potential for an individual who has, or had, authorized access to TD's information, systems, premises, or people to use their access, either intentionally or unintentionally, to act in a way that could negatively harm the Bank, including its customers, employees, service providers, or other stakeholders. Insider risk exposure is inherent to the normal course of operating TD's businesses including activities with our third parties.

The financial industry continues to observe an increased number of insider risk cases, leading to new or emerging threats. These cases can lead to data breaches, intellectual property theft, fraud, operational disruptions, and regulatory and compliance risks.

The Bank closely monitors the internal threat environment across all typologies and continues to invest in TD's insider risk management program. Notwithstanding, the Bank continues to be exposed to potential adverse regulatory, financial, operational, legal, and reputational impacts as a result of insider events.

Conduct Risk

Conduct risk is the risk arising from employee conduct or business practices causing unfair outcomes to persons to whom we offer or sell our products or services, or harm to market integrity. Conduct risk may arise from the failure to comply with laws, regulatory requirements and standards, or the TD Code of Conduct and Ethics.

Conduct risk is a risk across all industries that can have significant impact to organizations, including the Bank. From time to time, some of the Bank's employees have failed, and may in the future fail, to comply with applicable laws, regulatory requirements and standards, and the TD Code of Conduct and Ethics. Our systems and procedures, including the TD Code of Conduct and Ethics, may be inadequate to ensure that our employees comply with the law and operate with integrity, leading to damage to our business and reputation, regulatory action, or other potential adverse impacts to the Bank.

Third-Party Risk

The Bank recognizes the value of using third parties to support its businesses, as they provide access to modern applications, processes, products and services, specialized expertise, innovation, economies of scale, and operational efficiencies. However, the Bank may become dependent on third parties with respect to continuity, reliability, and security, and their associated processes, people and facilities. As the financial services industry and its supply chains become more complex, the need for resilient, robust, holistic, and sophisticated controls, and ongoing oversight increases.

The Bank also recognizes that the applications, platforms, networks, processes, products, and services from third parties could be subject to failures or disruptions impacting the delivery of services or products to the Bank. These failures or disruptions could be because of human error, natural disasters, utility or infrastructure disruptions, changes in the financial condition of such third parties, other general business and economic conditions which may impact such third parties, pandemics or other public health emergencies, malicious insiders or service providers, cyber-attacks or other criminal or terrorist acts, or non-compliance with regulations. Such adverse effects could limit the Bank's ability to deliver products and services to customers, lead to disruptions in the Bank's businesses, expose the Bank to financial losses that the Bank is unable to recover from such third parties, and expose the Bank to legal, operational and regulatory risks, including those outlined under the headings "Global Resolution of the Investigations into the Bank's U.S. BSA/AML Program", "Regulatory Oversight and Compliance" and "Legal Proceedings", and/or damage the Bank's reputation, which in turn could result in an adverse impact to the Bank's operations, earnings or financial condition.

Introduction of New and Changes to Current Laws, Rules and Regulations

The financial services industry is highly regulated. The Bank's operations, profitability and reputation could be adversely affected by the introduction of new laws, rules and regulations, amendments to, or changes in interpretation or application of current laws, rules and regulations, issuance of judicial decisions, and changes in enforcement pace or activities. These adverse effects could also result from the fiscal, economic, and monetary policies of various central banks, regulatory agencies, self-regulatory organizations and governments in Canada, the U.S., the United Kingdom, Ireland, Asia Pacific and other countries and regions, and changes in the interpretation or implementation of those policies. Such adverse effects may include incurring additional costs and devoting additional resources to address initial and ongoing compliance; limiting the types or nature of products and services the Bank can provide and fees it can charge; unfavourably impacting the pricing and delivery of products and services the Bank provides; increasing the ability of new and existing competitors to compete on the basis of pricing, products and services (including, in jurisdictions outside Canada, the favouring of certain domestic institutions); and increasing risks associated with potential non-compliance. In addition to the adverse impacts described above, the Bank's failure to comply with applicable laws, rules and regulations could result in sanctions, financial and non-financial penalties, and changes including restrictions on offering certain products or services or on operating in certain jurisdictions, that could adversely impact its earnings, operations and reputation. See also the risks described under the heading "Global Resolution of the Investigations into the Bank's U.S. BSA/AML Program" and "Regulatory Oversight and Compliance".

The regulation of financial crime, including, anti-money laundering, anti-terrorist financing and economic sanctions, continue to be a high priority globally, with an increasing pace of regulatory change and geopolitical events, along with heightened and evolving regulatory standards in all the jurisdictions in which the Bank operates.

The global data and privacy landscape is dynamic and regulatory expectations continue to evolve. New and amended legislation is anticipated in various jurisdictions in which the Bank does business.

Canadian, U.S. and global regulators have been increasingly focused on conduct, operational resilience and consumer protection matters and risks, which could lead to investigations, remediation requirements, and higher compliance costs.

Regulators have increased their focus on ESG matters, including the impact of climate change, greenwashing, sustainable finance, financial and economic inclusion and ESG-related policies and disclosure regarding such matters, with significant new legislation and amended legislation anticipated in some of the jurisdictions in which the Bank does business.

In addition, there may be changes in interpretation or application of current laws, rules and regulations to incorporate ESG matters in ways that were not previously anticipated.

Despite the Bank's monitoring and evaluation of the potential impact of rules, proposals, public enforcement actions, consent orders and regulatory guidance, unanticipated new regulations or regulatory interpretations applicable to the Bank may be introduced by governments and regulators around the world and the issuance of judicial decisions may result in unanticipated consequences to the Bank.

Canada
In Canada, there are a number of government and regulatory initiatives underway that could impact financial institutions and initiatives with respect to payments evolution and modernization, open banking, consumer protection, protection of customer data, technology and cyber security, climate risk management and disclosure, greenwashing, dealing with vulnerable persons, competitiveness of the financial services industry, and anti-money laundering. For example, in January 2024, a new OSFI guideline took effect in relation to technology and cyber risk management, which establishes requirements for federally regulated financial institutions (FRFIs) as to governance and risk management, technology operations and resilience, and cybersecurity; and a new OSFI guideline was released requiring federally regulated financial institutions to establish, implement, maintain and adhere to policies and procedures that protect against threats to integrity or security. The implementation of these guidelines may result in increased compliance costs to the Bank and impact the Bank's strategies, priorities, organizational plans, policies, processes and standards. In another example, the federal government is implementing AML related requirements as part of its mandated five-year review of Canada's AML Regime. Many of the provisions are anticipated to have or will have short coming into force dates throughout 2025. The pace of this change, the short timelines to implement and the evolving risks could result in increased costs and risk that may impact the Bank's businesses, operations and results.

United States
In July 2023, the U.S. banking regulators proposed regulations modifying U.S. capital rules to effectuate certain Basel III standards (as well as other changes). The proposed rules, if finalized in the form proposed in July 2023 would be expected to increase capital requirements on large banks with more than US$100 billion in total assets and, based on estimates by The Federal Reserve, would be expected to increase relative common equity tier 1 (CET1) capital requirements by approximately 14% for the "Category III" or "Category IV" intermediate holding companies of foreign banking organizations. These changes would impact the Bank's intermediate holding company (which is considered a "Category III" intermediate holding company under applicable Federal Reserve regulations) and its subsidiary U.S. banks but would not have a direct impact on the Bank's CET1 ratios, which are based on OFSI rules. The proposed rule would eliminate the Accumulated Other Comprehensive Income opt-out following a three-year transition period, which would require reflecting unrealized losses and gains from Available-for-sale securities in regulatory capital.

In addition, the Federal Reserve has, as part of a separate proposed rule on a G-SIB surcharge, proposed changes to the definition of the "cross-jurisdictional activity" risk-based indicator. The proposed change would include cross-jurisdictional derivatives exposures (which are currently excluded) in the calculation of cross-jurisdictional activity. The Federal Reserve estimates that this change in approach would, if finalized in the form proposed in July 2023, substantially increase the reported value of cross-jurisdictional activity in the combined U.S. operations (CUSO) and intermediate holding companies of foreign banking organizations. Exceeding US$75 billion in cross-jurisdictional activity would result in treatment as a "Category II" institution under the Federal Reserve's regulatory framework. The Federal Reserve expects seven large foreign banking organizations would move into Category II based on this change in approach, and it is likely that the Bank would be impacted if such changes are finalized in the form proposed in July 2023.

In September 2024, the Vice Chair for Supervision of the Federal Reserve, indicated that he intends to recommend that the Federal Reserve re-propose the Basel endgame and G-SIB surcharge rules, with broad and material changes to the 2023 proposals. However, the re-proposal effort has since stalled. It is also unclear what the substance of the final rules, the timing on finalization of the rules, and the time frame for compliance, will be. It is likely that the Bank will incur operational, capital, liquidity and compliance costs resulting from the changes in these rules.

The current U.S. regulatory environment for banking organizations may be further impacted by additional legislative or regulatory developments, including resulting from changes in U.S. executive administration, congressional leadership and/or agency leadership, and regulators focusing on potential racial discrimination and economic inequity, including fair lending and unfair, deceptive, or abuse acts or practices. The U.S. banking regulators may pursue further changes to the regulation and supervision of banks in response to bank failures in Spring 2023, which could include changes to liquidity, interest rate risk and incentive compensation as areas of focus. The ultimate outcome of these developments and their impact on the Bank remain uncertain.

Europe
In Europe, there remain a number of uncertainties in connection with the future of the United Kingdom – European Union relationship, and reforms implemented through the European Market Infrastructure Regulation and the review of Markets in Financial Instruments Directive and accompanying Regulation could result in higher operational and system costs and potential changes in the types of products and services the Bank can offer to customers in the region.

Level of Competition, Shifts in Consumer Attitudes, and Disruptive Technology
The Bank operates in a highly competitive industry and its performance is impacted by the level of competition. Customer acquisition and retention can be influenced by many factors, including the Bank's brand and reputation as well as the pricing, market differentiation, and overall customer experience of the Bank's products and services.

Enhanced competition from incumbents and new entrants may impact the Bank's pricing of products and services and may cause it to lose revenue and/or market share. Increased competition requires the Bank to make persistent short- and long-term investments to modernize, remain competitive, and continue delivering differentiated value to its customers. In addition, the Bank operates in environments where laws and regulations that apply to it may not universally or equitably apply to its current and emerging competitors, which could include the domestic institutions in jurisdictions outside of Canada or the U.S., or non-traditional providers (such as Fintech or big technology competitors) of financial products and services. Non-depository or non-financial institutions are often able to offer products and services that were traditionally banking products and compete with banks in offering digital financial solutions (primarily mobile or web-based services), without facing the same regulatory and capital requirements or oversight. These competitors may also operate at much lower costs relative to revenue or balances than traditional banks or offer financial services at a loss to drive user growth or to support their other profitable businesses. These third-parties can seek to acquire customer relationships, react quickly to changes in consumer behaviours, and disintermediate customers from their primary financial institution, which can also increase fraud and privacy risks for customers and financial institutions in general. The nature of disruption is such that it can be difficult to anticipate and/or respond to adequately or quickly, representing inherent risks to certain Bank businesses, including payments, lending and self-directed investing. As such, this type of competition could also adversely impact the Bank's earnings and competitive positioning.

As described in the "Global Resolution of the Investigations into the Bank's U.S. BSA/AML Program" section above, on October 10, 2024, the Bank and certain of its U.S. subsidiaries consented to orders with the OCC, the Federal Reserve Board and FinCEN, and entered into plea agreements with the U.S. DOJ. The negative impact of such orders and plea agreements on the Bank's brand and reputation, along with the number of limitations on the Bank's U.S. business imposed by such orders, could adversely affect our ability to attract and retain customers in the U.S. or elsewhere.

AI adoption by TD and by our third-party vendors, including newer technologies such as Generative AI, presents risks and challenges such as regulatory and legal uncertainty, the risk of biased results or unreliable outputs if commercially implemented, compliance risks, and operational risks including sophisticated and scaled fraud / scams, cyber, privacy, data-related, intellectual property, and third-party risks. Despite the Bank's efforts to evaluate such technologies before their use, these efforts may not successfully mitigate these technologies' inherent risks and challenges, which could result in financial loss or disruption to the Bank's businesses. In addition, the Bank could face legal action and customer and market confidence in the Bank could be impacted. Given the risk of potential disintermediation from incumbents, new entrants and Fintech / big technology competitors, the Bank may be required to make significant incremental investments in its innovation strategies and frameworks in order to remain competitive.

Environmental and Social Risk (including Climate-Related Risk)

As a financial institution, the Bank is subject to environmental and social (E&S) risk. E&S risk is a transverse risk, driving financial and non-financial risks. Drivers of E&S risk are often multi-faceted and can originate from the Bank's internal environment, including its operations, business activities, environmental and social-related commitments, products, clients, colleagues, or suppliers. Drivers of E&S risk can also originate from the Bank's external environment, including the communities in which the Bank operates, as well as second-order impacts of physical risks and the transition to a low-carbon economy.

Climate-related risk is the risk of reputational damage and/or financial loss or other harm resulting from the physical and transition risks of climate change to the Bank, its clients or the communities in which the Bank operates. This includes physical risks arising from the consequences of a changing climate, including acute physical risks stemming from extreme weather events happening with increasing severity and frequency (e.g., wildfires and floods), and chronic physical risks stemming from longer-term, progressive shifts in climatic and environmental conditions (e.g., rising sea levels and global warming). Transition risks arise from the process of shifting to a low-carbon economy, influenced by new and emerging climate-related public policies, potential litigation and litigation, changing societal demands and preferences, technologies, stakeholder and shareholder expectations, and legal developments.

Social risk is the risk of financial loss or other harm resulting from social factors, including, but not limited to, adverse human rights (e.g., discrimination, Indigenous Peoples' rights, modern slavery, and human trafficking), the social impacts of climate change (e.g., poverty, and economic and physical displacement) and the health and wellbeing of employees (e.g., inclusion and diversity, pay equity, mental health, equality, physical wellbeing, and workplace safety). Organizations, including the Bank, are under increasing scrutiny to address social and financial inequalities among racialized and other marginalized groups and are subject to rules and regulations both locally and internationally.

E&S risks may have financial, reputational, and/or other implications for both the Bank and its stakeholders (including its customers, suppliers, and shareholders) over a range of timeframes. These risks may arise from the Bank's actual or perceived actions, or inaction, in relation to climate change and other E&S issues, its progress against its E&S targets or commitments, or its disclosures on these matters. These risks could also result from E&S matters impacting the Bank's stakeholders. The Bank's participation in external E&S-related organizations or commitments may exacerbate these risks and subject the Bank to increased scrutiny from its stakeholders. In addition, the Bank may be subject to legal and regulatory risks relating to E&S matters, including regulatory orders, fines, and enforcement actions; financial supervisory capital adequacy requirements; and legal action by shareholders or other stakeholders, including the risks described in the "Other Risk Factors – Legal Proceedings" section. Additionally, different stakeholder groups may have divergent views on E&S-related matters. This divergence increases the risk that any action, or inaction, will be perceived negatively by at least some stakeholders. In the U.S., there has been increased legislative activity by state governments that restricts the flow of capital and investment by financial institutions in state governmental entities. The Bank is monitoring these trends and assessing their potential impact in the context of TD's ESG-related practices and policies.

Limitations on the availability and reliability of data and methodologies may also impact the Bank's ability to assess and evaluate E&S risks. Although these limitations are expected to improve over time as the Bank continues to advance its data capabilities by working with internal and external subject matter experts, leading to more robust and reliable E&S risk monitoring, analysis, and reporting, these efforts are not expected to eliminate all E&S risks.

Failure to successfully manage E&S-related expectations across various divergent perspectives may negatively impact the Bank's reputation and financial results. "Greenwashing" and "social washing" can occur where claims of E&S benefits are made in relation to products or services or corporate performance that are false, give a misleading impression, or are not supported or substantiated. These claims have accelerated in focus inside and outside the Bank. Public commitments, new products and disclosures can potentially expose financial institutions to risk. Prosecution of greenwashing claims has occurred in jurisdictions in which the Bank operates, including Canada, the U.S. and Europe. The Bank continues to closely monitor trends in E&S-related litigation.

OTHER RISK FACTORS

Legal Proceedings

Given the highly regulated and consumer-facing nature of the financial services industry, the Bank is exposed to significant regulatory, quasi-regulatory and self-regulatory investigations and enforcement proceedings related to its businesses and operations. In addition, the Bank and its subsidiaries are from time to time named as defendants or are otherwise involved in various class actions and other litigation or disputes with third parties related to their businesses and operations. A single event involving a potential violation of law or regulation may give rise to numerous and overlapping investigations and proceedings by multiple federal, provincial, state or local agencies and officials in Canada, the U.S. or other jurisdictions. In addition, failure to satisfy settlement or consent agreements could lead to additional enforcement proceedings. For example, failure to comply with the terms of the U.S. BSA/AML related plea agreements with the DOJ during the five-year term of probation, including by failing to complete the compliance undertakings, failing to cooperate or to report alleged misconduct as required, or committing additional crimes, could also subject the Bank to further prosecution and additional financial penalties and ongoing compliance commitments, and could result in an extension of the length of the term probation. Furthermore, if another financial institution violates a law or regulation relating to a particular business activity or practice, this will often give rise to an investigation by regulators and other governmental agencies of the same or similar activity or practice by the Bank.

Actions currently pending against the Bank, or in which the Bank is otherwise involved, may result in judgments, settlements, fines, penalties, disgorgements, injunctions, increased exposure to litigation, business improvement orders, limitations or prohibitions from engaging in business activities, changes to the operation or management of business activities, or other results adverse to the Bank, which could materially affect the Bank's businesses, financial condition and operations, and/or cause serious reputational harm to the Bank, which could also affect the Bank's future business prospects. Moreover, some claims asserted against the Bank may be highly complex and include novel or untested legal theories. The outcome of such proceedings may be difficult to predict or estimate, in some instances, until late in the proceedings, which may last several years. Although the Bank establishes reserves for these matters according to accounting requirements, the amount of loss ultimately incurred in relation to those matters may be material and may be substantially different from the amounts accrued. Furthermore, the Bank may not establish reserves for matters where the outcome is uncertain. Regulators and other government agencies examine the operations of the Bank and its subsidiaries on both a routine- and targeted-exam basis, and they may pursue regulatory settlements, criminal proceedings or other enforcement actions against the Bank in the future.

For additional information relating to the Bank's material legal proceedings, refer to Note 26 of the 2024 Consolidated Financial Statements.

Ability to Attract, Develop, and Retain Key Talent

The Bank's future performance is dependent on the availability of qualified talent, the Bank's ability to attract, develop, and retain key talent and effectively manage changes in leadership. The Bank's management understands that, while the labour market is softening on both sides of the border, the competition for talent continues across geographies, industries, and emerging capabilities in a number of sectors including financial services. This competition is expected to continue as a result of shifts in employee preferences, inflationary pressures, rapid speed of AI adoption, regulatory expectations, economic conditions, and remote roles providing opportunities across geographic boundaries. This could result in increased attrition particularly in areas where core professional and specialized skills are required.

As described in the "Global Resolution of the Investigations into the Bank's U.S. BSA/AML Program" section above, on October 10, 2024, the Bank and certain of its U.S. subsidiaries consented to orders with the OCC, the Federal Reserve Board and FinCEN, and entered into plea agreements with the U.S. DOJ. The negative impact of such orders and plea agreements on the Bank's reputation, along with the number of limitations on the Bank's U.S. business imposed by such orders, could adversely affect our ability to attract and retain our talent in the U.S. or elsewhere.

Although it is the goal of the Bank's enterprise programs, management resource policies and practices to attract, develop, and retain key talent employed by the Bank or an entity acquired by the Bank, the Bank may not be able to do so, and these actions may not be sufficient to mitigate attrition.

Foreign Exchange Rates, Interest Rates, Credit Spreads, and Equity Prices

Foreign exchange rate, interest rate, credit spread, and equity price movements in Canada, the U.S., and other jurisdictions in which the Bank does business impact the Bank's financial position and its future earnings. Changes in the value of the Canadian dollar relative to the global foreign exchange rates may also affect the earnings of the Bank's small business, commercial, and corporate customers. A change in the level of interest rates affects the interest spread between the Bank's deposits and other liabilities, including loans and, as a result, impacts the Bank's net interest income. In particular, elevated interest rates would increase the Bank's interest income but could also have adverse impacts on the Bank's cost of funding for loans and may also result in the risks outlined under the heading "Inflation, Interest Rates and Recession Uncertainty". A change in the level of credit spreads affects the relative valuation of assets and liabilities and, as a result, impacts the Bank's earnings and could also result in significant losses if, to generate liquidity, the Bank has to sell assets that have suffered a decline in value. A change in equity prices impacts the Bank's financial position and its future earnings, due to unhedged positions the Bank holds in tradeable equity securities. The trading and non-trading market risk frameworks and policies manage the Bank's risk appetite for known market risk, but such activities may not be sufficient to mitigate against such market risk, and the Bank remains exposed to unforeseen market risk.

Downgrade, Suspension or Withdrawal of Ratings Assigned by Any Rating Agency

Credit ratings and outlooks of the Bank provided by rating agencies reflect their views and are subject to change from time to time, based on a number of factors, including the Bank's financial strength, capital adequacy, competitive position, asset quality, business mix, corporate governance and risk management, the level and quality of our earnings and liquidity, as well as factors not entirely within the Bank's control, including the methodologies used by rating agencies and conditions affecting the overall financial services industry. Our borrowing costs and ability to obtain funding are influenced by our credit ratings. Reductions in one or more of our credit ratings could adversely affect our ability to borrow funds and raise the costs of our borrowings substantially and could cause creditors and business counterparties to raise collateral requirements or take other actions that could adversely affect our ability to raise funding. In addition to credit ratings, our borrowing costs are affected by various other external factors, including market volatility and concerns or perceptions about the financial services industry generally. There can be no assurance that we will maintain our credit ratings and outlooks and that credit ratings downgrades in the future would not have a material adverse effect on our ability to borrow funds and borrowing costs.
Some of the Bank's credit ratings were downgraded following the global resolution of the investigations into the Bank's U.S. BSA/AML Program, and the Bank's credit ratings and outlooks could be further downgraded if the rating agencies consider that the impact of the Global Resolution on the Bank is more negative or sustained than they expected, including if the Bank fails to meet the requirements imposed by its regulators or if the non-monetary penalties weaken the Bank's U.S. franchise. Downgrades in our credit ratings also may trigger additional collateral or funding obligations which, depending on the severity of the downgrade, could have a material adverse effect on our liquidity, including as a result of credit-related contingent features in certain of our derivative contracts.

Value and Market Price of our Common Shares and other Securities

The market price of the Bank's common shares and other securities may be impacted by market conditions and other factors, and securityholders may not be able to sell their securities at or above the price at which they purchased such securities. The volume, value and trading price of the Bank's securities could fluctuate significantly in response to factors both related and unrelated to our operating or financial performance and/or future prospects, including: (i) variations in the Bank's financial and operating results and financial condition; (ii) the Bank's ability to satisfy the terms of the Global Resolution; (iii) the impact of the Global Resolution on the Bank's businesses, operations and financial condition; (iv) the Bank being subject to further prosecution or financial penalties, which may occur if the Bank fails to comply with the terms of the plea agreements with the DOJ during the five-year term of probation; (v) the Bank's or U.S. Bank's former or current directors, officers or employees becoming subject to civil or criminal investigations or enforcement proceedings in relation to the Bank's U.S. BSA/AML program; (vi) differences between the Bank's actual financial and operating results and financial condition and those expected by investors and analysts; (vii) changes in perception by investors and analysts in the Bank's businesses, operations or financial condition; (viii) conduct by the Bank's employees, third party contractors or agents that adversely affects the Bank's reputation; (ix) the Bank's inability to execute on long-term strategies and shorter-term key strategic priorities; (x) the occurrence of significant technology or cybersecurity events; (xi) changes in the general business, market or economic conditions in the regions in which the Bank operates including as a result of geopolitical instability or in conditions affecting financial institutions or the financial services industry generally; (xii) fluctuations in inflation and interest rates; (xiii) volatility on exchanges on which the Bank's securities are traded; (xiv) actual or prospective changes in applicable laws, regulations or rules; and (xv) the materialization of other risks described in this "Risks that May Affect Future Results" section.

Interconnectivity of Financial Institutions

The financial services industry is highly interconnected such that a significant volume of transactions occur among the members of the industry. The interconnectivity of multiple financial institutions with central or common agents, exchanges and clearinghouses increases the risk that a financial or operational failure at one institution or entity may cause more widespread failures that could materially impact our ability to conduct business. Any such failure, termination or constraint could adversely affect our ability to effect transactions, service our clients, manage our exposure to risk or result in financial loss or liability to our clients.

Additionally, the Bank routinely transacts among an array of different financial products and services with counterparties in the financial services industry, including banks, investment banks, governments, central banks, insurance companies and other financial institutions. A rapid deterioration of a counterparty, or of a systemically significant market participant that is not a counterparty of the Bank, could lead to creditworthiness concerns of other borrowers or counterparties in related or dependent industries, and can lead to substantial disruption within the financial markets. These conditions could cause the Bank to incur significant losses or other adverse impacts to the Bank's financial condition. Furthermore, there is no assurance that industry regulators or government authorities will provide support in the event of the failure or financial distress of other banks or financial institutions, or that they would do so in a timely fashion. For example, the closures of Silicon Valley Bank and Signature Bank in March 2023 in the U.S. and their placement into receivership led to liquidity, credit and market risk concerns at many financial institutions, regardless of whether they had relationships with the closing institutions.

Accounting Policies and Methods Used by the Bank

The Bank's accounting policies and estimates are essential to understanding its results of operations and financial condition. Some of the Bank's policies require subjective, complex judgments and estimates as they relate to matters that are inherently uncertain. Changes in these judgments or estimates and changes to accounting standards and policies could have a materially adverse impact on the Bank's Consolidated Financial Statements, and its reputation. Material accounting policies as well as current and future changes in accounting policies are described in Note 2 and Note 4, respectively, and significant accounting judgments, estimates, and assumptions are described in Note 3 of the 2024 Consolidated Financial Statements.

RISK FACTORS AND MANAGEMENT

Managing Risk

EXECUTIVE SUMMARY

Growing profitability based on balanced revenue, expenses and capital growth involves selectively taking and managing risks within the Bank's risk appetite. The Bank's goal is to earn a stable and sustainable rate of return for every dollar of risk it takes, while putting significant emphasis on investing in its businesses to meet its strategic objectives.

The Bank's Enterprise Risk Framework (ERF) reinforces the Bank's risk culture, which emphasizes transparency and accountability, and supports a common understanding among stakeholders of how the Bank manages risk. The ERF addresses: (1) how the Bank defines the types of risk it is exposed to; (2) how the Bank determines the risks arising from the Bank's strategy and operations; (3) risk management governance and organization; and (4) how the Bank manages risk through processes that identify and assess, measure, control, monitor, and report risk. The Bank's risk management resources and processes are designed to both challenge and enable all its businesses to understand the risks they face and to manage them within the Bank's risk appetite.

RISKS INVOLVED IN TD'S BUSINESSES

The Bank's Risk Inventory sets out the Bank's major risk categories and related subcategories to which the Bank's businesses and operations could be exposed. The Risk Inventory facilitates consistent risk identification, assessment, control, measurement, monitoring, reporting, and disclosure of TD's risks. The Risk Inventory is the starting point in developing risk management strategies and processes. The Bank's major risk categories are: Strategic Risk; Credit Risk; Market Risk; Operational Risk; Model Risk; Insurance Risk; Liquidity Risk; Capital Adequacy Risk; Legal and Regulatory Compliance (including Financial Crime) Risk; and Reputational Risk.

Major Risk Categories

Strategic Risk	Credit Risk	Market Risk	Operational Risk	Model Risk	Insurance Risk	Liquidity Risk	Capital Adequacy Risk	Legal & Regulatory Compliance (including Financial Crime) Risk	Reputational Risk

RISK APPETITE

The Bank's Risk Appetite Statement (RAS) is the primary means used to communicate how the Bank views risk and determines the type and amount of risk it is willing to take to deliver on its strategy and to enhance shareholder value. In setting the risk appetite, the Bank takes into account its vision, purpose, strategy, shared commitments, and capacity to bear risk under both normal and recessionary/stress conditions. The core risk principles for the Bank's RAS are as follows:

The Bank takes risks required to build its business, but only if those risks:
1. Fit the business strategy, and can be understood and managed.
2. Do not expose the enterprise to any significant single loss events; TD does not 'bet the Bank' on any single acquisition, business, product or decision.
3. Do not risk harming the TD brand.

The Bank's Risk Appetite Governance Framework (RAGF) describes the assumptions, responsibilities, and processes established to define, maintain, govern and monitor TD's risk appetite, and associated risk measures. The Bank considers current operating conditions and the impact of emerging risks in developing and applying its risk appetite. Adherence to the Bank's risk appetite is managed and monitored across the Bank and is informed by the RAGF and a broad collection of principles, frameworks, policies, processes, and tools.

The Bank's RAS describes, by major risk category, the Bank's risk principles and establishes both qualitative and quantitative measures, thresholds, and limits, as appropriate. RAS measures consider both normal and stress scenarios and include those that can be monitored at the enterprise level and cascaded to the segments.

Risk Management is responsible for establishing practices and processes to formulate, monitor, and report on the Bank's RAS measures. The Risk Management function also monitors and evaluates the effectiveness of these practices and processes, as well as the RAS measures. Compliance with RAS principles and measures is assessed and reported regularly to senior management, the Board, and the Risk Committee of the Board (Risk Committee); other measures are tracked on an ongoing basis by management, and escalated to senior management and the Board, as required.

RISK CULTURE

Risk culture is the attitudes and behaviours around taking and managing risk in the Bank and is guided by our shared commitments and the TD Culture Framework. The TD Culture Framework defines culture at TD including expected behaviours and desired outcomes, describes our fundamental mechanisms to drive; embed; and reinforce our desired culture and provides a comprehensive approach to culture oversight. The shared commitments are the behaviours that differentiate the Bank and help guide the way the Bank runs its business, grows its leaders, supports its colleagues, and serves its communities. Risk culture is one of the attributes that is integral to the Bank's overall organizational culture. The Risk Committee engages with the Chief Risk Officer (CRO) who leads a diverse team of risk professionals to drive a proactive risk culture. The central oversight for organisational culture at TD is led by Human Resources (HR) in partnership with Risk Management.

The Bank's risk culture starts with the "tone at the top" set by the Chief Executive Officer (CEO) and the Senior Executive Team (SET), and is supported by the Bank's vision, purpose, shared commitments, Code of Conduct and Ethics and risk appetite. These governing objectives describe and drive the behaviours, decision making, and business practices that the Bank seeks to foster among its employees, in building a culture where the only risks taken are those within our established risk appetite. The Bank's risk culture reinforces that it is everyone's accountability to self-reflect, learn from past experiences, encourage open communication, escalate matters on a timely basis, and strive for transparency on all aspects of risk taking. The Bank's employees are expected to challenge, communicate, self-identify and escalate in a timely, accurate and forthright manner when they believe the Bank is operating outside of its desired risk culture or risk appetite.

Ethics, integrity and conduct is a pillar of TD's culture and is a key component of the Bank's risk culture. The Bank's Code of Conduct and Ethics guides employees and directors to make decisions that meet the highest standards of integrity, professionalism, and ethical behaviour. Every Bank employee and director is expected and required to assess business decisions and actions on behalf of the organization in light of whether it is right, legal, and fair.

The Bank's desired risk culture is reinforced by linking compensation to management's performance against the Bank's risk appetite. An annual consolidated assessment of management's performance against the RAS is prepared by Risk Management, reviewed by the Risk Committee, and is used by the HR Committee as a key input into compensation decisions. All executives are individually assessed against objectives that include consideration of risk and control behaviours. This comprehensive approach allows the Bank to consider whether the actions of executive management resulted in risk and control events within their area of responsibility.

In addition, Oversight Functions operate independently from segments, supported by an organizational structure that is designed to provide objective oversight and independent challenge. Oversight Function heads, including the CRO, have unfettered access to respective Board committees to raise risk, compliance, and other issues. Lastly, awareness and communication of the Bank's RAS and the ERF take place across the organization through enterprise risk communication programs, employee orientation and training, and participation in internal risk management conferences. These activities further strengthen the Bank's risk culture by increasing the knowledge and understanding of the Bank's expectations for risk taking.

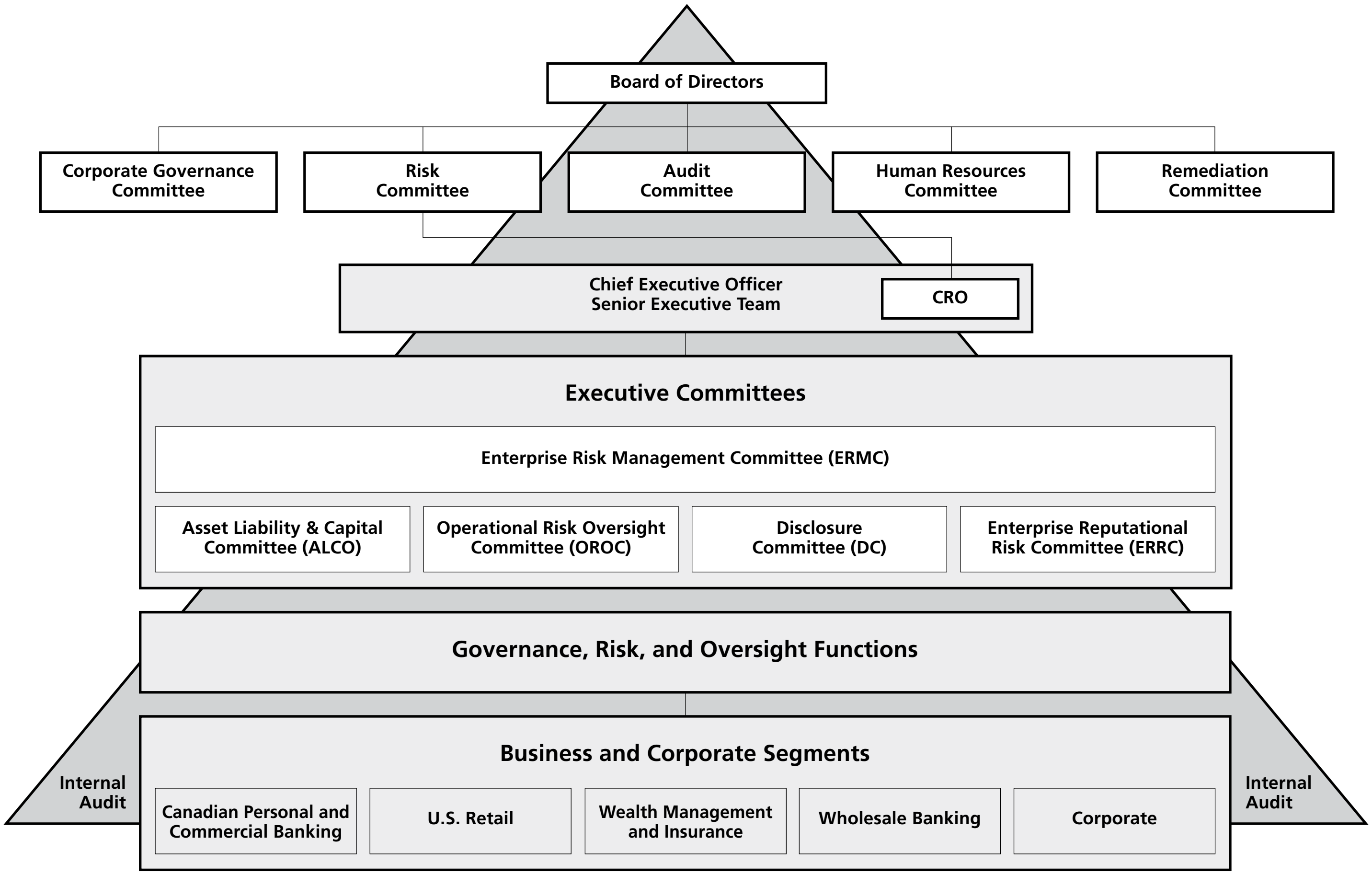
WHO MANAGES RISK

The Bank's risk governance structure emphasizes and balances strong independent oversight with clear ownership for risk across the Bank. Under the Bank's approach to risk governance, a "three lines of defence" model is employed, in which the first line of defence is the risk owner, the second line provides risk oversight, and the third line is internal audit.

The Bank's risk governance model includes a senior management committee structure that is designed to support transparent risk reporting and discussions. The Bank's overall risk and control oversight is provided by the Board and its committees. The CEO and SET determine the Bank's long-term direction which is then carried out by segments within the Bank's risk appetite. Risk Management, headed by the CRO, sets enterprise risk strategy and policy and provides independent oversight to support a comprehensive and proactive risk management approach. The CRO, who is also a member of the SET, has unfettered access to the Risk Committee. In addition, the Chief Anti-Money Laundering Officer and the Chief Compliance Officer have unfettered access to the Audit Committee.

The Bank has a subsidiary governance framework to support its overall risk governance structure, including Boards of Directors, and committees for various subsidiary entities where appropriate. Within the U.S. Retail business segment, risk and control oversight is provided by separate and distinct Boards of Directors which includes fully independent Board Risk and Audit Committees. The U.S. Chief Risk Officer (U.S. CRO) has unfettered access to the U.S. Board Risk Committee, the U.S. BSA Officer has unfettered access to the U.S. Board Audit and Compliance Committees, and the U.S. Chief Compliance Officer has unfettered access to the U.S. Audit Committee. In addition, as further described in "Significant Events – Global Resolution of the Investigations into the Bank's U.S. BSA/AML Program", the Bank is undertaking a remediation of its U.S. BSA/AML Program, which is a cross-functional undertaking, spanning business lines and control functions. The Bank has established a dedicated program management infrastructure to monitor execution against the remediation program. This work is being overseen by the Compliance Committee of the U.S. subsidiary boards.

RISK GOVERNANCE STRUCTURE



The Board of Directors
The Board oversees the Bank's strategic direction, the implementation of an effective risk culture and the internal control framework across the enterprise. It accomplishes its risk management mandate both directly and indirectly through its five committees: Audit, Risk, HR, Corporate Governance and Remediation. The Board reviews and approves the Bank's RAS and related RAS measures at least annually, and reviews the Bank's risk profile and performance relative to its risk appetite measures and principles. In addition, the Board has oversight of the Bank's management of capital, liquidity and internal controls policies and practices.

The Audit Committee
The Audit Committee oversees financial reporting, the adequacy and effectiveness of internal controls, including internal controls over financial reporting, and the activities of the Internal Audit Division, Finance, Compliance, and Financial Crime Risk Management, including Anti-Money Laundering/Terrorist Financing/Economic Sanctions/Anti-Bribery and Anti-Corruption. In addition, the committee has oversight of the establishment and maintenance of policies and programs reasonably designed to achieve and maintain the Bank's compliance with applicable laws and regulations. In support of this oversight, the committee reviews any significant litigation and regulatory matters.

The Risk Committee
The Risk Committee is responsible for reviewing and recommending TD's RAS for approval by the Board annually. The Risk Committee oversees the management of TD's risk profile and performance relative to its risk appetite. In support of this oversight, the committee reviews and approves significant enterprise-wide risk management frameworks and policies that are designed to help manage the Bank's major risk exposures, and monitors the management of risks, issues and trends.

The Human Resources Committee
The HR Committee, in addition to its other responsibilities, oversees the management of the Bank's culture and approves the Bank's Culture Framework. It also satisfies itself that HR risks are appropriately identified, assessed, and managed in a manner consistent with the risk programs within the Bank, and with the sustainable achievement of the Bank's business objectives. In addition, the committee monitors the Bank's compensation strategy, plans, policies and practices, including the appropriate consideration of risk.

The Corporate Governance Committee
The Corporate Governance Committee, in addition to its other responsibilities, develops, and where appropriate, recommends to the Board for approval corporate governance principles, including the Bank's Code of Conduct and Ethics, aimed at fostering a healthy governance culture at the Bank, and also acts as the conduct review committee for the Bank, including providing oversight of conduct risk. In addition, the committee has oversight of the Bank's strategy on corporate responsibility for E&S matters, the establishment and maintenance of policies in respect of the Bank's compliance with the consumer protection provisions of the Financial Consumer Protection Framework, and regularly assesses Board succession planning considerations.

The Remediation Committee
The Board approved the establishment of a Remediation Committee effective December 5, 2024, with a mandate to provide oversight to the Bank's and its subsidiaries' compliance with regulatory enforcement related orders and agreements. The committee will receive reports from the various remediation teams and oversight functions if necessary, including information and insights related to the Bank's compliance with all enforcement commitments and progress on the required remediation.

Chief Executive Officer and Senior Executive Team
The CEO and the SET develop and recommend to the Board the Bank's long-term strategic direction and also develop and recommend for Board approval TD's RAS. The SET members set the "tone at the top" and manage risk in accordance with the Bank's RAS while considering the impact of current and emerging risks on the Bank's strategy and risk profile. This accountability includes identifying, understanding and communicating significant risks to the Risk Committee.

Executive Committees
The CEO, in consultation with the CRO establishes the Bank's executive committee structure. These committees are chaired by SET members and meet regularly to oversee governance, risk, and control activities and to review and monitor risk strategies and associated risk activities and practices.

The ERMC, chaired by the CEO, oversees the management of major enterprise governance, risk, and control activities and promotes an integrated and effective risk management culture. The following executive committees have been established to manage specific major risks based on the nature of the risk and related business activity:
- ALCO – chaired by the Chief Financial Officer (CFO), the ALCO oversees directly and through its standing subcommittees (the Enterprise Capital Committee and Global Liquidity and Funding (GLF) Committee) the management of the Bank's consolidated non-trading market risk and each of its consolidated liquidity, funding, investments, and capital positions.
- OROC – chaired by the CRO, the OROC oversees the identification, monitoring, and control of key risks within the Bank's operational risk profile.
- DC – chaired by the CFO, the DC oversees that appropriate controls and procedures are in place and operating to permit timely, accurate, balanced, and compliant disclosure to regulators with respect to public disclosure, shareholders, and the market.
- ERRC – chaired by the CRO, the ERRC oversees the management of reputational risk within the Bank's risk appetite, provides a forum for discussion, review, and escalation for non-traditional risks, and acts as a decisioning body in cases where urgent risk assessment and decisions are required for select high-risk cross-segment/enterprise changes and where decision rights run across more than one group.

Risk Management
The Risk Management function, headed by the CRO, provides independent oversight of enterprise-wide risk management, risk governance, and control, including the setting of risk strategy and policy to manage risk in alignment with the Bank's risk appetite and business strategy. Risk Management's primary objective is to support a comprehensive and proactive approach to risk management that promotes a strong risk culture. Risk Management works with the segments and other oversight functions to establish policies, standards, and limits that align with the Bank's risk appetite and monitors and reports on current and emerging risks and compliance with the Bank's risk appetite. The CRO leads and directs a diverse team of risk management, including regulatory compliance and financial crime risk management (including anti-money laundering), professionals organized to oversee risks arising from each of the Bank's major risk categories. There is an established process in place for the identification and assessment of top and emerging risks, including tail risk i.e., low probability events that can result in large or unquantifiable losses, material intervention or action from regulators, and/or significant harm to the TD brand. In addition, the Bank has clear procedures governing when and how risk events and issues are communicated to senior management and the Risk Committee.

Business and Corporate Segments

Each business and corporate segment has a dedicated risk management function that reports directly to a senior risk executive who, in turn, reports to the CRO. This structure supports an appropriate level of independent oversight while emphasizing accountability for risk within the segment. Business and corporate management is responsible for setting the segment-level risk appetite and measures, which are reviewed and challenged by Risk Management, endorsed by the ERMC, and approved by the CEO, to align with the Bank's RAS and manage risk within approved risk limits.

The corporate segment includes service and control groups (e.g., Platforms and Technology; Transformation, Enablement and Customer Experience; HR and Finance) that, like business segments, are responsible for assessing risk, designing and implementing controls and monitoring and reporting their ongoing effectiveness.

Internal Audit

The Bank's Internal Audit function provides independent and objective assurance to the Board regarding the reliability and effectiveness of key elements of the Bank's risk management, internal control, and governance processes.

Global Compliance Department (Compliance)

Compliance is an independent regulatory compliance risk and oversight function for business conduct and market conduct laws, rules and regulations (LRRs). Compliance is also responsible for the design and oversight of the Bank's Regulatory Compliance Management (RCM) program in accordance with the Enterprise RCM Framework and related standards and supports the provision of the Chief Compliance Officer's opinion to the Audit Committee as to whether the RCM controls are sufficiently robust in achieving compliance with applicable laws, rules and regulatory requirements enterprise-wide.

Enterprise Conduct Risk Management (ECRM)

ECRM is responsible for the oversight of TD's management of conduct risk. ECRM owns the Enterprise Conduct Risk Management Policy and assesses adherence to the policy through testing, analysis of conduct-related issues, and effective challenge of segment reporting and change risk assessments. ECRM provides enterprise-wide aggregated conduct risk reporting to the Corporate Governance Committee which oversees conduct risk management in the Bank.

Financial Crime Risk Management (FCRM)

FCRM, previously Global Anti-Money Laundering, is responsible for the oversight of TD's regulatory compliance regarding AML, Anti-Terrorist Financing, Economic Sanctions, and Anti-Bribery/Anti-Corruption (collectively, "Financial Crime Risk" or "FCR") and assesses the adequacy of, adherence to and effectiveness of the Bank's day-to-day controls of the FCR Programs, using a risk-based approach. FCRM is also responsible for regulatory compliance and broader prudential risk management across the Bank in alignment with enterprise AML, Sanctions and Anti-Bribery/Anti-Corruption policies so that money laundering, terrorist financing, economic sanctions, and bribery and corruption risks are appropriately identified and mitigated. FCRM reports to the Audit Committee and ERMC on the overall adequacy and effectiveness of the FCR Programs including AML, program design and operations.

As described in the "Significant Events – Global Resolution of the Investigations into the Bank's U.S. BSA/AML Program" section, a remediation plan is in place to address U.S. BSA/AML regulatory requirements and deliver on enhancements to strengthen the AML program across the Global Bank, with the goal of enabling the Bank's compliance with regulatory expectations including how we identify, measure, monitor and mitigate AML related risks.

Both the U.S. and the Global programs have established risk mitigation and enhancement programs to help ensure that any interim risks are appropriately identified and managed according to established Risk Management standards during the period that the full multi-year remediation and enhancement activities are delivered. The scope of the risk mitigation program extends beyond FCRM specific risks and is focused on helping to ensure that additional risks arising from the Bank undertaking this type and scale of change are appropriately managed, including Model Risk, Technology and Data Risk, Third Party Risk and Operational Risk.

Three Lines of Defence

In order to further the understanding of responsibilities for risk management, the Bank employs the following "three lines of defence" model that describes the respective accountabilities of each line of defence in managing risk across the Bank.

THREE LINES OF DEFENCE	
First Line	***Risk Owner***
Identify and Control	• Own, identify, manage, measure, and monitor current and emerging risks in day-to-day activities, operations, products, and services. • Understand the risks, including tail risks, across relevant risk categories (what could go wrong and the potential impact to the Bank's customers, colleagues, and the Bank itself). • Identify and understand the applicable LRRs, including LRRs specific to the business. • Promote ongoing initiatives to raise the profile of risk considerations and understand key risks impacting the business. • Implement governance and control processes to promote risk awareness, clear risk ownership within the business, and personal accountability. • Design, implement, and maintain appropriate mitigating controls, and assess the design and operating effectiveness of those controls. • Understand and monitor control gaps and proactively self-identify and remediate issues. • Monitor and report on risk profile so that activities are within TD's risk appetite and policies. • Implement risk-based approval processes for all new products, activities, processes, and systems. • Escalate risk issues and develop and implement action plans in a timely manner. • Develop and deliver training, tools, and advice to support its accountabilities. • Promote a strong risk management culture.
Second Line	***Risk Oversight***
Set Standards and Challenge	• Establish and communicate enterprise governance, risk, and control strategies, frameworks, and policies. • Provide oversight and independent challenge to the first line through an effective objective assessment, that is evidenced and, where significant, documented, including: – Challenge the quality and sufficiency of the first line's risk activities; – Identify and assess current and emerging risks and controls, using a risk-based approach, as appropriate; – Monitor the adequacy and effectiveness of internal control activities; – Review and discuss assumptions, material risk decisions and outcomes; – Aggregate and share results across business lines and control areas to identify similar events, patterns, or broad trends; and – Monitor the execution of the Bank's remediation activities. • Identify and assess, and communicate relevant regulatory changes for the applicable LRRs. • Develop and implement risk measurement tools so that activities are within TD's RAS. • Monitor and report on compliance with the Bank's RAS and policies. • Escalate risk issues in a timely manner, with a focus on maintaining transparency to key stakeholders. • Report on the risks of the Bank on an enterprise-wide and disaggregated level to the Board and/or senior management, independently of the business lines or operational management. • Provide training, tools, and advice to support the first line in carrying out its accountabilities. • Promote a strong risk management culture.
Third Line	***Internal Audit***
Independent Assurance	• Verify independently that TD's ERF is designed and operating effectively. • Validate the effectiveness of the first and second lines of defence in fulfilling their mandates and managing risk.

In support of a strong risk culture, the Bank applies the following principles in governing how it manages risk:

- **Enterprise-Wide in Scope –** Risk Management will span all areas of the Bank, including third-party alliances and joint venture undertakings to the extent they may impact the Bank, and all boundaries, both geographic and regulatory.
- **Transparent and Effective Communication –** Matters relating to risk will be communicated and escalated in a timely, accurate, and forthright manner.
- **Enhanced Accountability –** Risks will be explicitly owned, understood, and actively managed by business management and all employees, individually and collectively.
- **Independent Oversight –** Risk policies, monitoring, and reporting will be established and conducted independently and objectively.
- **Integrated Risk and Control Culture –** Risk Management disciplines will be integrated into the Bank's daily routines, decision-making, and strategy formulation.
- **Strategic Balance –** Risk will be managed to an acceptable level of exposure, recognizing the need to protect and grow shareholder value to foster a sound strategic balance between risk mitigation and risk enablement within TD's risk appetite.
- **Leadership Accountability –** Leaders are accountable to demonstrate, influence and drive the right risk behaviours and risk mindset with colleagues and stakeholders.

APPROACH TO RISK MANAGEMENT PROCESSES

The Bank's comprehensive and proactive approach to risk management is comprised of four processes: risk identification and assessment, measurement, control, and monitoring and reporting.

Risk Identification and Assessment

Risk identification and assessment is focused on recognizing and understanding existing risks, risks that may arise from new or evolving business initiatives, aggregate risks, tail risks, and emerging risks from the changing environment. The Bank's objective is to establish and maintain integrated risk identification and assessment processes that enhance the understanding of risk interdependencies, consider how risk types intersect, and support the identification of emerging risks. To that end, the Bank's Enterprise-Wide Stress Testing (EWST) program enables senior management, the Board, and its committees to identify and articulate enterprise-wide risks and understand potential vulnerabilities for the Bank.

Risk Measurement

The ability to quantify risks is a key component of the Bank's risk management process. The Bank's risk measurement process aligns with regulatory requirements such as capital adequacy, leverage ratios, liquidity measures, stress testing, and maximum credit exposure guidelines established by its regulators. Additionally, the Bank has a process in place to quantify risks to provide accurate and timely measurements of the risks it assumes.

In quantifying risk, the Bank uses various risk measurement methodologies, including Value-at-Risk (VaR) analysis, scenario analysis, stress testing, and limits. Other examples of risk measurements include credit exposures, PCL, peer comparisons, trending analysis, liquidity coverage, leverage ratios, capital adequacy metrics, and operational risk event notification metrics. The Bank also requires segments and oversight functions to assess key risks and internal controls through a structured Risk and Control Self-Assessment program. Internal and external risk events are monitored to assess whether the Bank's internal controls are effective. This allows the Bank to identify, escalate, and monitor significant risk issues as needed.

Risk Control

The Bank's risk control processes are established and communicated through the Risk Committee and management approved policies, and associated management approved procedures, control limits, and delegated authorities which reflect its risk appetite and risk tolerances.

The Bank's approach to risk control also includes risk and capital assessments to appropriately capture key risks in its measurement and management of capital adequacy. This involves the review, challenge, and endorsement by senior management committees of the Bank's ICAAP and related economic capital practices. The Bank's performance is measured based on the allocation of risk-based capital to businesses and the cost charged against that capital.

Risk Monitoring and Reporting

The Bank monitors and reports on risk levels on a regular basis against its risk appetite and Risk Management reports on its risk monitoring activities to senior management, the Board and its Committees, and appropriate executive and management committees. Complementing regular risk monitoring and reporting, ad hoc risk reporting is provided to senior management, the Risk Committee, and the Board, as appropriate, for new and emerging risks or any significant changes to the Bank's risk profile. The Bank is developing methodologies and approaches for climate scenario analysis through participation in industry-wide working groups and the OSFI led Standardized Climate Scenario Exercise, and is working to embed the assessment of climate-related risks and opportunities into relevant Bank processes.

Stress Testing

Stress testing is an integral component of the Bank's risk management framework and serves as a key component of the Bank's capital, strategic and financial planning processes. Stress testing at the Bank comprises an annual enterprise-wide stress test featuring a range of scenarios, prescribed regulatory stress tests in multiple jurisdictions, and various ongoing and ad hoc stress tests and analysis. The results of these stress tests and analysis enable management to assess the impact of geopolitical events and changes to economic and other market factors on the Bank's financial condition and assist in the determination of capital and liquidity adequacy and targets, risk appetite and other limits. These exercises enable the identification and quantification of vulnerabilities, the monitoring of changes in risk profile relative to risk appetite limits, and evaluation of business plans.

The Bank utilizes a combination of quantitative modelling and qualitative approaches to assess the impact of changes in the macroeconomic environment on the Bank's income statement, balance sheet, and capital and liquidity position under hypothetical stress situations. Stress testing engages senior management across the lines of business, Finance, TBSM, Economics, and Risk Management. Stress test results are reviewed, challenged and approved by senior management and executive oversight committees. The Bank's Risk Committee also reviews, challenges, and discusses the results. The results are submitted, disclosed, or shared with regulators as required or requested.

Enterprise-Wide Stress Testing

The Bank conducts an annual EWST as part of a comprehensive capital and liquidity planning, strategic, and financial exercise that is a key component of the Bank's ICAAP framework. The EWST results are considered in establishing the Bank's capital targets and stress related risk appetite limits, evaluating the Bank's strategies and business plan, and identifying actions that senior management could take to manage the impact of stress events. In addition, the Bank conducts ad hoc stress tests and analysis for assessing the impact of events deemed to be potentially material or of concern in support of senior management's assessment of vulnerabilities and operational readiness to an uncertain or rapidly changing operating environment.

The program is subject to a well-defined governance framework that facilitates executive oversight and engagement throughout the organization. EWST methodologies and results are reviewed and challenged by executives and subject matter experts from the line of business, finance and risk teams. Stress testing results are further reviewed by ERMC and are also shared with the Board and regulators. The Bank's EWST program involves the development, execution and assessment of stress scenarios with varying features and degrees of severity on the balance sheet, income statement, capital, liquidity, and leverage. It enables management to identify and assess enterprise-wide risks and understand potential vulnerabilities, and changes to the risk profile of the Bank. The stress scenarios are developed with consideration of the Bank's key business activities, exposures, concentrations and vulnerabilities. The scenarios are designed to be consistent with regulatory stress testing frameworks and cover a wide variety of risk factors meaningful to the Bank's risk profiles in North America and globally including changes to unemployment, gross domestic product, home prices, and interest rates.

For the 2024 EWST program, the Bank developed and assessed scenarios that explored emerging risks such as inflation, various interest rate environments, increased competition/market pressure on fees, Net Interest Margin compression reflecting deposit attrition and higher funding costs, and elevated regulatory, fraud and cybersecurity risks. The stress testing scenarios included a plausible typical recession calibrated to historical recessions in Canada and the U.S., a low probability and highly severe stagflation scenario targeting TD-specific risks and vulnerabilities, and an alternative scenario that explores another plausible interest rate environment. Supplemental analysis performed during 2024 explored strategic risk events to support senior management in assessing key risks.

Other Stress Tests and Analysis

Ongoing stress testing and scenario analyses within specific risk types, such as market risk, liquidity risk, retail and wholesale credit risk, operational risk, and insurance risk, supplement and support our enterprise-wide analyses. Results from these risk-specific programs are used in a variety of decision-making processes including risk limit setting, portfolio composition evaluation, risk appetite articulation and business strategy implementation. In addition, the Bank conducts ad hoc stress tests and analysis for the enterprise as well as for targeted portfolios, to evaluate potential vulnerabilities and operational readiness to specific changes in economic and market conditions including those related to evolving geopolitical risk events.

Stress tests are also conducted on certain legal entities and jurisdictions, in line with prescribed regulatory requirements. The Bank's U.S.- holding company and operating bank subsidiaries' capital planning process including execution of stress tests are conducted in accordance with the U.S. Dodd-Frank Act stress testing (DFAST) requirements. In addition, certain Bank subsidiaries in Singapore, Ireland, and the United Kingdom conduct stress testing exercises as part of their respective ICAAP. The Bank undertakes other internal and regulatory based stress tests including liquidity and market risk, which are detailed in the respective sections.

The Bank also conducts scenario and sensitivity analysis as part of the Recovery and Resolution Planning program to assess potential mitigating actions and contingency planning strategies, as required.

Strategic Risk

Strategic risk is the risk of sub-optimal outcomes (including financial losses or reputational damage) arising from the Bank's strategic choices, execution of our strategies, responses to disruption (e.g., technological advancements or unforeseen competitive shifts) and regulatory shifts, or tail risk exposures (i.e., low probability events that can result in large or unquantifiable losses, material intervention or action from regulators, and/or significant harm to the TD brand). Strategic choices may span ongoing business operations and inorganic (Mergers & Acquisitions and strategic partnerships) activities.

WHO MANAGES STRATEGIC RISK

The CEO manages Strategic Risk, supported by members of the SET and the ERMC. The CEO, together with the SET, defines the overall strategy, in consultation with, and subject to approval by the Board. The Enterprise Strategy group, under the leadership of the CFO, is charged with developing the Bank's long-term strategy and shorter-term strategic objectives and priorities with input and support from senior executives across the Bank.

Each member of the SET is responsible for establishing and managing long- and short-term strategic priorities for their areas of responsibility (business segment or corporate function), and ensuring such strategies are aligned with the Bank's long- and short-term strategic objectives and priorities, and are within the Bank's risk appetite. Each member of the SET is also accountable to the CEO for identifying, assessing, measuring, controlling, monitoring, and reporting on the effectiveness and risks of their business segment or corporate function's strategies.

The CEO, members of the SET, and other senior executives report to the Board on the implementation of the Bank's strategies, identifying related risks and explaining how they are managed.

The ERMC oversees the identification and monitoring of significant and emerging risks related to the Bank's strategies so that mitigating actions are taken where appropriate.

HOW TD MANAGES STRATEGIC RISK

The Bank's enterprise-wide strategies and operating performance, and those of significant business segments and corporate functions, are assessed regularly by the CEO and members of the SET through an integrated financial and strategic planning process, as well as operating results reviews.

The Bank's RAS establishes strategic risk limits at the enterprise and business segment levels. Limits include qualitative and quantitative assessments and are established to monitor and control business concentrations, strategic disruption, and E&S risks.

The Bank's annual integrated planning process establishes plans at the enterprise and segment levels. The plans incorporate market trends, TD's relative performance, long- and short-term strategies, target metrics, key risks / mitigants, and alignment with the Bank's enterprise strategy and risk appetite.

Operating results are reviewed periodically during the year to monitor segment / function performance against the integrated financial and strategic plan. These reviews include an evaluation of long-term strategy and short-term strategic priorities, including the operating environment, relative performance and competitive positioning assessments, initiative execution status, and key risks / mitigants. The frequency of operating results reviews depends on the risk profile and size of the business segment or corporate function.

The Bank's strategic risk and adherence to its risk appetite is reviewed by the ERMC in the normal course, as well as by the Board. Additionally, material acquisitions are assessed for their fit with the Bank's strategy and risk appetite in accordance with the Bank's Due Diligence Policy. This assessment is reviewed by the SET and Board as part of the decision process.

The shaded areas of this MD&A represent a discussion on risk management policies and procedures relating to credit, market, and liquidity risks as required under IFRS 7, *Financial Instruments: Disclosures*, which permits these specific disclosures to be included in the MD&A. Therefore, the shaded areas which include Credit Risk, Market Risk, and Liquidity Risk, form an integral part of the audited Consolidated Financial Statements for the years ended October 31, 2024 and October 31, 2023.

The Basel Framework

The objective of the Basel Framework is to improve the consistency of capital requirements internationally and establish minimum regulatory capital standards which adequately capture risks. The Basel Framework sets different risk-sensitive approaches for calculating credit, market, and operational RWA.

Credit Risk

Credit risk is the risk of loss if a borrower or counterparty in a transaction fails to meet its agreed payment obligations.

Credit risk is one of the most significant and pervasive risks in banking. Every loan, extension of credit, or transaction that involves the transfer of payments between the Bank and other parties or financial institutions exposes the Bank to some degree of credit risk.

The Bank's primary objective is to be methodical in its credit risk assessment so that the Bank can understand, select, and manage its exposures to reduce significant fluctuations in earnings.

The Bank's strategy is to include central oversight of credit risk in each business, and reinforce a culture of transparency, accountability, independence, and balance.

WHO MANAGES CREDIT RISK

The responsibility for credit risk management is enterprise-wide. To reinforce ownership of credit risk, credit risk control functions are integrated into each business, but also report to Risk Management.

Each business segment's credit risk control unit is responsible for its credit decisions and must comply with established policies, exposure guidelines, credit approval limits, and policy/limit exception procedures. It must also adhere to established enterprise-wide standards of credit assessment and obtain Risk Management's approval for credit decisions beyond its discretionary authority.

Risk Management is accountable for oversight of credit risk by developing policies that govern and control portfolio risks, and approval of product-specific policies, as required.

The Risk Committee oversees the management of credit risk and annually approves certain significant credit risk policies.

HOW TD MANAGES CREDIT RISK

The Bank's Credit Risk Management Framework outlines the internal risk and control structure to manage credit risk and includes risk appetite, policies, processes, limits and governance. The Credit Risk Management Framework is maintained by Risk Management and supports alignment with the Bank's risk appetite for credit risk.

Credit risk policies and credit decision-making strategies, as well as the discretionary limits of officers throughout the Bank for extending lines of credit are centrally approved by Risk Management, and the Board where applicable.

Limits are established to monitor and control country, industry, product, geographic, and group exposure risks in the portfolios in accordance with enterprise-wide policies.

In the Bank's Retail businesses, the Bank uses established underwriting guidelines (which include collateral and loan-to-value requirements) along with approved scoring techniques and standards in extending, monitoring, and reporting personal credit. Credit scores and decision strategies are used in the origination and ongoing management of new and existing retail credit exposures. Scoring models and decision strategies utilize a combination of borrower attributes, including, but not limited to, income, employment status, existing loan exposure and performance, and size of total bank relationship, as well as external data such as credit bureau information, to determine the amount of credit the Bank is prepared to extend to retail customers and to estimate future credit performance. Established policies and procedures are in place to govern the use, and monitor and assess the performance of scoring models and decision strategies to align with expected performance results. Retail credit exposures approved within the credit centres are subject to ongoing Retail Risk Management review to assess the effectiveness of credit decisions and risk controls, as well as to identify emerging or systemic issues and trends. Material policy exceptions are tracked and reported and larger dollar exposures and material exceptions to policy are escalated to Retail Risk Management.

The Bank's Commercial Banking and Wholesale Banking businesses use credit risk models and policies to establish borrower and facility risk ratings (BRR and FRR), quantify and monitor the level of risk, and to aid in the Bank's effective management of risk. Risk ratings are also used to determine the amount of credit exposure the Bank is willing to extend to a particular borrower. Management processes are used to monitor country, industry, and borrower or counterparty risk ratings, which include daily, monthly, quarterly, and annual review requirements for credit exposures. The key parameters used in the Bank's credit risk models are monitored on an ongoing basis.

Unanticipated economic or political changes in a foreign country could affect cross-border payments for goods and services, loans, dividends, and trade-related finance, as well as repatriation of the Bank's capital in that country. The Bank currently has credit exposure in a number of countries, with the majority of the exposure in North America. The Bank measures country risk using approved risk rating models and qualitative factors that are also used to establish country exposure limits covering all aspects of credit exposure across all businesses. Country risk ratings are managed on an ongoing basis and are subject to a detailed review at least annually.

As part of the Bank's credit risk strategy, the Bank sets limits on the amount of credit it is prepared to extend to specific industry sectors. The Bank monitors its concentration to any given industry to provide for a diversified loan portfolio and to reduce the risk of undue concentration. The Bank manages this risk using limits based on an internal risk rating methodology that considers relevant factors. The Bank assigns a maximum exposure limit or a concentration limit to each major industry segment which is a percentage of its total wholesale and commercial private sector exposure.

The Bank may also set limits on the amount of credit it is prepared to extend to a particular entity or group of entities, also referred to as "entity risk". All entity risk is approved by the appropriate decision-making authority using limits based on the entity's BRR. This exposure is monitored on a regular basis.

To determine the potential loss that could be incurred under a range of adverse scenarios, the Bank subjects its credit portfolios to stress tests. Stress tests assess vulnerability of the portfolios to the effects of severe but plausible situations, such as an economic downturn or a material market disruption.

Credit Risk and the Basel Framework

The Bank uses the Basel IRB to calculate credit risk RWA for all material portfolios. Based on exposure class, in accordance with the OSFI CAR guidelines, either a foundation approach (Foundation Internal Ratings-Based (FIRB)) or advanced approach (Advanced Internal Ratings-Based (AIRB)) is applied.

The following risk parameters are used in credit risk RWA calculations and may be subject to prescribed floors in some cases:

- Probability of default (PD) – the likelihood that the borrower will not be able to meet its scheduled repayments within a one-year time horizon.
- Loss given default (LGD) – the amount of loss the Bank would likely incur when a borrower defaults on a loan, which is expressed as a percentage of exposure at default (EAD).
- EAD – the total amount of the Bank's exposure at the time of default, including certain off-balance sheet items.

The FIRB approach primarily uses internally derived PD, while other components such as LGD and EAD are prescribed. The AIRB approach uses internally derived PD, LGD, and EAD.

To continue to qualify to use the IRB approaches for credit risk, the Bank must meet the ongoing conditions and requirements established by OSFI and the Basel Framework. The Bank regularly assesses its compliance with these requirements.

Credit Risk Exposures Subject to the IRB Approaches

Banks that adopt the IRB approaches to credit risk must report credit risk exposures by counterparty type, each having different underlying risk characteristics. These counterparty types may differ from the presentation in the Bank's 2024 Consolidated Financial Statements. The Bank's credit risk exposures are divided into two main portfolios, retail and non-retail.

Retail Exposures

In the retail portfolio, including individuals and small businesses, the Bank manages exposures on a pooled basis, using predictive credit scoring techniques. There are three sub-types of retail exposures: residential secured (for example, mortgages and HELOCs), qualifying revolving retail (for example, credit cards, unsecured lines of credit, and overdraft protection products), and other retail (for example, personal loans, including secured automobile loans, student lines of credit, and small business banking credit products).

The Bank calculates RWA for its retail exposures using the AIRB approach. All retail PD, LGD, and EAD parameter models are based on the internal default and loss performance history for each of the three retail exposure sub-types. These parameters are also used in the calculation of regulatory capital, economic capital, and allowance for credit losses.

Account-level PD, LGD, and EAD models are built for each product portfolio and calibrated based on the observed account-level default and loss performance for the portfolio.

Consistent with the AIRB approach, the Bank defines default for exposures as delinquency of 90 days or more for the majority of retail credit portfolios. LGD estimates used in the RWA calculations reflect economic losses, such as direct and indirect costs as well as any appropriate discount to account for time between default and ultimate recovery. EAD estimates reflect the historically observed utilization of credit limits at default. PD, LGD, and EAD models are calibrated using established statistical methods, such as logistic and linear regression techniques. Predictive attributes in the models may include account attributes, such as loan size, interest rate, and collateral, where applicable; an account's previous history and current status; an account's age on book; a customer's credit bureau attributes; a customer's other holdings with the Bank; and macroeconomic inputs, such as unemployment rate. For secured products such as residential mortgages, property characteristics, loan-to-value ratios, and a customer's equity in the property, play a significant role in PD as well as in LGD models.

All risk parameter estimates are updated on a quarterly basis based on the refreshed model inputs. Parameter estimation is fully automated based on approved formulas and is not subject to manual overrides.

Exposures are then assigned to pre-defined PD segments based on their estimated long-run average one-year PD.

The predictive power of the Bank's retail credit models is assessed against the most recently available one-year default and loss performance on a quarterly basis. All models are also subject to a comprehensive independent validation as outlined in the "Model Risk Management" section of this disclosure.

Long-run PD estimates are generated by including key economic indicators, such as interest rates and unemployment rates, and using their long-run average over the credit cycle to estimate PD.

LGD estimates are required to reflect a downturn scenario. Downturn LGD estimates are generated by using macroeconomic inputs, such as changes in housing prices and unemployment rates expected in an appropriately severe downturn scenario.

For unsecured products, downturn LGD estimates reflect the observed lower recoveries for exposures defaulted during the 2008 to 2009 recession. For products secured by residential real estate, such as mortgages and HELOCs, downturn LGD reflects the potential impact of a severe housing downturn. EAD estimates similarly reflect a downturn scenario.

The following table maps PD ranges to risk levels:

Risk Assessment	PD Segment	PD Range
Low Risk	1	0.00 to 0.15%
Normal Risk	2	0.16 to 0.41
	3	0.42 to 1.10
Medium Risk	4	1.11 to 2.93
	5	2.94 to 4.74
High Risk	6	4.75 to 7.59
	7	7.60 to 18.24
	8	18.25 to 99.99
Default	9	100.00

Non-Retail Exposures

In the non-retail portfolio, the Bank manages exposures on an individual borrower basis, using industry and sector-specific credit risk models, and expert judgment. The Bank has categorized non-retail credit risk exposures according to the following Basel counterparty types: corporate, including wholesale and commercial customers, sovereign, and bank. Under the IRB approaches, CMHC-insured mortgages are considered sovereign risk and are therefore classified as non-retail.

The Bank evaluates credit risk for non-retail exposures by using both a BRR and FRR. The Bank uses this system for all corporate, sovereign, and bank exposures. The Bank determines the risk ratings using industry and sector-specific credit risk models that are based on internal historical data. In Canada, for both the wholesale and commercial lending portfolios, credit risk models are calibrated based on internal data beginning in 1994. In the U.S., credit risk models are calibrated based on internal data beginning in 2007. All borrowers and facilities are assigned an internal risk rating that must be reviewed at least once each year. External data such as rating agency default rates or loss databases are used to benchmark the parameters.

Internal risk ratings (BRR and FRR) are key to portfolio monitoring and management, and are used to set exposure limits and loan pricing. Internal risk ratings are also used in the calculation of regulatory capital, economic capital, and allowance for credit losses.

Borrower Risk Rating and PD

Each borrower is assigned a BRR that reflects the PD of the borrower using proprietary models and expert judgment. In assessing borrower risk, the Bank reviews the borrower's competitive position, financial performance, economic, and industry trends, management quality, and access to funds. Under the IRB approaches, borrowers are grouped into BRR grades where a PD is calibrated for each BRR grade. Use of projections for model implied risk ratings is not permitted and BRRs may not incorporate a projected reversal, stabilization of negative trends, or the acceleration of existing positive trends. Historic financial results can however be sensitized to account for events that have occurred, or are about to occur, such as additional debt incurred by a borrower since the date of the last set of financial statements. In conducting an assessment of the BRR, all relevant and material information must be taken into account and the information being used must be current. Quantitative rating models are used to rank the expected through-the-cycle PD, and these models are segmented into categories based on industry and borrower size. The quantitative model output can be modified in some cases by expert judgment, as prescribed within the Bank's credit policies.

To calibrate PDs for each BRR band, the Bank computes yearly transition matrices based on annual cohorts and then estimates the average annual PD for each BRR. The PD is set at the average estimation level plus an appropriate adjustment to cover statistical and model uncertainty. The calibration process for PD is a through-the-cycle approach. TD's 21-point BRR scale broadly aligns to external ratings as follows:

Description	Rating Category	Standard & Poor's	Moody's Investor Services
Investment grade	0 to 1C	AAA to AA-	Aaa to Aa3
	2A to 2C	A+ to A-	A1 to A3
	3A to 3C	BBB+ to BBB-	Baa1 to Baa3
Non-investment grade	4A to 4C	BB+ to BB-	Ba1 to Ba3
	5A to 5C	B+ to B-	B1 to B3
Watch and classified	6 to 8	CCC+ to CC and below	Caa1 to Ca and below
Impaired/default	9A to 9B	Default	Default

Facility Risk Rating and LGD

The FRR maps to LGD, with different models used based on industry and obligor size, and takes into account facility-specific characteristics such as collateral, seniority ranking of debt, loan structure, and borrower enterprise value.

Average LGD and the statistical uncertainty of LGD are estimated for each FRR grade. In some FRR models, the scarcity of historical default events requires the model to output a rank-ordering which is then mapped through expert judgment to the quantitative LGD scale.

Under the FIRB approach, LGDs are prescribed whereas the AIRB approach stipulates the use of downturn LGD, where the downturn period, as determined by internal and/or external experience, suggests higher than average loss rates or lower than average recovery. To reflect this, calibrated LGDs take into account both the statistical estimation uncertainty and the higher than average LGDs experienced during downturn periods.

Exposure at Default

The Bank calculates non-retail EAD by first measuring the drawn amount of a facility and then adding a potential increased utilization at default from the undrawn portion, if any. Usage Given Default (UGD) is measured as the percentage of undrawn exposure that would be expected to be drawn by a borrower defaulting in the next year, in addition to the amount that already has been drawn by the borrower. In the absence of credit mitigation effects or other details, the EAD is set at the drawn amount plus (estimated UGD x undrawn) for AIRB exposure, or (prescribed UGD x undrawn) for FIRB exposures.

BRR and drawn ratio up to one-year prior to default are predictors for UGD under the AIRB approach. Consequently, the UGD estimates are calibrated by BRR and drawn ratio, the latter representing the ratio of the drawn to authorized amounts.

Historical UGD experience is studied for any downturn impacts, similar to the LGD downturn analysis. The Bank has not found downturn UGD to be significantly different from average UGD, therefore the UGDs under AIRB are set at the average calibrated level, by drawn ratio and/or BRR, plus an appropriate adjustment for statistical and model uncertainty.

UGDs under the FIRB approach are prescribed for relevant exposure classes.

Credit Risk Exposures Subject to the Standardized Approach (SA)

Currently the SA to credit risk is used for new portfolios, which are in the process of transitioning to IRB approaches, or exempted portfolios which are either immaterial or expected to wind down. The Bank primarily applies SA to certain segments within both the Retail and Non-retail portfolios. Under the SA, the exposure amounts are multiplied by risk weights prescribed by OSFI, based on the OSFI Capital Adequacy Requirements (CAR) guidelines, to determine RWA. These risk weights are assigned according to certain factors including counterparty type, product type, and the nature/extent of credit risk mitigation. The Bank uses external credit ratings, including Moody's and S&P to determine the appropriate risk weight for its exposures to sovereigns and central banks, public sector entities (PSEs), banks (regulated DTIs and securities firms), and corporates. The Bank applies SA to certain retail portfolios, including Real Estate Secured Lending (RESL), where the assigned risk weight is primarily based on the exposure's Loan-to-Value ratio and whether the exposure is categorized as income producing or general.

Lower risk weights apply where approved credit risk mitigants exist. For off-balance sheet exposures, specified credit conversion factors are used to convert the notional amount of the exposure into a credit equivalent amount.

Derivative Exposures

Credit risk on derivative financial instruments, also known as counterparty credit risk, is the risk of a financial loss occurring as a result of the failure of a counterparty to meet its obligation to the Bank. Derivative-related credit risks are subject to the same credit approval standards that the Bank uses for assessing loans. These standards include evaluating the creditworthiness of counterparties, measuring and monitoring exposures, including wrong-way risk exposures, and managing the size, diversification, and maturity structure of the portfolios.

The Bank uses various qualitative and quantitative methods to measure and manage counterparty credit risk. These include statistical methods to measure the current and future potential risk, as well as ongoing stress testing to identify and quantify exposure under a range of adverse scenarios. The Bank establishes various limits to manage business volumes and concentrations. Risk Management independently measures and monitors counterparty credit risk relative to established credit policies and limits. As part of the credit risk monitoring process, management periodically reviews all exposures, including exposures resulting from derivative financial instruments to higher risk counterparties, and to assess the valuation of underlying financial instruments and the impact evolving market conditions may have on the Bank.

There are two types of wrong-way risk exposures, namely general and specific. General wrong-way risk arises when the PD of the counterparties moves in the same direction as a given market risk factor. Specific wrong-way risk arises when the exposure to a particular counterparty moves in the same direction as the PD of the counterparty due to the nature of the transactions entered into with that counterparty. These exposures require specific approval within the credit approval process. The Bank measures and manages specific wrong-way risk exposures in the same manner as direct loan obligations and controls them by way of approved credit facility limits.

The Bank uses the standardized approach for counterparty credit risk to calculate the EAD amount, which is defined by OSFI as a multiple of the summation of replacement cost and potential future exposure, to estimate the risk and determine regulatory capital requirements for derivative exposures.

Credit Valuation Adjustment Risk

The Bank maintains policies and procedures that govern the valuation and hedging of Credit Valuation Adjustment (CVA) risk. These policies, procedures and associated results are regularly reviewed and approved by senior management. While CVA risk, capital and hedging is managed and owned by a dedicated business function, the independent Risk Management function oversees the process, including the effectiveness of hedges, reporting and monitoring for compliance to policies and frameworks and adherence to risk appetite. Quantitative models used for CVA risk and CVA capital comply with TD's Model Risk Management Framework.

Validation of the Credit Risk Rating System

Credit risk rating systems and methodologies are independently validated on a regular basis to verify that they remain accurate predictors of risk. The validation process includes the following considerations:

- Risk parameter estimates – PDs, LGDs, and EADs are reviewed and updated against actual loss experience to verify that estimates continue to be reasonable predictors of potential loss.
- Model performance – Estimates continue to be discriminatory, stable, and predictive.
- Data quality – Data used in the risk rating system is accurate, appropriate, and sufficient.
- Assumptions – Key assumptions underlying the development of the model remain valid for the current portfolio and environment.

Risk Management verifies that the credit risk rating system complies with the Bank's Model Risk Policy. At least annually, the Risk Committee is informed of the performance of the credit risk rating system. The Risk Committee must approve any material changes to the Bank's credit risk rating system.

Credit Risk Mitigation

The techniques the Bank uses to reduce or mitigate credit risk include written policies and procedures to value and manage financial and non-financial security (collateral) and to review and negotiate netting agreements. The amount and type of collateral, and other credit risk mitigation techniques required, are based on the Bank's own assessment of the borrower's or counterparty's credit quality and capacity to pay.

In the Retail and Commercial banking businesses, security for loans is primarily non-financial and includes residential real estate, real estate under development, commercial real estate, automobiles, and other business assets, such as accounts receivable, inventory, and fixed assets. In the Wholesale Banking business, a large portion of loans are to investment grade borrowers where no security is pledged. Non-investment grade borrowers typically pledge business assets in the same manner as commercial borrowers. Common standards across the Bank are used to value collateral, determine frequency of recalculation, and to document, register, perfect, and monitor collateral.

The Bank mitigates derivative counterparty exposure using mitigation strategies that include master netting agreements, collateral pledging, and central clearing houses. Master netting agreements allow the Bank to offset and arrive at a net obligation amount, whereas collateral agreements allow the Bank to secure the Bank's exposure. Security for derivative exposures is primarily financial and includes cash and negotiable securities issued by highly rated governments and investment grade issuers. Central clearing houses further reduce bilateral credit risk by taking the opposite position to each trade.

In all but exceptional situations, the Bank secures collateral by taking possession and controlling it in a jurisdiction where it can legally enforce its collateral rights. In exceptional situations and when demanded by the Bank's counterparty, the Bank holds or pledges collateral with an acceptable third-party custodian. The Bank documents all such third party arrangements with industry standard agreements.

Occasionally, the Bank may take guarantees to reduce the risk in credit exposures. For credit risk exposures subject to the IRB approaches, the Bank only recognizes irrevocable guarantees for Commercial Banking and Wholesale Banking credit exposures that are provided by entities with a better risk rating than that of the borrower or counterparty to the transaction.

The Bank makes use of credit derivatives to mitigate credit risk. The credit, legal, and other risks associated with these transactions are controlled through well-established procedures. The Bank's policy is to enter into these transactions with investment grade financial institutions and transact on a collateralized basis. Credit risk to these counterparties is managed through the same approval, limit, and monitoring processes the Bank uses for all counterparties for which it has credit exposure.

The Bank uses appraisals as well as valuations via automated valuation models (AVMs) to support property values when adjudicating loans collateralized by residential property. AVMs are computer-based tools used to estimate or validate the market value of residential property and uses market comparables and price trends for local market areas. The primary risk associated with the use of these tools is that the value of an individual property may vary significantly from the average for the market area. The Bank has specific risk management guidelines addressing the circumstances when they may be used, and processes to periodically validate AVMs including obtaining third-party appraisals.

Gross Credit Risk Exposure

Gross credit risk exposure, also referred to as EAD, is the total amount the Bank is exposed to at the time of default of a loan and is measured before counterparty-specific provisions or write-offs. Gross credit risk exposure does not reflect the effects of credit risk mitigation and includes both on-balance sheet and off-balance sheet exposures. On-balance sheet exposures consist primarily of outstanding loans, non-trading securities, derivatives, and certain other repo-style transactions. Off-balance sheet exposures consist primarily of undrawn commitments, guarantees, and certain other repo-style transactions.

Gross credit risk exposures for the two approaches the Bank uses to measure credit risk are included in the following table.

TABLE 42 GROSS CREDIT RISK EXPOSURES – Standardized and Internal Ratings-Based (IRB) Approaches[1]

(millions of Canadian dollars)						*As at*
	October 31, 2024			October 31, 2023		
	Standardized	**IRB**	**Total**	Standardized	IRB	Total
Retail						
Residential secured	**$ 4,163**	**$ 537,075**	**$ 541,238**	$ 4,815	$ 515,152	$ 519,967
Qualifying revolving retail	**866**	**172,203**	**173,069**	810	169,183	169,993
Other retail	**3,391**	**104,253**	**107,644**	3,368	99,253	102,621
Total retail	**8,420**	**813,531**	**821,951**	8,993	783,588	792,581
Non-retail						
Corporate	**2,346**	**721,156**	**723,502**	3,496	654,369	657,865
Sovereign	**205**	**588,498**	**588,703**	116	527,423	527,539
Bank	**4,541**	**171,250**	**175,791**	5,272	171,180	176,452
Total non-retail	**7,092**	**1,480,904**	**1,487,996**	8,884	1,352,972	1,361,856
Gross credit risk exposures	**$ 15,512**	**$ 2,294,435**	**$ 2,309,947**	$ 17,877	$ 2,136,560	$ 2,154,437

[1] Gross credit risk exposures represent EAD and are before the effects of credit risk mitigation. This table excludes securitization, equity, and other credit RWA.

Other Credit Risk Exposures

Non-trading Equity Exposures

The Bank applies the standardized approach to calculate RWA on non-trading equity exposures. Under the standardized approach, a 250% risk weight is applied to equity holdings with the exception of speculative unlisted equities that receive a 400% risk weight. Equity exposures to sovereigns and holdings made under legislated programs continue to follow the OSFI prescribed risk weights of 0%, 20% or 100%.

Securitization Exposures

The Bank applies risk weights to all securitization exposures under the revised securitization framework published by OSFI. The revised securitization framework includes a hierarchy of approaches to determine capital treatment, and transactions that meet the simple, transparent, and comparable requirements that are eligible for preferential capital treatment.

The Bank uses Internal Ratings-Based Approach (SEC-IRBA) for qualified exposures. Under SEC-IRBA, risk weights are determined using a loss coverage model that quantifies and monitors the level of risk. The SEC-IRBA also considers credit enhancements available for loss protection.

For externally rated exposures that do not qualify for SEC-IRBA, the Bank uses an External Ratings-Based Approach (SEC-ERBA). Risk weights are assigned to exposures using external ratings by external rating agencies, including Moody's and S&P. The SEC-ERBA also takes into account additional factors, including the type of the rating (long-term or short-term), maturity, and the seniority of the position.

For exposures that do not qualify for SEC-IRBA or SEC-ERBA, and are held by an ABCP issuing conduit, the Bank uses the Internal Assessment Approach (IAA).

Under the IAA, the Bank considers all relevant risk factors in assessing the credit quality of these exposures, including those published by the Moody's and S&P rating agencies. The Bank also uses loss coverage models and policies to quantify and monitor the level of risk, and facilitate its management. The Bank's IAA process includes an assessment of the extent by which the enhancement available for loss protection provides coverage of expected losses. The levels of stressed coverage the Bank requires for each internal risk rating are consistent with the rating agencies' published stressed factor requirements for their equivalent external ratings by asset class. Under the IAA, exposures are multiplied by OSFI prescribed risk weights to calculate RWA for capital purposes.

For exposures that do not qualify for SEC-IRBA, SEC-ERBA or the IAA, the Bank uses the SA (SEC-SA). Under SEC-SA, the primary factors that determine the risk weights include the asset class of the underlying loans, the seniority of the position, the level of credit enhancements, and historical delinquency rates.

Irrespective of the approach being used to determine the risk weights, all exposures are assigned an internal risk rating based on the Bank's assessment, which must be reviewed at least annually. The ratings scale TD uses corresponds to the long-term ratings scales used by the rating agencies.

The Bank's internal rating process is subject to all of the key elements and principles of the Bank's risk governance structure, and is managed in the same way as outlined in this "Credit Risk" section.

The Bank uses the results of the internal rating in all aspects of its credit risk management, including performance tracking, control mechanisms, and management reporting.

Market Risk

Trading Market Risk is the risk of loss from financial instruments held in trading portfolios due to adverse movements in market factors. These market factors include interest rates, foreign exchange rates, equity prices, commodity prices, credit spreads, and their respective volatilities.

Non-Trading Market Risk is the risk of loss on the balance sheet or volatility in earnings from non-trading activities such as asset-liability management or investments, due to adverse movements in market factors. These market factors are predominantly interest rates, credit spreads, foreign exchange rates and equity prices.

The Bank is exposed to market risk in its trading and investment portfolios, as well as through its non-trading activities. The Bank is an active participant in the market through its trading and investment portfolios, seeking to realize returns for the Bank through careful management of its positions and inventories. In the Bank's non-trading activities, it is exposed to market risk through the everyday banking transactions that the Bank executes with its customers.

The Bank complied with the Basel III market risk requirements as at October 31, 2024, using the Standardized Approach.

MARKET RISK LINKAGE TO THE BALANCE SHEET

The following table provides a breakdown of the Bank's balance sheet into assets and liabilities exposed to trading and non-trading market risks. Market risk of assets and liabilities included in the calculation of VaR and other metrics used for regulatory market risk capital purposes is classified as trading market risk.

TABLE 43 MARKET RISK LINKAGE TO THE BALANCE SHEET

(millions of Canadian dollars)									*As at*
	October 31, 2024				October 31, 2023				
	Balance sheet	**Trading market risk**	**Non-trading market risk**	**Other**	Balance sheet	Trading market risk	Non-trading market risk	Other	Non-trading market risk – primary risk sensitivity
Assets subject to market risk									
Interest-bearing deposits with banks	**$ 169,930**	**$ 1,601**	**$ 168,329**	**$ –**	$ 98,348	$ 327	$ 98,021	$ –	Interest rate
Trading loans, securities, and other	**175,770**	**174,232**	**1,538**	**–**	152,090	151,011	1,079	–	Interest rate
Non-trading financial assets at fair value through profit or loss	**5,869**	**–**	**5,869**	**–**	7,340	–	7,340	–	Equity, foreign exchange, interest rate
Derivatives	**78,061**	**70,636**	**7,425**	**–**	87,382	81,526	5,856	–	Equity, foreign exchange, interest rate
Financial assets designated at fair value through profit or loss	**6,417**	**–**	**6,417**	**–**	5,818	–	5,818	–	Interest rate
Financial assets at fair value through other comprehensive income	**93,897**	**–**	**93,897**	**–**	69,865	–	69,865	–	Equity, foreign exchange, interest rate
Debt securities at amortized cost, net of allowance for credit losses	**271,615**	**–**	**271,615**	**–**	308,016	–	308,016	–	Foreign exchange, interest rate
Securities purchased under reverse repurchase agreements	**208,217**	**10,488**	**197,729**	**–**	204,333	9,649	194,684	–	Interest rate
Loans, net of allowance for loan losses	**949,549**	**–**	**949,549**	**–**	895,947	–	895,947	–	Interest rate
Customers' liability under acceptances	**–**	**–**	**–**	**–**	17,569	–	17,569	–	Interest rate
Investment in Schwab	**9,024**	**–**	**9,024**	**–**	8,907	–	8,907	–	Equity
Other assets[1,2]	**2,230**	**–**	**2,230**	**–**	1,956	–	1,956	–	Interest rate
Assets not exposed to market risk	**91,172**	**–**	**–**	**91,172**	97,568	–	–	97,568	
Total Assets[2]	**$ 2,061,751**	**$ 256,957**	**$ 1,713,622**	**$ 91,172**	$ 1,955,139	$ 242,513	$ 1,615,058	$ 97,568	
Liabilities subject to market risk									
Trading deposits	**$ 30,412**	**$ 26,827**	**$ 3,585**	**$ –**	$ 30,980	$ 27,059	$ 3,921	$ –	Equity, interest rate
Derivatives	**68,368**	**66,976**	**1,392**	**–**	71,640	70,382	1,258	–	Equity, foreign exchange, interest rate
Securitization liabilities at fair value	**20,319**	**20,319**	**–**	**–**	14,422	14,422	–	–	Interest rate
Financial liabilities designated at fair value through profit or loss	**207,914**	**2**	**207,912**	**–**	192,130	2	192,128	–	Interest rate
Deposits	**1,268,680**	**–**	**1,268,680**	**–**	1,198,190	–	1,198,190	–	Interest rate, foreign exchange
Acceptances	**–**	**–**	**–**	**–**	17,569	–	17,569	–	Interest rate
Obligations related to securities sold short	**39,515**	**37,812**	**1,703**	**–**	44,661	43,993	668	–	Interest rate
Obligations related to securities sold under repurchase agreements	**201,900**	**13,540**	**188,360**	**–**	166,854	12,641	154,213	–	Interest rate
Securitization liabilities at amortized cost	**12,365**	**–**	**12,365**	**–**	12,710	–	12,710	–	Interest rate
Subordinated notes and debentures	**11,473**	**–**	**11,473**	**–**	9,620	–	9,620	–	Interest rate
Other liabilities[1,2]	**34,066**	**–**	**34,066**	**–**	27,062	–	27,062	–	Equity, interest rate
Liabilities and Equity not exposed to market risk[2]	**166,739**	**–**	**–**	**166,739**	169,301	–	–	169,301	
Total Liabilities and Equity[2]	**$ 2,061,751**	**$ 165,476**	**$ 1,729,536**	**$ 166,739**	$ 1,955,139	$ 168,499	$ 1,617,339	$ 169,301	

[1] Relates to retirement benefits, insurance, and structured entity liabilities.
[2] Balances as at October 31, 2023 have been restated for the adoption of IFRS 17. Refer to Note 4 of the Bank's 2024 Consolidated Financial Statements for further details.

MARKET RISK IN TRADING ACTIVITIES

The overall objective of the Bank's trading businesses is to provide wholesale banking services, including facilitation and liquidity, to clients of the Bank. The Bank must take on risk in order to provide effective service in markets where its clients trade. In particular, the Bank needs to hold inventory, act as principal to facilitate client transactions, and underwrite new issues. The Bank also trades in order to have in-depth knowledge of market conditions to provide the most efficient and effective pricing and service to clients, while balancing the risks inherent in its dealing activities.

WHO MANAGES MARKET RISK IN TRADING ACTIVITIES

Primary responsibility for managing market risk in trading activities lies with Wholesale Banking, with oversight from Market Risk Control within Risk Management. The Market Risk Control Committee meets regularly to review the market risk profile and trading results of the Bank's trading businesses. The committee is chaired by the Vice President, Head of Market Risk, and includes Wholesale Banking senior management.

There were no significant reclassifications between trading and non-trading books during the year ended October 31, 2024.

HOW TD MANAGES MARKET RISK IN TRADING ACTIVITIES

Market risk plays a key part in the assessment of trading business strategies. The process for the Bank to launch new trading initiatives, or expand existing ones, involves an assessment of risk with respect to the Bank's risk appetite and business expertise and an assessment of the appropriate infrastructure required to monitor, control, and manage the risk. The Trading Market Risk Framework outlines the management of trading market risk and incorporates risk appetite, risk governance structures, risk identification, risk measurement, and risk control. The Trading Market Risk Framework is maintained by Risk Management and supports alignment with the Bank's risk appetite for trading market risk.

Processes are in place to classify positions as either trading book or banking book for the purpose of calculating regulatory capital, per OSFI CAR Guidelines. Policies define the governance and monitoring requirements of internal risk transfers.

Trading Limits

The Bank sets trading limits that are consistent with the approved business strategy for each business and its tolerance for the associated market risk, aligned to its market risk appetite. In setting limits, the Bank takes into account market volatility, market liquidity, organizational experience, and business strategy. Limits are prescribed at the Wholesale Banking level in aggregate, as well as at more granular levels.

The core market risk limits are based on the key risk drivers in the business and includes notional, credit spread, yield curve shift, price, and volatility limits.

Another primary measure of trading limits is VaR, which the Bank uses to monitor and control overall risk levels. VaR measures the adverse impact that potential changes in market rates and prices could have on the value of a portfolio over a specified period of time.

At the end of each day, risk positions are compared with risk limits, and any excesses are reported in accordance with established market risk policies and procedures.

Calculating VaR

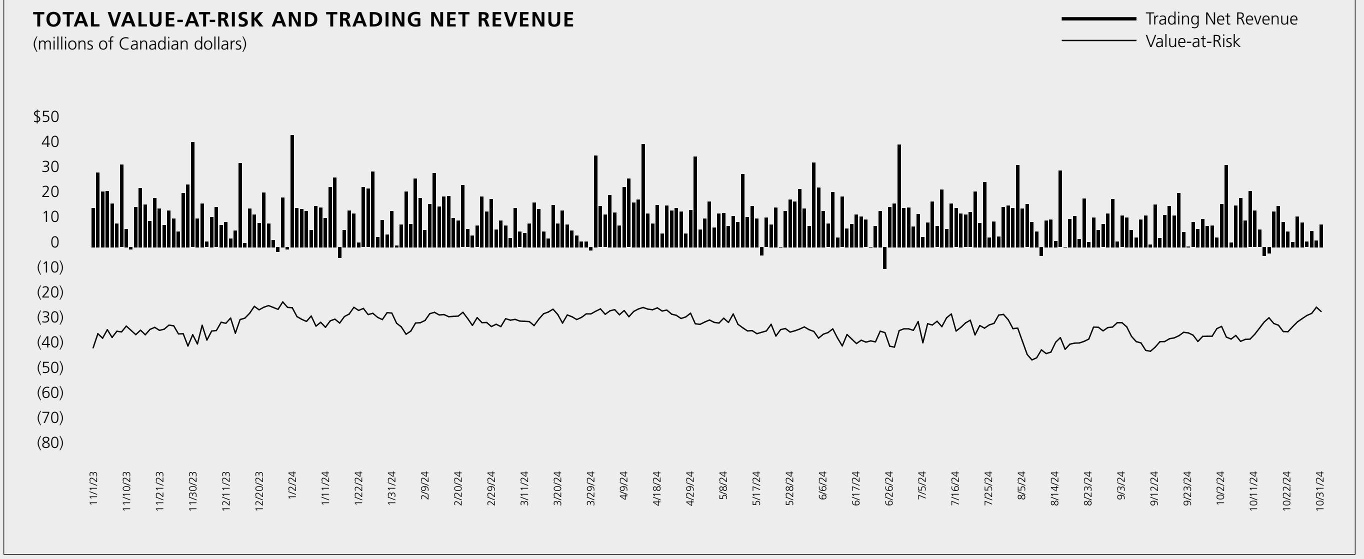
The Bank computes total VaR on a daily basis by combining the General Market Risk (GMR) and Idiosyncratic Debt Specific Risk (IDSR) associated with the Bank's trading positions.

GMR is determined by creating a distribution of potential changes to the market value of the current portfolio using historical simulation. The Bank values the current portfolio using the market price and rate changes of the most recent 259 trading days for equity, interest rate, foreign exchange, credit, and commodity products. GMR is computed as the threshold level that portfolio losses are not expected to exceed more than one out of every 100 trading days. A one-day holding period is used for GMR calculation.

IDSR measures idiosyncratic (single-name) credit spread risk for credit exposures in the trading portfolio using Monte Carlo simulation. The IDSR model is based on the historical behaviour of five-year idiosyncratic credit spreads. Similar to GMR, IDSR is computed as the threshold level that portfolio losses are not expected to exceed more than one out of every 100 trading days. IDSR is measured for a ten-day holding period.

The following graph discloses daily one-day VaR usage and trading net revenue, reported on a TEB, within Wholesale Banking. Trading net revenue includes trading income and net interest income related to positions within the Bank's market risk capital trading books. For the year ending October 31, 2024, there were 12 days of trading losses and trading net revenue was positive for 95% of the trading days, reflecting normal trading activity. Losses in the year did not exceed VaR on any trading day.

TOTAL VALUE-AT-RISK AND TRADING NET REVENUE
(millions of Canadian dollars)



VaR is a valuable risk measure but it should be used in the context of its limitations, for example:

- VaR uses historical data to estimate future events, which limits its forecasting abilities;
- it does not provide information on losses beyond the selected confidence level; and
- it assumes that all positions can be liquidated during the holding period used for VaR calculation.

The Bank continuously improves its VaR methodologies and incorporates new risk measures in line with market conventions, industry practices, and regulatory requirements.

To mitigate some of the shortcomings of VaR, the Bank uses additional metrics designed for risk management. This include Stress Testing as well as sensitivities to various market risk factors.

The following table presents the end of year, average, high, and low usage of TD's portfolio metrics.

TABLE 44 PORTFOLIO MARKET RISK MEASURES

(millions of Canadian dollars)	**2024**				2023			
	As at	**Average**	**High**	**Low**	As at	Average	High	Low
Interest rate risk	**$ 8.4**	**$ 16.8**	**$ 27.7**	**$ 5.1**	$ 21.1	$ 24.9	$ 44.2	$ 12.2
Credit spread risk	**25.1**	**30.0**	**40.5**	**18.9**	31.5	31.6	41.9	22.5
Equity risk	**7.7**	**7.8**	**12.0**	**5.2**	6.0	9.4	15.8	5.7
Foreign exchange risk	**5.2**	**2.9**	**7.8**	**1.2**	2.1	3.5	9.7	1.0
Commodity risk	**6.0**	**4.5**	**11.5**	**2.2**	2.9	4.8	11.7	2.3
Idiosyncratic debt specific risk	**18.2**	**20.3**	**29.7**	**13.8**	28.4	33.2	57.2	20.3
Diversification effect[1]	**(45.0)**	**(50.8)**	**n/m[2]**	**n/m**	(57.4)	(62.6)	n/m	n/m
Total Value-at-Risk (one-day)	**25.6**	**31.5**	**44.9**	**21.8**	34.6	44.8	69.6	30.1

[1] The aggregate VaR is less than the sum of the VaR of the different risk types due to risk offsets resulting from portfolio diversification.

[2] Not meaningful. It is not meaningful to compute a diversification effect because the high and low may occur on different days for different risk types.

Market volatility subsided across most asset classes in 2024, with slowing inflation and interest rates cuts, however concerns still persist related to ongoing geopolitical tensions.

The Bank has managed market risk by maintaining stable risk exposures, with daily VaR remaining within approved limits during the year.

Average VaR decreased year-over-year due to changes in interest rate and fixed income positions, coupled with narrowing credit spreads.

Validation of VaR Model

The Bank uses a back-testing process to compare the actual profits and losses to VaR to review their consistency with the statistical results of the VaR model.

Stress Testing

The Bank's trading business is subject to an overall global stress test limit. In addition, global businesses have stress test limits, and each broad risk class has an overall stress test threshold. Stress scenarios are designed to model extreme economic events, replicate worst-case historical experiences, or introduce severe, but plausible, hypothetical changes in key market risk factors. The stress testing program includes scenarios developed using actual historical market data during periods of market disruption, in addition to hypothetical scenarios developed by Risk Management. Stress tests are produced and reviewed regularly. The events the Bank has modelled include the 1987 equity market crash, the 1998 Russian debt default crisis, the aftermath of September 11, 2001, the 2007 ABCP crisis, the credit crisis of Fall 2008, the Brexit referendum of June 2016, and the COVID-19 pandemic of 2020.

MARKET RISK IN OTHER WHOLESALE BANKING ACTIVITIES

The Bank is also exposed to market risk arising from its investment portfolio and other non-trading portfolios. Risk Management reviews and approves policies and procedures, which are established to monitor, measure, and mitigate these risks.

Structural (Non-Trading) Market Risk

Structural (Non-Trading) Market Risk generally arises from traditional banking activities, such as personal and commercial banking products (loans and deposits), as well as related funding, investments and HQLA. It does not include market risk from TD's Wholesale Banking or Insurance businesses. Structural market risks primarily include interest rate risk and foreign exchange risk.

WHO MANAGES STRUCTURAL (NON-TRADING) MARKET RISK

The TBSM group measures and manages the market risks of non-trading banking activities outside of TD's Wholesale Banking and Insurance businesses, with oversight from the ALCO. The Market Risk Control function provides independent oversight, governance, and control of these market risks. The Risk Committee reviews and approves key non-trading market risk policies and monitors the Bank's positions and compliance with these policies through regular reporting and updates from senior management.

HOW TD MANAGES STRUCTURAL (NON-TRADING) MARKET RISK

Non-trading interest rate risk, if not managed, has the potential to increase earnings volatility and generate losses without contributing long term expected value. To manage this risk, the Bank's non-trading asset and liability profile is managed in accordance with a target and series of limits to control the impact of interest rate changes on the Bank's NII, while maintaining the Bank's economic value sensitivity within risk appetite.

Managing Structural Interest Rate Risk

Interest rate risk is the impact that changes in interest rates could have on the Bank's margins, earnings, and economic value. Interest rate risk management is designed to generate stable and predictable earnings over time. The Bank has adopted a disciplined hedging approach to manage the net interest income from its asset and liability positions. Key aspects of this approach are:

- Evaluating and managing the impact of rising or falling interest rates on net interest income and economic value, and developing strategies to manage overall sensitivity to rates across varying interest rate scenarios;
- Modelling the expected impact of customer behaviour on TD's products (e.g., how actively customers exercise embedded options, such as prepaying a loan or redeeming a deposit before its maturity date);
- Assigning target-modelled maturity profiles for non-maturity assets, liabilities, and equity;
- Measuring the margins of TD's banking products on a fully-hedged basis, including the impact of financial options that are granted to customers; and
- Developing and implementing strategies to stabilize net interest income from all retail and commercial banking products.

The Bank is exposed to the interest rate risk from "mismatched positions" which occur when asset and liability principal and interest cash flows have different repricing or maturity dates. The Bank measures this risk based on an assessment of: contractual cash flows, product-embedded optionality, customer behaviour expectations and the modelled maturity profiles for non-maturity products. To manage this risk, the Bank primarily uses financial derivatives, wholesale investments and funding instruments.

The Bank also measures its exposure to non-maturity liabilities, such as core deposits, by assessing interest rate elasticity and balance permanence using historical data and business judgment. Fluctuations of non-maturity deposits can occur due to factors such as interest rate and equity market movements, and changes to customer liquidity preferences.

Banking product optionality, whether from freestanding options such as mortgage rate commitments or options embedded within loans and deposits, expose the Bank to significant financial risk. To manage these exposures, the Bank purchases options or uses a dynamic hedging process designed to replicate the payoff of a purchased option.

- **Rate Commitments:** The Bank measures its exposure from freestanding mortgage rate commitment options using an expected funding profile based on historical experience. Customers' propensity to fund, and their preference for fixed or floating rate mortgage products, is influenced by factors such as market mortgage rates, house prices, and seasonality.
- **Asset Prepayment and other Embedded Options:** The Bank models its exposure to options embedded in some of its products based on analyses of customer behaviour. Examples of modeled options are the right to prepay residential mortgage loans, and the right to early redeem some term deposit products. For mortgages, econometric models are used to model prepayments and the effects of prepayment behaviour to the Bank. In general, mortgage prepayments are also affected by factors such as mortgage age, house prices, and GDP growth. The combined impacts from these parameters are also assessed to determine a core liquidation speed that is independent of market incentives. A similar analysis is undertaken for other products with embedded optionality.

Structural Interest Rate Risk Measures

The primary measures for this risk are Economic Value of Shareholders' Equity (EVE) Sensitivity and Net Interest Income Sensitivity (NIIS).

EVE Sensitivity measures the impact of a specified interest rate shock to the net present value of the Bank's banking book assets, liabilities, and certain off-balance sheet items. It reflects a measurement of the potential present value impact on shareholders' equity without an assumed term profile for the management of the Bank's own equity and excludes product margins.

NIIS measures the NII change over a twelve-month horizon for a specified change in interest rates for banking book assets, liabilities, and certain off-balance sheet items assuming a constant balance sheet over the period.

The Bank's Market Risk policy sets overall limits on structural interest rate risk measures. These limits are periodically reviewed and approved by the Risk Committee. In addition to the Board policy limits, book-level risk limits for the Bank's management of non-trading interest rate risk are set by Risk Management. Exposures against these limits are routinely monitored and reported, and breaches of the Board limits, if any, are escalated to both the ALCO and the Risk Committee.

TABLE 45 **STRUCTURAL INTEREST RATE SENSITIVITY MEASURES**

(millions of Canadian dollars)								*As at*
	October 31, 2024						October 31, 2023	
	EVE Sensitivity			**NII Sensitivity**[1]			EVE Sensitivity	NII Sensitivity[1]
	Canada	**U.S.**	**Total**	**Canada**	**U.S.**	**Total**	Total	Total
Before-tax impact of								
100 bps increase in rates	**$ (643)**	**$ (1,846)**	**$ (2,489)**	**$ 301**	**$ 419**	**$ 720**	$ (2,211)	$ 920
100 bps decrease in rates	**496**	**1,418**	**1,914**	**(357)**	**(626)**	**(983)**	1,599	(1,099)

[1] Represents the twelve-month NII exposure to an immediate and sustained shock in rates.

As at October 31, 2024, an immediate and sustained 100 bps increase in interest rates would have a negative impact to the Bank's EVE of $2,489 million, an increase of $278 million from last year, and a positive impact to the Bank's NII of $720 million, a decrease of $200 million from last year. An immediate and sustained 100 bps decrease in interest rates would have a positive impact to the Bank's EVE of $1,914 million, an increase of $315 million from last year, and a negative impact to the Bank's NII of $983 million, a decrease of $116 million from last year. The year-over-year increases in both up and down shock EVE Sensitivity is primarily due to an increase in the sensitivity of net assets funded by equity. The year-over-year decreases in both up and down shock NIIS is primarily due to Treasury hedging activity. As at October 31, 2024, reported EVE and NII Sensitivities remain within the Bank's risk appetite and established Board limits.

Managing Non-trading Foreign Exchange Risk
Foreign exchange risk refers to losses that could result from changes in foreign-currency exchange rates. Assets and liabilities that are denominated in foreign currencies create foreign exchange risk.

The Bank is exposed to non-trading foreign exchange risk primarily from its investments in foreign operations. When the Bank's foreign currency assets are greater or less than its liabilities in that currency, they create a foreign currency open position. An adverse change in foreign exchange rates can impact the Bank's reported net income and shareholders' equity, and its capital ratios.

To minimize the impact of an adverse foreign exchange rate change on certain capital ratios, the Bank's net investments in foreign operations are hedged so certain capital ratios change by no more than an acceptable amount for a given change in foreign exchange rates. The Bank does not generally hedge the earnings of foreign subsidiaries which results in changes to the Bank's consolidated earnings when relevant foreign exchange rates change.

Other Non-trading Market Risks
Other structural market risks monitored on a regular basis include:
- **Basis Risk –** The Bank is exposed to risks related to the difference in various market indices.
- **Equity Risk –** The Bank is exposed to non-trading equity risk from investment securities designated at FVOCI, equity-linked guaranteed investment certificate product offerings and share-based compensation plans where certain employees are awarded share units equivalent to the Bank's common shares as compensation for services provided to the Bank. These share units are recorded as a liability over the vesting period and revalued at each reporting period until settled in cash, and changes in the Bank's share price can impact non-interest expenses. The Bank uses equity derivative instruments to manage its non-trading equity price risk.

Managing Investment Portfolios
The Bank manages a securities portfolio that is integrated into the overall asset and liability management process. The securities portfolio is comprised of high-quality, low-risk securities and managed in a manner appropriate to the attainment of the following goals: (1) to generate a targeted credit of funds to deposit balances that are in excess of loan balances; (2) to provide a sufficient pool of liquid assets to meet deposit and loan fluctuations and overall liquidity management objectives; (3) to provide eligible securities to meet collateral and cash management requirements; and (4) to manage the target interest rate risk profile of the balance sheet. The Risk Committee reviews and approves the Enterprise Investment Policy that sets out limits for the Bank's investment portfolio. In addition, the Wholesale Banking and Insurance businesses also hold investments that are managed separately.

WHY NET INTEREST MARGIN FLUCTUATES OVER TIME
As previously noted, the Bank's approach to structural (non-trading) market risk is designed to generate stable and predictable earnings over time, regardless of cash flow mismatches and the exercise of options granted to customers. This approach also creates margin certainty on loan and deposit profitability as they are booked. Despite this approach however, the Bank's NIM is subject to change over time for the following reasons (among others):
- Differences in margins earned on new and renewing products relative to the margin previously earned on matured products;
- Weighted-average margin impact from changes in business and product mix;
- Changes in the basis between certain market indices;
- The lag in changing product prices in response to changes in market interest rates, including rate-sensitive deposit pricing;
- Changes from the repricing of hedging strategies to manage the investment profile of the Bank's non-rate sensitive deposits; and
- Margin changes from the portion of the Bank's deposits that are non-rate sensitive but not expected to be longer term in nature, resulting in a shorter term investment profile and higher sensitivity to short-term rates.

The general level of interest rates will affect the return the Bank generates on its modelled maturity profile for core non-rate sensitive deposits and the investment profile for its net equity position as it evolves over time. The general level of interest rates is also a key driver of some modelled option exposures, and will affect the cost of hedging such exposures. The Bank's approach to managing these factors tends to moderate their impact over time, resulting in a more stable and predictable earnings stream.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events and also includes losses related to legal risk events and regulatory fines.

Operational risk is inherent in all of the Bank's business activities, including the practices and controls used to manage other risks such as credit, market, and liquidity risk. Failure to manage operational risk can result in financial loss (direct or indirect), reputational harm, or regulatory censure and penalties.

The Bank seeks to actively mitigate and manage operational risk in order to create and sustain shareholder value, successfully execute the Bank's business strategies, operate efficiently, and provide reliable, secure, and convenient access to financial services. The Bank maintains a formal enterprise-wide operational risk management framework that emphasizes a strong risk management and internal control culture throughout TD to help support operational resilience and the Bank's ability to withstand disruptions.

WHO MANAGES OPERATIONAL RISK
Operational Risk Management is an independent function that owns and maintains the Bank's Operational Risk Management Framework. This framework sets out the enterprise-wide governance processes, policies, and practices to identify, assess, measure, control, monitor, escalate, report, and communicate on operational risk. Operational Risk Management is designed to provide appropriate monitoring and reporting of the Bank's operational risk profile and exposures to senior management through the OROC, the ERMC, and the Risk Committee.

In addition to the framework, Operational Risk Management owns and maintains, or has oversight of, the Bank's operational risk policies including those that govern business continuity and crisis management, third-party risk management, data risk management, fraud risk management, change governance, operational resilience, technology and cyber security risk management, and insider risk management.

Senior management of individual business segments and corporate functions are responsible for the day-to-day management of operational risk following the Bank's established operational risk management framework, policies and the three lines of defence model. An independent risk management oversight function supports each business segment and corporate function and monitors and challenges the implementation and use of the operational risk management programs according to the nature and scope of the operational risks inherent in the area. Senior executives in each business segment and corporate area participate in a Risk Management Committee that oversees operational risk management issues and initiatives.

Ultimately, every employee has a role to play in managing operational risk. In addition to policies and procedures guiding employee activities, training is available to all employees regarding specific types of operational risks and their role in helping to protect the interests and assets of the Bank.

HOW TD MANAGES OPERATIONAL RISK

The Operational Risk Management Framework outlines the internal risk and control structure to manage operational risk and includes the operational risk appetite, governance processes, and policies. The Operational Risk Management Framework supports alignment with the Bank's ERF and risk appetite. The framework incorporates sound industry practices and is designed to meet regulatory requirements. Key components of the framework include:

Governance and Organization

Management reporting and organizational structures emphasize accountability, ownership, and effective oversight of each business segment's and each corporate function's operational risk exposures. In addition, the expectations of the Risk Committee and senior management for managing operational risk are set out by enterprise-wide policies and practices.

Risk and Control Self-Assessment

Internal controls are one of the primary methods of safeguarding the Bank's employees, customers, assets, and information, and in preventing and detecting errors and fraud. Management undertakes comprehensive assessments of key risk exposures and the internal controls in place to reduce or offset these risks. Senior management reviews the results of these evaluations to assess whether risk management and internal controls are effective, appropriate, and compliant with the Bank's policies.

Operational Risk Event Monitoring

To reduce the Bank's exposure to future loss, the Bank must remain aware of and respond to its own and industry operational risks. The Bank's policies and processes require that operational risk events be identified, tracked, and reported to the appropriate level of management to facilitate the Bank's analysis and management of its risks and inform the assessment of suitable corrective and preventative action. The Bank also reviews, analyzes, and benchmarks itself against operational risk losses that have occurred at other institutions using information acquired through recognized industry data providers.

Scenario Analysis

Scenario Analysis is a systematic and repeatable process of obtaining expert business and risk opinion to derive assessments of the likelihood and potential loss estimates of high impact operational events that are unexpected and outside the normal course of business. The Bank applies this practice to meet risk measurement and risk management objectives. The process includes the use of relevant external operational loss event data along with the Bank's internal loss data and risk outlook that is assessed considering the Bank's operational risk profile and control structure. The program is designed to raise awareness and educate business and corporate segments regarding existing and emerging risks, which may result in the identification and assessment of new hypothetical scenarios and risk mitigation action plans to minimize tail risks.

Risk Reporting

Risk Management regularly monitors risk-related measures and the risk profile throughout the Bank to report to senior management and the Risk Committee. Operational risk measures are systematically tracked, assessed, and reported to promote management accountability and direct the appropriate level of attention to current and emerging issues.

Insurance

TD's Corporate Insurance team, with oversight from Risk Management, utilizes insurance and other risk transfer arrangements to mitigate and reduce potential future losses related to operational risk. Risk Management includes oversight of the effective use of insurance aligned with the Bank's risk management strategy and risk appetite. Insurance terms and provisions, including types and amounts of coverage, are regularly assessed so that the Bank's tolerance for risk and, where applicable, statutory requirements are satisfied. The management process includes conducting regular in-depth risk and financial analysis and identifying opportunities to transfer elements of the Bank's risk to third parties where appropriate. The Bank transacts with external insurers that satisfy its minimum financial strength rating requirements.

Technology and Cyber Security

The Bank leverages technology to support its operations including new markets, competitive products, delivery channels, as well as other opportunities.

The Bank manages technology and cyber security risks to support day-to-day operations; and protect against unauthorized access to the Bank's technology, infrastructure, systems, information, and data. To enable this, the Bank monitors, manages, and continues to enhance its ability to mitigate these risks through enterprise-wide programs and the implementation of industry-accepted technology risk and cyber threat management practices to help support rapid detection and response.

The Bank's Platforms and Technology Risk and Compliance Committee provides senior executive oversight, direction and guidance regarding management of risks relating to technology and cyber security, including cyber terrorism/activism, cyber fraud, cyber espionage, cyber extortion, identity theft and data theft. This Committee endorses actions and makes recommendations to the CEO and the ERMC as appropriate, including in some instances, supporting onward recommendations to the Risk Committee and the Board of Directors. Together with the Bank's Operational Risk Management Framework, technology and cyber security programs also include resiliency planning and testing, as well as disciplined technology operations practices.

Data Management

The Bank's data assets are governed and managed with a view to preserve value and support business objectives. Inconsistent or inadequate data governance and management practices may compromise the Bank's data and information assets which could result in financial and reputational impacts. The Bank's Enterprise Data Management Office develops and implements enterprise-wide standards and practices that describe how data and information assets are created, used, or maintained on behalf of the Bank.

The Bank manages data risk through the Data Risk Management Framework which describes the governance, policies, and processes that TD's business segments, corporate segments, and oversight functions employ to help manage and govern data risk within the Bank's risk appetite.

Business Continuity and Crisis Management

The Bank maintains an enterprise-wide business continuity and crisis management program that supports management's ability to operate the Bank's businesses and operations (including providing customers access to products and services) in the event of a crisis or business disruption incident. All areas of the Bank are required to maintain and regularly test business continuity plans to maintain resilience and facilitate the continuity and recovery of business operations. This program is supported by formal crisis management measures so that the appropriate level of leadership, oversight and management is applied to incidents affecting the Bank.

Third-Party Management

A third-party is an entity that supplies products, services or other business activities, functions or processes to or on behalf of the Bank. While these relationships bring benefits to the Bank's businesses and customers, the Bank also needs to manage and minimize any risks related to the activity. The Bank does this through an enterprise third-party risk management program that is designed to manage third-party risks throughout the life cycle of a relationship with a third-party. This process also provides risk management and senior management oversight of these arrangements that management considers appropriate based on the size, risk, and criticality of the arrangement.

Operational Resilience

Operational resilience is the ability of the Bank to continue to deliver, and rapidly recover, critical services through business disruption events, whether internal or external.

The Bank's Operational Resilience program assesses the end-to-end availability of the Bank's most essential business and shared services, across critical, single points of failure, such as technology, third-parties, people, premises, and data, to assess whether the service can be delivered through disruptive events, and without causing material hardship to customers and financial markets.

Change and Delivery

The Bank has established an enterprise-wide standard for identifying and assessing the risks of proposed changes that affect Products/Services, Process/Operations and Technology, and formal methodologies for delivering the changes (i.e., Project Delivery Lifecycle, TD Agile and TD Scaled Agile). This approach involves senior management governance and oversight of the Bank's change portfolio and leverages the use of a standardized change risk assessment, change delivery methodologies, defined accountabilities and capabilities, and portfolio reporting and management tools to help support successful delivery.

Fraud Management

The Bank develops and implements enterprise-wide fraud management strategies, policies, and practices that are designed to minimize the number, size and scope of fraudulent activities perpetrated against it. The Bank employs prevention, detection and monitoring capabilities across the enterprise that are designed to help protect customers, shareholders, and employees from increasingly sophisticated fraud risk. Fraud risk is managed by communicating appropriate policies, procedures, employee education in fraud risks, and monitoring activity to help maintain adherence to the Fraud Risk Management Framework. The Fraud Risk Management Framework describes the governance, policies, and processes that the Bank's businesses employ to proactively manage and govern fraud risk within the Bank's risk appetite which is embedded in the Bank's day to day operations and culture.

Operational Risk Capital Measurement

The Bank's operational risk capital is determined using the Basel III Standardized Approach (SA), which is based on a Business Indicator Component (BIC), a financial-statement-based proxy for operational risk, and an Internal Loss Multiplier (ILM), which is based on average historical losses and the BIC. ILM is derived using operational risk losses, net of recoveries, over the previous ten years, and BIC is derived using financial information over the previous three years. The operational risk capital is the product of the BIC and the ILM.

People Risk Management

People risk is the risk associated with inadequacies in the Bank's organizational capacity, capability, and resources to support its business goals, objectives and strategies, human resource policies, processes, and practices to hire, develop and retain resources with appropriate capabilities and requisite domain expertise to operate and grow the business in a manner consistent with employment laws, regulatory expectations, and TD's culture and expected behaviours. HR sets policies for key people and talent programs that business lines implement within their daily operations. HR is an oversight function and has central oversight for TD's culture and people risk for the Bank including compensation, conduct (in partnership with Risk Management), and talent. The Bank undertakes a Talent Review and Succession Management program, which focuses on the assessment, development and succession planning for senior and key roles within the organization. In addition, a Critical Roles program exists to strengthen our practices to assess leadership and domain capabilities and aims to enhance the management of talent in roles most critical to the Bank's success. Risk Management provides oversight and independent challenge to HR through an effective objective assessment of their activities and programs.

Insider Risk Management

Insider Risk exposure is inherent in the normal course of operating TD's businesses and insider risk continues to evolve, leading to new or emerging threats. The Bank has developed and implemented enterprise-wide insider risk management strategies, policies and practices that are designed to mitigate unauthorized insider activities. The Enterprise Insider Risk Framework describes governance, roles and responsibilities, and processes that the Bank's businesses and corporate functions employ to proactively manage and govern insider risk within the Bank's risk appetite.

Conduct Risk

Conduct risk may lead to legal, reputational, and financial impact that can adversely affect customers, the market, employees, and the organization. Conduct risk may arise from, but not limited to, business practices, customer interactions, product design, market manipulation, and individual behaviour. The Bank has developed and implemented enterprise-wide processes and procedures that are designed to identify, assess and manage conduct risk. TD business lines and corporate functions are responsible for establishing, implementing, and maintaining conduct risk management procedures and controls, as appropriate, in alignment with TD's policies and in compliance with the laws and regulations that apply in the jurisdictions in which they operate, and to align with TD's Shared Commitments, TD's Code of Conduct and Ethics, and TD's desired culture.

Model Risk

Model risk is the potential for adverse consequences arising from decisions based on incorrect or misused models and their outputs. It can lead to financial loss, reputational risk, or incorrect business and strategic decisions.

WHO MANAGES MODEL RISK

Primary accountability for the management of model risk resides with the senior management of individual businesses with respect to the models they use. The Model Risk Governance Committee provides oversight of governance, risk, and control matters, by providing a platform to guide, challenge, and advise decision makers and model owners in model risk related matters. Model Risk Management monitors and reports on existing and emerging model risks, and provides periodic assessments to senior management, Risk Management, the Risk Committee, and regulators on the state of model risk at TD and alignment with the Bank's Model risk appetite. The Risk Committee approves the Bank's Model Risk Management Framework and Model Risk Policy.

HOW TD MANAGES MODEL RISK

The Bank manages model risk in accordance with management approved model risk policies and supervisory guidance which encompass the life cycle of a model, including proof of concept, development, validation and approval, implementation, usage, and ongoing model monitoring. The Bank's Model Risk Management Framework also captures models that may be partially or wholly qualitative or based on expert judgment.

Segments identify the need for a new model and are responsible for model development and documentation according to the Bank's policies and standards. During model development, controls with respect to code generation, acceptance testing, and usage are established and documented to a level of detail and comprehensiveness commensurate with their model risk rating. Once models are implemented, model owners are responsible for ongoing monitoring and usage in accordance with the Bank's Model Risk Policy. In cases where a model is deemed obsolete or unsuitable for its originally intended purposes, it is decommissioned in accordance with the Bank's policies.

Model Risk Management provides oversight, including maintaining a centralized inventory of all models as defined in the Bank's Model Risk Policy, independent validation before each initial use, annual model review, and ongoing validation on a pre-determined schedule depending on the model risk rating. Model Risk Management sets model monitoring and model implementation standards, and provides training to all stakeholders. The validation process varies in rigour, depending on the model risk rating, but at a minimum contains a detailed determination of:

- the conceptual soundness of model methodologies and underlying quantitative and qualitative assumptions;
- the risk associated with a model based on intrinsic risk, materiality and criticality;
- the sensitivity of a model to assumptions within the model and changes in data inputs including stress testing; and
- the limitations of a model and the compensating risk mitigation mechanisms in place to address the limitations.

As with traditional model approaches, AI or machine learning models (including Generative AI models) are also subject to the same standards and risk management practices.

At the conclusion of the validation process, a model will either be approved for use or will be rejected and require redevelopment or other courses of action. Models identified as obsolete or no longer appropriate for use, due to changes in industry practice, the business environment or Bank strategies, are decommissioned.

The Bank has policies and procedures in place designed to discern models from non-models, and the level of independent challenge and oversight is commensurate with the risk rating of the model. Non-models are subject to governance requirements such as End User Computing Standards.

Insurance Risk

Insurance risk is the risk of financial loss due to actual experience emerging differently from expectations in insurance product pricing and/or design, underwriting, reinsurance protection, and claims or reserving either at the inception of an insurance or reinsurance contract, during the lifecycle of the claim or at the valuation date. Unfavourable experience could emerge due to adverse fluctuations in timing, actual size, frequency of claims (for example, driven by non-life premium risk, non-life reserving risk, catastrophic risk, mortality risk, morbidity risk, and longevity risk), policyholder behaviour, or associated expenses.

Insurance contracts provide financial protection by transferring insured risks to the issuer in exchange for premiums. The Bank is engaged in insurance businesses relating to property and casualty insurance, life and health insurance, and reinsurance, through various subsidiaries; it is through these businesses that the Bank is exposed to insurance risk.

WHO MANAGES INSURANCE RISK

Senior management within the insurance business units has primary responsibility for managing insurance risk with oversight by the CRO for Insurance, who reports into the Bank's Risk Management Group.

The Bank's Audit Committee and the Bank's Corporate Governance Committee respectively act as the Audit and Conduct review committees for the Canadian insurance company subsidiaries. The insurance company subsidiaries also have their own boards of directors who provide additional risk management oversight.

HOW TD MANAGES INSURANCE RISK

The Bank's risk governance practices are designed to support independent oversight and control of risk within the insurance business. The TD Insurance Risk Committee and its subcommittees provide critical oversight of the risk management activities within the insurance business and monitor compliance with insurance risk policies. The Bank's Insurance Risk Management Framework and Insurance Risk Policy collectively outline the internal risk and control structure to manage insurance risk and include risk appetite, policies, processes, as well as limits and governance. These documents are maintained by Risk Management and support alignment with the Bank's risk appetite for insurance risk.

The assessment of insurance contract liabilities (remaining coverage and incurred claims) is central to the insurance operation. TD Insurance establishes reserves to cover estimated future payments (including loss adjustment expenses) on all claims or terminations/surrenders of premium arising from insurance contracts underwritten. The reserves cannot be established with complete certainty and represent management's best estimate for future payments. As such, TD Insurance regularly monitors estimates against actual and emerging experience and adjusts reserves as appropriate if experience emerges differently than anticipated. Liabilities for incurred claims and liabilities for remaining coverage are governed by the Bank's general insurance and life and health reserving risk policies.

Sound product design is an essential element of managing risk. The Bank's exposure to insurance risk is mostly short-term in nature as the principal underwriting risk relates to personal automobile and home insurance and small commercial insurance.

Insurance market cycles, as well as changes in insurance legislation, the regulatory environment, judicial environment, trends in court awards, climate patterns, pandemics or other applicable public health emergencies, and the economic environment may impact the performance of the insurance business. We maintain premium, pricing and underwriting policies or standards to help manage these inherent risks.

There is also exposure to concentration risk associated with general insurance and life and health insurance coverage. Exposure to insurance risk concentration is managed through established underwriting guidelines, limits, and authorization levels that govern the acceptance of risk. Concentration of insurance risk is also mitigated through the purchase of reinsurance. The insurance business' reinsurance programs are governed by catastrophe and reinsurance risk management policies.

Strategies are in place to help manage the risk to the Bank's reinsurance business. Underwriting risk on business assumed is managed through a policy that limits exposure to certain types of business and countries. The vast majority of reinsurance treaties are annually renewable, which minimizes long-term risk. Pandemic exposure is reviewed and estimated annually within the reinsurance business to manage concentration risk.

Liquidity Risk

The risk of having insufficient cash or collateral to meet financial obligations and an inability to, in a timely manner, raise funding or monetize assets at a non-distressed price. Financial obligations can arise from deposit withdrawals, debt maturities, commitments to provide credit or liquidity support or the need to pledge additional collateral.

TD'S LIQUIDITY RISK APPETITE

TD follows a disciplined liquidity management program, which is subject to risk governance and oversight, and is designed to maintain sufficient liquidity to permit the Bank to operate through a significant liquidity event without relying on extraordinary central bank assistance. The Bank seeks to maintain a stable and diversified funding profile that emphasizes funding assets and contingencies to the appropriate term.

TD manages liquidity risk using a combination of quantitative and qualitative measures. This includes ensuring the Bank has sufficient liquidity to satisfy its operational needs and client commitments in both normal and stress conditions. The Bank maintains buffers over regulatory minimums prescribed by OSFI's Liquidity Adequacy Requirements (LAR) Guideline. The Bank targets a 90-day survival horizon under a combined bank-specific and market-wide stress scenario, and a minimum surplus over prescribed regulatory requirements. Under the LAR guidelines, Canadian banks are required to maintain a Liquidity Coverage Ratio (LCR) of 100% or above (other than during periods of financial stress), and a Net Stable Funding Ratio (NSFR) of at least 100%. The Bank's funding program emphasizes maximizing deposits as a core source of funding and having ready access to wholesale funding markets across diversified terms, funding types, and currencies. This approach helps lower exposure to a sudden contraction of wholesale funding capacity and minimizes structural liquidity gaps. The Bank also maintains a Contingency Funding Plan to enhance preparedness to address potential liquidity stress events. The Bank's strategies, plans and governance practices underpin an integrated liquidity risk management program that is designed to reduce exposure to liquidity risk and maintain compliance with regulatory requirements.

LIQUIDITY RISK MANAGEMENT RESPONSIBILITY

The Bank's ALCO is responsible for establishing effective management structures and practices to ensure appropriate measurement, management, and governance of liquidity risk. The GLF Committee, a subcommittee of the ALCO comprised of senior management from Treasury, Wholesale Banking and Risk Management, identifies and monitors the Bank's liquidity risks. The management of liquidity risk is the responsibility of the SET member responsible for Treasury, while oversight and challenge are provided by the ALCO and independently by Risk Management. The Risk Committee regularly reviews the Bank's liquidity position and approves the Bank's Liquidity Risk Management Framework bi-annually and the related policies annually.

The following areas are responsible for measuring, monitoring, and managing liquidity risks for major business segments:

- Enterprise Liquidity Risk in Risk Management is responsible for liquidity risk management and asset pledging policies, along with associated limits, standards, and processes which are established to ensure that consistent and efficient liquidity management approaches are applied across all of the Bank's operations. Risk Management jointly owns the Liquidity Risk Management Framework along with the SET member responsible for Treasury. Enterprise Liquidity Risk provides oversight of liquidity risk across the enterprise and provides independent risk assessment and effective challenge of liquidity risk management. Capital Markets Risk Management is responsible for independent liquidity risk metric reporting.
- Treasury Liquidity Management manages the liquidity position of the Canadian Personal and Commercial Banking, Wealth Management, and Insurance, Corporate, Wholesale Banking, and U.S. Retail segments, as well as the liquidity position of CUSO; and
- Other regional operations, including those within TD's insurance business, foreign branches, and/or subsidiaries are responsible for managing their liquidity risk in compliance with their own policies and local regulatory requirements, while maintaining alignment with the enterprise framework.

HOW TD MANAGES LIQUIDITY RISK

The Bank manages the liquidity profile of its businesses in accordance with a defined liquidity risk appetite and maintains minimum liquidity requirements using a combination of internal and regulatory measures.

The Bank's internal stress testing informs the management of liquidity risk. Among scenarios considered is a severe combined stress event resulting in elevated liquidity requirements and a loss of confidence in the Bank's ability to meet obligations as they come due. In addition to this bank-specific event, this scenario incorporates a market-wide liquidity stress that materially reduces the availability of funding for all institutions and decreases the marketability of assets. The Bank's liquidity risk management policies stipulate that the Bank must maintain a sufficient level of liquid assets to support business growth, and to cover identified stressed liquidity requirements under the stress scenario, for a period of up to 90 days. Key elements of the scenario include:

- loss of access to wholesale funding including repayment of maturing debt in the next 90 days;
- accelerated attrition or "run-off" of deposits;
- increased utilization of available credit and liquidity facilities; and
- increased collateral requirements associated with downgrades in the Bank's credit ratings.

Internal measures complement regulatory liquidity requirements, such as the Liquidity Coverage Ratio (LCR), the Net Stable Funding Ratio (NSFR), and the Net Cumulative Cash Flow (NCCF) monitoring tool which are prescribed in OSFI's LAR guidance. The LCR requires that banks maintain an adequate stock of unencumbered high-quality liquid assets (HQLA) to meet liquidity needs over a 30-day stress period (a minimum LCR of 100%). The NSFR requires that banks maintain available stable funding (ASF) in excess of required stable funding (RSF) for periods up to one year (a minimum NSFR of 100%), and the NCCF monitors the Bank's detailed cash flow gaps for various time bands. As a result, the Bank's liquidity is managed to the higher of its internal liquidity requirements and target buffers over the regulatory minimums.

The Bank also considers regional regulatory metrics as well as potential restrictions on liquidity transferability in the calculation of enterprise liquidity positions. Accordingly, surplus liquidity domiciled in regulated subsidiaries may be excluded from consolidated liquidity positions as appropriate. During fiscal 2024, the Bank maintained elevated liquidity levels (as compared to fiscal 2023) as a risk management measure. In the near-term, the Bank is targeting a liquidity coverage ratio of 150% for the Bank's Canadian retail businesses, TD Bank USA, N.A., TD Bank N.A. and TD Securities Inc. This near-term elevated liquidity should have a near-term negative impact on net interest income and net interest margin.

The Bank's Funds Transfer Pricing process considers liquidity risk as a key determinant of the cost or credit of funds to the Retail and Wholesale Banking businesses. Liquidity costs are reflective of the funding needs and reserve requirements driven by the liquidity risk profile of the Bank's assets, liabilities, and contingent obligations like undrawn lines of credit provided to our clients.

LIQUID ASSETS

The Bank's unencumbered liquid assets may be used to help address potential liquidity requirements arising from stress events. Liquid asset eligibility considers estimated in-stress market values and trading market depths, as well as operational, legal, or other impediments to sale, rehypothecation or pledging.

Assets held by the Bank to meet liquidity requirements are summarized in the following tables. The tables do not include assets held within the Bank's insurance businesses as these are used to support insurance-specific liabilities and capital requirements.

TABLE 46	SUMMARY OF LIQUID ASSETS BY TYPE AND CURRENCY

(millions of Canadian dollars, except as noted) *As at*

	Bank-owned liquid assets	Securities received as collateral from securities financing and derivative transactions	Total liquid assets	Encumbered liquid assets	Unencumbered liquid assets[1]
					October 31, 2024
Cash and central bank reserves	**$ 41,200**	**$ –**	**$ 41,200**	**$ 819**	**$ 40,381**
Canadian government obligations	**20,938**	**79,241**	**100,179**	**49,952**	**50,227**
National Housing Act Mortgage-Backed Securities (NHA MBS)	**42,320**	**–**	**42,320**	**1,627**	**40,693**
Obligations of provincial governments, public sector entities and multilateral development banks	**41,788**	**28,332**	**70,120**	**39,339**	**30,781**
Corporate issuer obligations	**4,581**	**6,970**	**11,551**	**7,199**	**4,352**
Equities	**12,442**	**2,540**	**14,982**	**11,128**	**3,854**
Total Canadian dollar-denominated	**163,269**	**117,083**	**280,352**	**110,064**	**170,288**
Cash and central bank reserves	**125,271**	**–**	**125,271**	**218**	**125,053**
U.S. government obligations	**74,749**	**64,616**	**139,365**	**83,592**	**55,773**
U.S. federal agency obligations, including U.S. federal agency mortgage-backed obligations	**76,085**	**15,008**	**91,093**	**28,147**	**62,946**
Obligations of other sovereigns, public sector entities and multilateral development banks	**67,118**	**38,599**	**105,717**	**42,194**	**63,523**
Corporate issuer obligations	**74,072**	**16,758**	**90,830**	**31,291**	**59,539**
Equities	**53,525**	**37,204**	**90,729**	**52,894**	**37,835**
Total non-Canadian dollar-denominated	**470,820**	**172,185**	**643,005**	**238,336**	**404,669**
Total	**$ 634,089**	**$ 289,268**	**$ 923,357**	**$ 348,400**	**$ 574,957**
					October 31, 2023
Total Canadian dollar-denominated	153,281	123,806	277,087	113,486	163,601
Total non-Canadian dollar-denominated	408,299	182,652	590,951	212,888	378,063
Total	$ 561,580	$ 306,458	$ 868,038	$ 326,374	$ 541,664

[1] Unencumbered liquid assets include on-balance sheet assets, assets borrowed or purchased under resale agreements, and other off-balance sheet collateral received less encumbered liquid assets.

Total unencumbered liquid assets increased by $33 billion from October 31, 2023 largely as a result of higher deposit balances and wholesale funding proceeds. Unencumbered liquid assets held in The Toronto-Dominion Bank and multiple domestic and foreign subsidiaries (excluding insurance subsidiaries) and branches are summarized in the following table.

TABLE 47	SUMMARY OF UNENCUMBERED LIQUID ASSETS BY BANK, SUBSIDIARIES, AND BRANCHES

(millions of Canadian dollars) *As at*

	October 31 2024	October 31 2023
The Toronto-Dominion Bank (Parent)	**$ 227,435**	$ 205,408
Bank subsidiaries	**314,306**	291,915
Foreign branches	**33,216**	44,341
Total	**$ 574,957**	$ 541,664

The Bank's monthly average liquid assets (excluding those held in insurance subsidiaries) for the years ended October 31, 2024, and October 31, 2023, are summarized in the following table.

TABLE 48 SUMMARY OF AVERAGE LIQUID ASSETS BY TYPE AND CURRENCY

(millions of Canadian dollars, except as noted)					*Average for the years ended*
	Bank-owned liquid assets	**Securities received as collateral from securities financing and derivative transactions**	**Total liquid assets**	**Encumbered liquid assets**	**Unencumbered liquid assets[1]**
					October 31, 2024
Cash and central bank reserves	**$ 26,361**	**$ –**	**$ 26,361**	**$ 669**	**$ 25,692**
Canadian government obligations	**20,458**	**84,295**	**104,753**	**52,252**	**52,501**
NHA MBS	**41,411**	**17**	**41,428**	**1,553**	**39,875**
Obligations of provincial governments, public sector entities and multilateral development banks	**42,940**	**24,936**	**67,876**	**36,602**	**31,274**
Corporate issuer obligations	**13,517**	**5,751**	**19,268**	**5,805**	**13,463**
Equities	**12,646**	**2,604**	**15,250**	**11,187**	**4,063**
Total Canadian dollar-denominated	**157,333**	**117,603**	**274,936**	**108,068**	**166,868**
Cash and central bank reserves	**78,694**	**–**	**78,694**	**223**	**78,471**
U.S. government obligations	**71,187**	**63,884**	**135,071**	**75,404**	**59,667**
U.S. federal agency obligations, including U.S. federal agency mortgage-backed obligations	**78,303**	**13,148**	**91,451**	**27,507**	**63,944**
Obligations of other sovereigns, public sector entities and multilateral development banks	**65,794**	**38,992**	**104,786**	**41,221**	**63,565**
Corporate issuer obligations	**77,837**	**14,208**	**92,045**	**25,676**	**66,369**
Equities	**51,707**	**38,117**	**89,824**	**51,551**	**38,273**
Total non-Canadian dollar-denominated	**423,522**	**168,349**	**591,871**	**221,582**	**370,289**
Total	**$ 580,855**	**$ 285,952**	**$ 866,807**	**$ 329,650**	**$ 537,157**
					October 31, 2023
Total Canadian dollar-denominated	159,066	118,731	277,797	115,390	162,407
Total non-Canadian dollar-denominated	434,538	168,482	603,020	191,601	411,419
Total	$ 593,604	$ 287,213	$ 880,817	$ 306,991	$ 573,826

[1] Unencumbered liquid assets include on-balance sheet assets, assets borrowed or purchased under resale agreements, and other off-balance sheet collateral received less encumbered liquid assets.

Average unencumbered liquid assets held in The Toronto-Dominion Bank and multiple domestic and foreign subsidiaries (excluding insurance subsidiaries) and branches are summarized in the following table.

TABLE 49 SUMMARY OF AVERAGE UNENCUMBERED LIQUID ASSETS BY BANK, SUBSIDIARIES, AND BRANCHES

(millions of Canadian dollars)		*Average for the years ended*
	October 31 2024	October 31 2023
The Toronto-Dominion Bank (Parent)	**$ 219,007**	$ 217,807
Bank subsidiaries	**290,536**	308,892
Foreign branches	**27,614**	47,127
Total	**$ 537,157**	$ 573,826

ASSET ENCUMBRANCE

In the course of the Bank's daily operations, assets are pledged to obtain funding, support trading and brokerage businesses, and participate in clearing and/or settlement systems. A summary of on- and off-balance sheet encumbered and unencumbered assets is presented as follows.

TABLE 50 ENCUMBERED AND UNENCUMBERED ASSETS

(millions of Canadian dollars) *As at*

	Total Assets	Encumbered		Unencumbered	
	Total Assets	**Pledged as Collateral[1]**	**Other[2]**	**Available as Collateral[3]**	**Other[4]**
					October 31, 2024
Cash and due from banks	**$ 6,437**	**$ –**	**$ –**	**$ 26**	**$ 6,411**
Interest-bearing deposits with banks	**169,930**	**6,161**	**–**	**158,123**	**5,646**
Securities, trading loans, and other	**920,003**	**406,745**	**20,738**	**447,011**	**45,509**
Derivatives	**78,061**	**–**	**–**	**–**	**78,061**
Loans, net of allowance for loan losses	**932,343**	**96,175**	**92,790**	**30,331**	**713,047**
Other assets[5]	**95,989**	**238**	**–**	**–**	**95,751**
Total assets	**$ 2,202,763**	**$ 509,319**	**$ 113,528**	**$ 635,491**	**$ 944,425**
					October 31, 2023
Total assets[6]	$ 2,093,392	$ 437,482	$ 84,997	$ 623,826	$ 947,087

[1] Pledged collateral refers to the portion of assets that are pledged through encumbering activities, such as repurchase agreements, securities lending, derivative contracts, and requirements associated with participation in clearing houses and payment systems.

[2] Includes assets supporting TD's long-term funding activities such as asset securitization and issuance of covered bonds.

[3] Represents assets that are readily available for use as collateral to generate funding or support collateral requirements. This category includes unencumbered loans backed by real-estate that qualify as eligible collateral at FHLB.

[4] Other unencumbered assets are not subject to any restrictions on their use to secure funding or as collateral but would not be considered immediately available.

[5] Other assets include investment in Schwab, goodwill, other intangibles, land, buildings, equipment, other depreciable assets and right-of-use assets, deferred tax assets, amounts receivable from brokers, dealers, and clients, and other assets on the balance sheet not reported in the above categories.

[6] Balances as at October 31, 2023 have been restated, with no impact on the measurement of the related financial instruments in the Bank's 2024 Consolidated Financial Statements, to reflect the categorization of certain pledged assets in the comparative period.

LIQUIDITY STRESS TESTING AND CONTINGENCY FUNDING PLANS

In addition to the Bank's internal liquidity stress metric, the Bank performs liquidity stress testing on multiple alternate scenarios. These scenarios consist of a mix of TD-specific and market-wide stress events designed to evaluate the potential impact of risk factors material to the Bank's risk profile. Liquidity assessments are also part of the Bank's EWST program.

The Bank has designed contingency funding plans (CFP) for the enterprise and material subsidiaries operating in foreign jurisdictions. As they provide a playbook for managing stressed liquidity conditions, these plans are an integral component of the Bank's overall liquidity risk management framework. The CFPs outline different contingency levels based on the severity and duration of the liquidity situation and identify recovery actions appropriate for each level. To support operational readiness, CFPs provide key steps required to implement each recovery action. Regional CFPs identify recovery actions to address region-specific stress events. The actions and governance structure outlined in the Bank's CFP are aligned with the Bank's Crisis Management Recovery Plan.

CREDIT RATINGS

Credit ratings may impact the Bank's access to, and cost of, raising funding and its ability to engage in certain business activities on a cost-effective basis. Credit ratings and outlooks provided by rating agencies reflect their views and methodologies and are subject to change based on a number of factors including the Bank's financial strength, competitive position, and liquidity, as well as factors not entirely within the Bank's control, including conditions affecting the overall financial services industry.

TABLE 51 CREDIT RATINGS[1]

				As at
				October 31, 2024
	Moody's	**S&P**	**Fitch**	**DBRS**
Deposits/Counterparty[2]	**Aa2**	**A+**	**AA**	**AA (high)**
Legacy Senior Debt[3]	**Aa3**	**A+**	**AA**	**AA (high)**
Senior Debt[4]	**A2**	**A-**	**AA-**	**AA**
Covered Bonds	**Aaa**	**–**	**AAA**	**AAA**
Legacy Subordinated Debt – non-NVCC	**A3**	**A-**	**A**	**AA (low)**
Tier 2 Subordinated Debt – NVCC	**A3 (hyb)**	**BBB+**	**A**	**A**
AT1 Perpetual Debt – NVCC	**Baa2 (hyb)**	**BBB-**	**BBB+**	**–**
Limited Recourse Capital Notes – NVCC	**Baa2 (hyb)**	**BBB-**	**BBB+**	**A (low)**
Preferred Shares – NVCC	**Baa2 (hyb)**	**BBB-**	**BBB+**	**Pfd-2 (high)**
Short-Term Debt (Deposits)	**P-1**	**A-1**	**F1+**	**R-1 (high)**
Outlook	**Stable**	**Stable**	**Negative**	**Negative (Long Term); Stable (Short Term)**

[1] The above ratings are for The Toronto-Dominion Bank legal entity. Subsidiaries' ratings are available on the Bank's website at http://www.td.com/investor/credit.jsp. Credit ratings are not recommendations to purchase, sell, or hold a financial obligation in as much 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] Represents Moody's Long-Term Deposits Ratings and Counterparty Risk Rating, S&P's Issuer Credit Rating, Fitch's Long-Term Deposits Rating and DBRS' Long-Term Issuer Rating.

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

The Bank regularly reviews the level of increased collateral its trading counterparties would require in the event of a downgrade of TD's credit rating. The following table presents the additional collateral that could have been contractually required to be posted to over-the-counter (OTC) derivative counterparties as of the reporting date in the event of one, two, and three-notch downgrades of the Bank's credit ratings.

TABLE 52 ADDITIONAL COLLATERAL REQUIREMENTS FOR RATING DOWNGRADES[1]

(millions of Canadian dollars)	*Average for the years ended*	
	October 31 2024	October 31 2023
One-notch downgrade	**$ 127**	$ 124
Two-notch downgrade	**287**	192
Three-notch downgrade	**1,014**	913

[1] The above collateral requirements are based on each OTC trading counterparty's Credit Support Annex and the Bank's credit rating across applicable rating agencies.

LIQUIDITY COVERAGE RATIO

The LCR is a Basel III standard that aims to ensure that an institution has an adequate stock of unencumbered high-quality liquid assets (HQLA), consisting of cash or assets that can be converted into cash to meet its liquidity needs for a 30-calendar day liquidity stress scenario.

Other than during periods of financial stress, the Bank must maintain the LCR above 100% in accordance with the published OSFI LAR requirement. The Bank's LCR is calculated according to the scenario parameters in the LAR guideline, including prescribed HQLA eligibility criteria and haircuts, deposit run-off rates, and other outflow and inflow rates. HQLA held by the Bank that are eligible for the LCR calculation under the LAR are primarily central bank reserves, sovereign-issued or sovereign-guaranteed securities, and high-quality securities issued by non-financial entities.

The following table summarizes the Bank's average daily LCR as of the relevant dates.

TABLE 53 **AVERAGE LIQUIDITY COVERAGE RATIO**[1]

(millions of Canadian dollars, except as noted)	*Average for the three months ended*	
	October 31, 2024	
	Total unweighted value (average)[2]	**Total weighted value (average)**[3]
High-quality liquid assets		
Total high-quality liquid assets	**$ n/a**	**$ 361,452**
Cash outflows		
Retail deposits and deposits from small business customers, of which:	**$ 486,164**	**$ 31,137**
Stable deposits	**262,831**	**7,885**
Less stable deposits	**223,333**	**23,252**
Unsecured wholesale funding, of which:	**374,254**	**183,788**
Operational deposits (all counterparties) and deposits in networks of cooperative banks[4]	**132,853**	**31,460**
Non-operational deposits (all counterparties)	**215,462**	**126,389**
Unsecured debt	**25,939**	**25,939**
Secured wholesale funding	**n/a**	**44,188**
Additional requirements, of which:	**338,644**	**96,198**
Outflows related to derivative exposures and other collateral requirements	**45,211**	**36,403**
Outflows related to loss of funding on debt products	**10,839**	**10,839**
Credit and liquidity facilities	**282,594**	**48,956**
Other contractual funding obligations	**18,368**	**8,410**
Other contingent funding obligations	**821,172**	**12,660**
Total cash outflows	**$ n/a**	**$ 376,381**
Cash inflows		
Secured lending	**$ 237,640**	**$ 35,256**
Inflows from fully performing exposures	**25,208**	**12,686**
Other cash inflows	**66,539**	**66,539**
Total cash inflows	**$ n/a**	**$ 114,481**

	Average for the three months ended	
	October 31 2024	July 31 2024
	Total weighted value	Total weighted value
Total high-quality liquid assets	**$ 361,452**	$ 337,631
Total net cash outflows	**261,900**	262,308
Liquidity coverage ratio	**138%**	129%

[1] The LCR is calculated in accordance with OSFI's LAR guideline, which is reflective of liquidity-related requirements published by the BCBS. The LCR for the quarter ended October 31, 2024, is calculated as an average of the 62 daily data points in the quarter.

[2] Unweighted inflow and outflow values are outstanding balances maturing or callable within 30 days.

[3] Weighted values are calculated after the application of respective HQLA haircuts, or inflow and outflow rates, and applicable caps as prescribed by the OSFI LAR guideline.

[4] Operational deposits from non-SME business customers are deposits kept with the Bank in order to facilitate their access and ability to conduct payment and settlement activities. These activities include clearing, custody, or cash management services.

The Bank's average LCR of 138% for the quarter ended October 31, 2024, continues to meet regulatory requirements.

The Bank holds a variety of liquid assets commensurate with its liquidity needs. Many of these assets qualify as HQLA in the OSFI LAR guideline. The average HQLA of the Bank for the quarter ended October 31, 2024, was $361 billion (July 31, 2024 – $338 billion), with Level 1 assets representing 86% (July 31, 2024 – 84%). The Bank's reported HQLA excludes excess HQLA from U.S. Retail operations, as required by the OSFI LAR guideline, to reflect liquidity transfer considerations between U.S. Retail and its affiliates as a result of the U.S. Federal Reserve Board's regulations. By excluding excess HQLA, the U.S. Retail LCR is effectively capped at 100% prior to total Bank consolidation.

NET STABLE FUNDING RATIO

The NSFR is a Basel III metric calculated as the ratio of total ASF over total RSF in accordance with OSFI's LAR guideline. The Bank must maintain an NSFR ratio equal to or above 100% in accordance with the LAR guideline. The Bank's ASF comprises the Bank's liability and capital instruments (including deposits and wholesale funding). The assets that require stable funding are based on the Bank's on and off-balance sheet activities and a function of their liquidity characteristics and the requirements of OSFI's LAR guideline.

TABLE 54 NET STABLE FUNDING RATIO[1]

(millions of Canadian dollars, except as noted)

					As at
					October 31, 2024
	Unweighted value by residual maturity				
	No maturity[2]	Less than 6 months	6 months to less than 1 year	More than 1 year	Weighted value[3]
Available Stable Funding Item					
Capital	**$ 111,829**	**$ –**	**$ –**	**$ 11,015**	**$ 122,844**
Regulatory capital	**111,829**	**–**	**–**	**11,015**	**122,844**
Other capital instruments	**–**	**–**	**–**	**–**	**–**
Retail deposits and deposits from small business customers:	**446,633**	**84,074**	**32,636**	**31,121**	**552,573**
Stable deposits	**252,382**	**33,209**	**13,774**	**16,103**	**300,499**
Less stable deposits	**194,251**	**50,865**	**18,862**	**15,018**	**252,074**
Wholesale funding:	**254,602**	**422,642**	**113,427**	**240,571**	**475,575**
Operational deposits	**105,233**	**2,043**	**1**	**–**	**53,639**
Other wholesale funding	**149,369**	**420,599**	**113,426**	**240,571**	**421,936**
Liabilities with matching interdependent assets[4]	**–**	**2,486**	**1,157**	**26,817**	**–**
Other liabilities:	**51,828**			**92,158**	**3,068**
NSFR derivative liabilities	**n/a**			**347**	**n/a**
All other liabilities and equity not included in the above categories	**51,828**	**87,580**	**2,327**	**1,904**	**3,068**
Total Available Stable Funding					**$ 1,154,060**
Required Stable Funding Item					
Total NSFR high-quality liquid assets	**$ n/a**	**$ n/a**	**$ n/a**	**$ n/a**	**$ 57,070**
Deposits held at other financial institutions for operational purposes	**–**	**–**	**–**	**–**	**–**
Performing loans and securities:	**111,220**	**241,451**	**123,685**	**678,007**	**784,545**
Performing loans to financial institutions secured by Level 1 HQLA	**–**	**67,307**	**7,243**	**–**	**10,748**
Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	**–**	**58,937**	**11,532**	**13,395**	**25,443**
Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	**39,510**	**59,215**	**48,510**	**298,130**	**345,033**
With a risk weight of less than or equal to 35% under the Basel II standardized approach for credit risk	**–**	**–**	**–**	**–**	**–**
Performing residential mortgages, of which:	**33,550**	**48,093**	**51,034**	**304,963**	**311,354**
With a risk weight of less than or equal to 35% under the Basel II standardized approach for credit risk	**33,550**	**48,093**	**51,034**	**304,963**	**311,354**
Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	**38,160**	**7,899**	**5,366**	**61,519**	**91,967**
Assets with matching interdependent liabilities[4]	**–**	**2,390**	**2,380**	**25,721**	**–**
Other assets:	**79,809**			**135,611**	**122,581**
Physical traded commodities, including gold	**16,148**	**n/a**	**n/a**	**n/a**	**14,130**
Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	**n/a**			**17,426**	**14,812**
NSFR derivative assets	**n/a**			**10,730**	**10,383**
NSFR derivative liabilities before deduction of variation margin posted	**n/a**			**19,931**	**997**
All other assets not included in the above categories	**63,661**	**78,453**	**2,066**	**7,005**	**82,259**
Off-balance sheet items	**n/a**			**837,941**	**30,371**
Total Required Stable Funding					**$ 994,567**
Net Stable Funding Ratio					**116%**

	As at
	October 31, 2023
Total Available Stable Funding	$ 1,123,816
Total Required Stable Funding	960,590
Net Stable Funding Ratio	117%

[1] The NSFR is calculated in accordance with OSFI's LAR guideline, which is reflective of liquidity-related requirements published by the BCBS.
[2] Items in the "no maturity" time bucket do not have a stated maturity. These may include, but are not limited to, items such as capital with perpetual maturity, non-maturity deposits, short positions, open maturity positions, non-HQLA equities, and physical traded commodities.
[3] Weighted values are calculated after the application of respective NSFR weights, as prescribed by the OSFI LAR guideline.
[4] Interdependent asset and liability items are deemed by OSFI to be interdependent and have RSF and ASF risk factors adjusted to zero. Interdependent liabilities cannot fall due while the asset is still on balance sheet, cannot be used to fund any other assets and principal payments from the asset cannot be used for anything other than repaying the liability. As such, the only interdependent assets and liabilities that qualify for this treatment at the Bank are the liabilities arising from the Canada Mortgage Bonds Program and their corresponding encumbered assets.

The Bank's NSFR as at October 31, 2024 is 116% (October 31, 2023 – 117%), representing a surplus of $159 billion, adhering to regulatory requirements. The NSFR remained relatively stable to the previous quarter (July 31, 2024 – 115%) as the Bank's funding continued to adequately support its assets.

FUNDING

The Bank's primary approach to managing funding activities is to maximize the use of deposits raised through personal and commercial banking channels. The Bank's base of personal and commercial, wealth, and Schwab sweep deposits make up approximately 70% (2023 – 70%) of the Bank's total funding.

TABLE 55 SUMMARY OF DEPOSIT FUNDING

(millions of Canadian dollars)	**October 31 2024**	October 31 2023
	As at	
P&C deposits – Canadian	**$ 566,329**	$ 529,078
P&C deposits – U.S.[1]	**433,406**	446,355
Total	**$ 999,735**	$ 975,433

[1] P&C deposits in U.S. are presented on a Canadian equivalent basis and therefore period-over-period movements reflect both underlying growth and changes in the foreign exchange rate.

WHOLESALE FUNDING

The Bank maintains various registered external wholesale term (greater than 1 year) funding programs to provide access to diversified funding sources, including asset securitization, covered bonds, and unsecured wholesale debt. The Bank raises term funding through Senior Notes, NHA MBS, and notes backed by credit card receivables (Evergreen Credit Card Trust) and HELOC (Genesis Trust II). The Bank's wholesale funding is diversified by geography, by currency, and by funding types. The Bank raises short-term (1 year and less) funding using certificates of deposit, commercial paper, and up until June 28, 2024, BAs.

The following table summarizes the registered term funding and capital programs by geography, with the related program size as at October 31, 2024.

Canada	United States	Europe
Capital Securities Program ($20 billion) Canadian Senior Medium-Term Linked Notes Program ($5 billion) HELOC ABS Program (Genesis Trust II) ($7 billion)	U.S. SEC (F-3) Registered Capital and Debt Program (US$75 billion)	United Kingdom Listing Authority (UKLA) Registered Legislative Covered Bond Program ($100 billion) UKLA Registered European Medium-Term Note Program (US$40 billion)

The following table presents a breakdown of the Bank's term debt by currency and funding type. Term funding as at October 31, 2024, was $184.5 billion (October 31, 2023 – $173.3 billion).

Note that Table 56: Long-Term Funding and Table 57: Wholesale Funding do not include any funding accessed via repurchase transactions or securities financing.

TABLE 56 LONG-TERM FUNDING[1]

	As at	
Long-term funding by currency	**October 31 2024**	October 31 2023
Canadian dollar	**25%**	27%
U.S. dollar	**31**	35
Euro	**33**	27
British pound	**5**	5
Other	**6**	6
Total	**100%**	100%
Long-term funding by type		
Senior unsecured medium-term notes	**51%**	61%
Covered bonds	**40**	31
Mortgage securitization[2]	**7**	7
Term asset backed securities	**2**	1
Total	**100%**	100%

[1] The table includes funding issued to external investors only.
[2] Mortgage securitization excludes the residential mortgage trading business.

The Bank maintains depositor concentration limits in respect of short-term wholesale deposits so that it is not overly reliant on individual depositors for funding. The Bank further limits short-term wholesale funding maturity concentration in an effort to mitigate refinancing risk during a stress event.

The following table represents the remaining maturity of various sources of funding outstanding as at October 31, 2024, and October 31, 2023.

TABLE 57 **WHOLESALE FUNDING**[1]

(millions of Canadian dollars)									*As at*
								October 31 2024	October 31 2023
	Less than 1 month	**1 to 3 months**	**3 to 6 months**	**6 months to 1 year**	**Up to 1 year**	**Over 1 to 2 years**	**Over 2 years**	**Total**	Total
Deposits from banks[2]	**$ 1,156**	**$ 142**	**$ 79**	**$ 479**	**$ 1,856**	**$ –**	**$ –**	**$ 1,856**	$ 2,095
Bearer deposit notes	**10**	**191**	**309**	**277**	**787**	**–**	**–**	**787**	1,804
Certificates of deposit	**8,621**	**12,111**	**27,651**	**52,457**	**100,840**	**328**	**–**	**101,168**	113,476
Commercial paper	**7,637**	**10,869**	**19,896**	**20,791**	**59,193**	**1,146**	**–**	**60,339**	40,515
Covered bonds	**450**	**–**	**1,792**	**10,261**	**12,503**	**18,117**	**44,779**	**75,399**	54,006
Mortgage securitization[3]	**119**	**1,593**	**1,147**	**1,324**	**4,183**	**5,155**	**23,346**	**32,684**	27,131
Legacy senior unsecured medium-term notes[4]	**–**	**–**	**–**	**–**	**–**	**88**	**–**	**88**	3,162
Senior unsecured medium-term notes[5]	**–**	**7,845**	**1,720**	**11,221**	**20,786**	**17,311**	**55,060**	**93,157**	100,492
Subordinated notes and debentures[6]	**–**	**–**	**–**	**200**	**200**	**–**	**11,273**	**11,473**	9,620
Term asset backed securitization	**302**	**–**	**2,495**	**4,169**	**6,966**	**1,150**	**1,488**	**9,604**	2,204
Other[7]	**34,788**	**5,853**	**3,450**	**24,933**	**69,024**	**861**	**1,066**	**70,951**	44,348
Total	**$ 53,083**	**$ 38,604**	**$ 58,539**	**$ 126,112**	**$ 276,338**	**$ 44,156**	**$ 137,012**	**$ 457,506**	$ 398,853
Of which:									
Secured	**$ 7,130**	**$ 5,766**	**$ 7,868**	**$ 39,051**	**$ 59,815**	**$ 24,423**	**$ 69,617**	**$ 153,855**	$ 92,361
Unsecured	**45,953**	**32,838**	**50,671**	**87,061**	**216,523**	**19,733**	**67,395**	**303,651**	306,492
Total	**$ 53,083**	**$ 38,604**	**$ 58,539**	**$ 126,112**	**$ 276,338**	**$ 44,156**	**$ 137,012**	**$ 457,506**	$ 398,853

1 Excludes BA, which are disclosed in the Remaining Contractual Maturity table within the "Managing Risk" section of this document.
2 The presentation has been changed to only include fixed-term commercial bank deposits, to better align with how management views the Bank's composition of wholesale funding.
3 Includes mortgaged backed securities issued to external investors and Wholesale Banking residential mortgage trading business.
4 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, including debt with an original term-to-maturity of less than 400 days.
5 Comprised of senior debt subject to conversion under the bank recapitalization "bail-in" regime. Excludes $4.4 billion of structured notes subject to conversion under the "bail-in" regime (October 31, 2023 – $5.7 billion).
6 Subordinated notes and debentures are not considered wholesale funding as they may be raised primarily for capital management purposes.
7 Includes fixed-term deposits from non-bank institutions (unsecured) of $17.3 billion (October 31, 2023 – $22.1 billion) and the remaining are non-term deposits.

Excluding the Wholesale Banking residential mortgage trading business, the Bank's total 2024 mortgage-backed securities issued to external investors was $2.3 billion (2023 – $1.3 billion) and other asset-backed securities issued was $2.6 billion (2023 – $0.4 billion). The Bank also issued $13.6 billion of unsecured medium-term notes (2023 – $27.6 billion) and $27.1 billion of covered bonds (2023 – $26.1 billion) during the year ended October 31, 2024.

MATURITY ANALYSIS OF ASSETS, LIABILITIES, AND OFF-BALANCE SHEET COMMITMENTS

The following table summarizes on-balance sheet and off-balance sheet categories by remaining contractual maturity. Off-balance sheet commitments include contractual obligations to make future payments on certain lease-related commitments, certain purchase obligations, and other liabilities. The values of credit instruments reported in the following table represent the maximum amount of additional credit that the Bank could be obligated to extend should such instruments be fully drawn or utilized. Since a significant portion of guarantees and commitments are expected to expire without being drawn upon, the total of the contractual amounts is not representative of expected future liquidity requirements. These contractual obligations have an impact on the Bank's short-term and long-term liquidity and capital resource needs.

The maturity analysis presented does not depict the degree of the Bank's maturity transformation or the Bank's exposure to interest rate and liquidity risk. The Bank's objective is to fund its assets appropriately to protect against borrowing cost volatility and potential reductions to funding market availability. The Bank utilizes stable non-maturity deposits (chequing and savings accounts) and term deposits as the primary source of long-term funding for the Bank's non-trading assets including personal and business term loans and the stable balance of revolving lines of credit. Additionally, the Bank issues long-term funding in respect of such non-trading assets and raises short term funding primarily to finance trading assets. The liquidity of trading assets under stressed market conditions is considered when determining the appropriate term of the funding.

TABLE 58 REMAINING CONTRACTUAL MATURITY

(millions of Canadian dollars)										*As at*
										October 31, 2024
	Less than 1 month	**1 to 3 months**	**3 to 6 months**	**6 to 9 months**	**9 months to 1 year**	**Over 1 to 2 years**	**Over 2 to 5 years**	**Over 5 years**	**No specific maturity**	**Total**
Assets										
Cash and due from banks	$ 6,437	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ 6,437
Interest-bearing deposits with banks	165,665	23	–	–	–	–	–	–	4,242	169,930
Trading loans, securities, and other[1]	3,773	4,852	6,777	4,852	4,729	11,756	28,458	27,484	83,089	175,770
Non-trading financial assets at fair value through profit or loss	–	2	301	1,431	96	702	810	694	1,833	5,869
Derivatives	11,235	12,059	5,501	4,257	2,587	10,485	17,773	14,164	–	78,061
Financial assets designated at fair value through profit or loss	367	251	486	613	292	1,144	1,865	1,399	–	6,417
Financial assets at fair value through other comprehensive income	357	7,284	6,250	6,459	9,367	5,766	19,729	34,270	4,415	93,897
Debt securities at amortized cost, net of allowance for credit losses	1,620	4,237	4,763	6,367	4,072	30,513	93,429	126,617	(3)	271,615
Securities purchased under reverse repurchase agreements[2]	134,310	35,360	19,897	10,119	5,299	1,722	482	–	1,028	208,217
Loans										
Residential mortgages	7,502	11,817	13,066	16,074	4,353	86,112	132,381	60,344	–	331,649
Consumer instalment and other personal	974	1,758	2,509	4,077	6,137	28,498	88,052	35,096	61,281	228,382
Credit card	–	–	–	–	–	–	–	–	40,639	40,639
Business and government	55,591	15,405	10,866	19,340	18,982	47,488	98,362	61,904	29,035	356,973
Total loans	64,067	28,980	26,441	39,491	29,472	162,098	318,795	157,344	130,955	957,643
Allowance for loan losses	–	–	–	–	–	–	–	–	(8,094)	(8,094)
Loans, net of allowance for loan losses	64,067	28,980	26,441	39,491	29,472	162,098	318,795	157,344	122,861	949,549
Customers' liability under acceptances	–	–	–	–	–	–	–	–	–	–
Investment in Schwab	–	–	–	–	–	–	–	–	9,024	9,024
Goodwill[3]	–	–	–	–	–	–	–	–	18,851	18,851
Other intangibles[3]	–	–	–	–	–	–	–	–	3,044	3,044
Land, buildings, equipment, other depreciable assets, and right-of-use assets[3]	–	8	1	4	12	81	562	3,130	6,039	9,837
Deferred tax assets	–	–	–	–	–	–	–	–	4,937	4,937
Amounts receivable from brokers, dealers, and clients	22,115	–	–	–	–	–	–	–	–	22,115
Other assets	6,556	2,478	2,989	556	367	373	312	153	14,397	28,181
Total assets	**$ 416,502**	**$ 95,534**	**$ 73,406**	**$ 74,149**	**$ 56,293**	**$ 224,640**	**$ 482,215**	**$ 365,255**	**$ 273,757**	**$ 2,061,751**
Liabilities										
Trading deposits	$ 4,522	$ 2,516	$ 2,768	$ 2,101	$ 3,715	$ 5,488	$ 7,566	$ 1,736	$ –	$ 30,412
Derivatives	9,923	11,556	5,740	3,319	2,783	8,800	12,877	13,370	–	68,368
Securitization liabilities at fair value	–	1,004	328	644	97	3,313	9,443	5,490	–	20,319
Financial liabilities designated at fair value through profit or loss	50,711	25,295	51,967	40,280	37,964	1,477	–	–	220	207,914
Deposits[4,5]										
Personal	14,229	31,997	30,780	16,971	19,064	15,120	15,590	7	497,909	641,667
Banks	14,714	4,287	2,434	16,343	6,954	–	3	–	12,963	57,698
Business and government	23,536	24,136	11,295	19,038	9,020	37,681	76,667	24,144	343,798	569,315
Total deposits	52,479	60,420	44,509	52,352	35,038	52,801	92,260	24,151	854,670	1,268,680
Acceptances	–	–	–	–	–	–	–	–	–	–
Obligations related to securities sold short[1]	1,431	2,392	750	971	603	8,303	10,989	12,610	1,466	39,515
Obligations related to securities sold under repurchase agreements[2]	173,741	21,172	2,096	1,036	30	1,225	23	–	2,577	201,900
Securitization liabilities at amortized cost	119	589	819	438	144	1,843	4,823	3,590	–	12,365
Amounts payable to brokers, dealers, and clients	26,598	–	–	–	–	–	–	–	–	26,598
Insurance-related liabilities	224	448	671	671	705	1,184	1,656	727	883	7,169
Other liabilities	12,396	14,478	7,279	1,114	876	1,886	1,421	5,608	6,820	51,878
Subordinated notes and debentures	–	–	–	200	–	–	–	11,273	–	11,473
Equity	–	–	–	–	–	–	–	–	115,160	115,160
Total liabilities and equity	**$ 332,144**	**$ 139,870**	**$ 116,927**	**$ 103,126**	**$ 81,955**	**$ 86,320**	**$ 141,058**	**$ 78,555**	**$ 981,796**	**$ 2,061,751**
Off-balance sheet commitments										
Credit and liquidity commitments[6,7]	$ 31,198	$ 28,024	$ 26,127	$ 24,731	$ 21,440	$ 52,706	$ 174,388	$ 4,743	$ 1,948	$ 365,305
Other commitments[8]	113	266	270	400	254	1,019	1,591	403	50	4,366
Unconsolidated structured entity commitments	–	–	–	125	766	490	19	–	–	1,400
Total off-balance sheet commitments	**$ 31,311**	**$ 28,290**	**$ 26,397**	**$ 25,256**	**$ 22,460**	**$ 54,215**	**$ 175,998**	**$ 5,146**	**$ 1,998**	**$ 371,071**

[1] Amount has been recorded according to the remaining contractual maturity of the underlying security.
[2] Certain contracts considered short-term are presented in 'less than 1 month' category.
[3] Certain non-financial assets have been recorded as having 'no specific maturity'.
[4] As the timing of demand deposits and notice deposits is non-specific and callable by the depositor, obligations have been included as having 'no specific maturity'.
[5] Includes $75 billion of covered bonds with remaining contractual maturities of $2 billion in 'over 3 months to 6 months', $10 billion in 'over 6 months to 9 months', $18 billion in 'over 1 to 2 years', $37 billion in 'over 2 to 5 years', and $8 billion in 'over 5 years'.
[6] Includes $609 million in commitments to extend credit to private equity investments.
[7] Commitments to extend credit exclude personal lines of credit and credit card lines, which are unconditionally cancellable at the Bank's discretion at any time.
[8] Includes various purchase commitments as well as commitments for leases not yet commenced, and lease-related payments.

TABLE 58 REMAINING CONTRACTUAL MATURITY (continued)

(millions of Canadian dollars)										*As at*
										October 31, 2023
	Less than 1 month	1 to 3 months	3 to 6 months	6 to 9 months	9 months to 1 year	Over 1 to 2 years	Over 2 to 5 years	Over 5 years	No specific maturity	Total
Assets										
Cash and due from banks	$ 6,721	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ 6,721
Interest-bearing deposits with banks	91,966	559	–	–	–	–	–	–	5,823	98,348
Trading loans, securities, and other[1]	4,328	6,329	5,170	3,008	4,569	13,226	27,298	25,677	62,485	152,090
Non-trading financial assets at fair value through profit or loss	–	–	354	1,538	199	1,664	828	1,351	1,406	7,340
Derivatives	10,145	10,437	5,246	4,244	3,255	11,724	25,910	16,421	–	87,382
Financial assets designated at fair value through profit or loss	374	496	375	695	324	838	1,470	1,246	–	5,818
Financial assets at fair value through other comprehensive income	745	2,190	1,200	5,085	2,223	9,117	15,946	29,845	3,514	69,865
Debt securities at amortized cost, net of allowance for credit losses	1,221	4,020	4,073	16,218	3,480	22,339	116,165	140,502	(2)	308,016
Securities purchased under reverse repurchase agreements[2]	124,253	33,110	29,068	7,381	7,298	955	506	–	1,762	204,333
Loans										
Residential mortgages	1,603	2,616	5,860	10,575	14,181	57,254	168,475	59,733	44	320,341
Consumer instalment and other personal	894	1,580	2,334	3,830	5,974	27,166	85,487	34,183	56,106	217,554
Credit card	–	–	–	–	–	–	–	–	38,660	38,660
Business and government	37,656	10,058	13,850	14,886	16,964	42,460	96,952	67,190	26,512	326,528
Total loans	40,153	14,254	22,044	29,291	37,119	126,880	350,914	161,106	121,322	903,083
Allowance for loan losses	–	–	–	–	–	–	–	–	(7,136)	(7,136)
Loans, net of allowance for loan losses	40,153	14,254	22,044	29,291	37,119	126,880	350,914	161,106	114,186	895,947
Customers' liability under acceptances	14,804	2,760	5	–	–	–	–	–	–	17,569
Investment in Schwab	–	–	–	–	–	–	–	–	8,907	8,907
Goodwill[3]	–	–	–	–	–	–	–	–	18,602	18,602
Other intangibles[3]	–	–	–	–	–	–	–	–	2,771	2,771
Land, buildings, equipment, other depreciable assets, and right-of-use assets[3]	–	8	6	8	14	79	573	3,153	5,593	9,434
Deferred tax assets[4]	–	–	–	–	–	–	–	–	3,951	3,951
Amounts receivable from brokers, dealers, and clients	30,416	–	–	–	–	–	–	–	–	30,416
Other assets[4]	5,267	1,869	5,619	208	194	137	129	82	14,124	27,629
Total assets[4]	$ 330,393	$ 76,032	$ 73,160	$ 67,676	$ 58,675	$ 186,959	$ 539,739	$ 379,383	$ 243,122	$ 1,955,139
Liabilities										
Trading deposits	$ 1,272	$ 1,684	$ 5,278	$ 4,029	$ 4,153	$ 6,510	$ 6,712	$ 1,342	$ –	$ 30,980
Derivatives	9,068	9,236	4,560	3,875	2,559	8,345	16,589	17,408	–	71,640
Securitization liabilities at fair value	2	498	345	1,215	391	1,651	6,945	3,375	–	14,422
Financial liabilities designated at fair value through profit or loss	48,197	30,477	37,961	42,792	32,473	112	–	–	118	192,130
Deposits[5,6]										
Personal	6,044	19,095	22,387	14,164	19,525	17,268	20,328	51	507,734	626,596
Banks	19,608	68	29	–	–	–	4	1	11,515	31,225
Business and government	25,663	16,407	24,487	11,819	9,658	33,723	74,300	19,652	324,660	540,369
Total deposits	51,315	35,570	46,903	25,983	29,183	50,991	94,632	19,704	843,909	1,198,190
Acceptances	14,804	2,760	5	–	–	–	–	–	–	17,569
Obligations related to securities sold short[1]	135	1,566	1,336	1,603	1,309	5,471	19,991	11,971	1,279	44,661
Obligations related to securities sold under repurchase agreements[2]	146,559	10,059	6,607	457	1,142	150	46	–	1,834	166,854
Securitization liabilities at amortized cost	–	526	355	1,073	703	2,180	4,956	2,917	–	12,710
Amounts payable to brokers, dealers, and clients	30,872	–	–	–	–	–	–	–	–	30,872
Insurance contract liabilities[4]	243	305	327	258	253	694	1,131	501	2,134	5,846
Other liabilities[4]	11,923	9,808	7,986	1,276	1,198	918	1,979	4,226	8,260	47,574
Subordinated notes and debentures	–	–	–	–	–	196	–	9,424	–	9,620
Equity[4]	–	–	–	–	–	–	–	–	112,071	112,071
Total liabilities and equity[4]	$ 314,390	$ 102,489	$ 111,663	$ 82,561	$ 73,364	$ 77,218	$ 152,981	$ 70,868	$ 969,605	$ 1,955,139
Off-balance sheet commitments										
Credit and liquidity commitments[7,8]	$ 22,242	$ 24,178	$ 26,399	$ 21,450	$ 22,088	$ 47,826	$ 166,891	$ 5,265	$ 1,487	$ 337,826
Other commitments[9]	109	279	214	197	204	889	1,364	424	73	3,753
Unconsolidated structured entity commitments	–	836	3	239	95	729	–	–	–	1,902
Total off-balance sheet commitments	$ 22,351	$ 25,293	$ 26,616	$ 21,886	$ 22,387	$ 49,444	$ 168,255	$ 5,689	$ 1,560	$ 343,481

[1] Amount has been recorded according to the remaining contractual maturity of the underlying security.
[2] Certain contracts considered short-term are presented in 'less than 1 month' category.
[3] Certain non-financial assets have been recorded as having 'no specific maturity'.
[4] Balances as at October 31, 2023 have been restated for the adoption of IFRS 17. Refer to Note 4 of the Bank's 2024 Consolidated Financial Statements for further details.
[5] As the timing of demand deposits and notice deposits is non-specific and callable by the depositor, obligations have been included as having 'no specific maturity'.
[6] Includes $54 billion of covered bonds with remaining contractual maturities of $6 billion in 'over 3 months to 6 months', $1 billion in 'over 6 months to 9 months', $12 billion in 'over 1 to 2 years', $31 billion in 'over 2 to 5 years', and $4 billion in 'over 5 years'.
[7] Includes $573 million in commitments to extend credit to private equity investments.
[8] Commitments to extend credit exclude personal lines of credit and credit card lines, which are unconditionally cancellable at the Bank's discretion at any time.
[9] Includes various purchase commitments as well as commitments for leases not yet commenced, and lease-related payments.

Capital Adequacy Risk

Capital adequacy risk is the risk of insufficient level and composition of capital being available in relation to the amount of capital required to carry out the Bank's strategy and/or satisfy regulatory and internal capital adequacy requirements under normal and stress conditions.

Capital is held to protect the viability of the Bank in the event of unexpected financial losses. Capital represents the loss-absorbing funding required to provide a cushion to protect depositors and other creditors from unexpected losses.

Managing capital levels requires that the Bank holds sufficient capital, in normal and stress environments, to avoid the risk of breaching minimum capital levels prescribed by regulators and internal Board limits.

WHO MANAGES CAPITAL ADEQUACY RISK

The Board oversees the Bank's capital adequacy and capital management by reviewing adherence to capital targets and approving the annual capital plan and the Capital Adequacy Risk Management Policy. The Risk Committee reviews and approves the Capital Adequacy Risk Management Framework. The CRO and the CFO oversee that the Bank's ICAAP is effective in meeting capital adequacy requirements.

The ALCO recommends and maintains the Capital Adequacy Risk Management Framework and the Capital Adequacy Risk Management Policy, and sets additional capital targets and minimum requirements, including the allocation of capital limits to business segments, to support ongoing compliance with the Capital Adequacy Risk Management Policy. The ALCO also reviews the ongoing adherence to established capital targets in support of the effective and prudent management of the Bank's capital position and maintenance of adequate capital.

TBSM is responsible for forecasting and monitoring compliance with capital targets, on a consolidated basis, with oversight provided by ALCO. TBSM updates the capital forecast, including appropriate changes to capital issuance, repurchase and redemption. The capital forecast is reviewed by ALCO. TBSM also leads the ICAAP and EWST processes. The Bank's business segments are responsible for managing to assigned RWA and leverage exposure limits.

Additionally, regulated subsidiaries of the Bank, including certain insurance subsidiaries and subsidiaries in the U.S. and other jurisdictions, manage their capital adequacy risk in accordance with applicable regulatory requirements. Capital management policies and procedures of subsidiaries are also required to conform with those of the Bank. U.S. regulated subsidiaries of the Bank are required to follow several regulatory guidelines, rules and expectations related to capital planning and stress testing including the U.S. Federal Reserve Board's Regulation YY establishing Enhanced Prudential Standards for Foreign Banking Organizations, applicable to U.S. Bank Holding Companies. Refer to the sections on "Future Regulatory Capital Developments", "Enterprise-Wide Stress Testing", and "Risk Factors That May Affect Future Results" for further details.

HOW TD MANAGES CAPITAL ADEQUACY RISK

Capital resources are managed in a manner designed so that the Bank's capital position can support business strategies under both current and future business operating environments. The Bank manages its operations within the capital constraints defined by both internal and regulatory capital requirements, so that it meets the higher of these requirements.

Regulatory capital requirements represent minimum capital levels. Capital targets are established to provide a sufficient buffer so that the Bank is able to continuously meet these minimum capital requirements. The purpose of these capital targets is to reduce the risk of a breach of minimum capital requirements, due to unexpected events, allowing management the opportunity to react to declining capital levels before minimum capital requirements are breached.

A periodic monitoring process is undertaken to plan and forecast capital requirements. As part of the annual planning process, business segments are allocated individual RWA and Leverage exposure limits. Capital generation and usage are monitored and reported to the ALCO.

The Bank assesses the sensitivity of its forecast capital requirements and new capital formations to various economic conditions through its EWST process. The results of the EWST are considered in the determination of capital targets and capital risk appetite limits.

The Bank also determines its internal capital requirements through the ICAAP process using models to measure the risk-based capital required based on its own tolerance for the risk of unexpected losses. This risk tolerance is calibrated to the required confidence level so that the Bank will be able to meet its obligations, even after absorbing severe unexpected losses over a one-year period.

In addition, the Bank has a Capital Contingency Plan that is designed to prepare management to maintain capital adequacy through periods of bank-specific or systemic market stress. The Capital Contingency Plan outlines the governance and procedures to be followed if the Bank's consolidated capital levels are forecast to fall below capital targets or when there are capital concerns from disruptive events or trends. It also outlines potential management actions that may be taken to prevent such a breach from occurring.

Legal and Regulatory Compliance (including Financial Crime) Risk

Legal and Regulatory Compliance (including Financial Crime) (LRC) risk is the risk associated with the Bank's failure to comply with applicable laws, rules, regulations, prescribed practices, contractual obligations, the Bank's Code of Conduct and Ethics, or standards of fair business conduct or market conduct, which can lead to adverse judgements, fines, sanctions, liabilities, or reputational harm that could be material to the Bank. LRC risk includes the regulatory risks associated with financial crimes (which include, but are not limited to, money laundering, terrorist financing, bribery, corruption, and violations of economic sanctions), privacy, market conduct, consumer protection and business conduct, as well as prudential and other generally applicable non-financial requirements.

The Bank is exposed to LRC risk in virtually all of its activities. Failure to mitigate LRC risk and meet regulatory and legal requirements can impact the Bank's ability to meet strategic objectives, poses a risk of censure or penalty, may lead to litigation, and puts the Bank's reputation at risk. Financial penalties, reputational damage, and other costs associated with legal proceedings and unfavourable judicial or regulatory determinations may also adversely affect the Bank's business, results of operations and financial condition. LRC risk generally cannot be effectively mitigated by trying to limit its impact to any one business or jurisdiction as realized LRC risk may adversely impact unrelated businesses or jurisdictions. LRC risk exposure is inherent in the normal course of operating the Bank's businesses. Known LRC risks continue to rapidly change as a result of evolving laws and regulatory expectations, as well as new or emerging threats, including geopolitical and those associated with use of new, emerging and interrelated technologies and use of, AI, machine learning, models and decision-making tools.

WHO MANAGES LEGAL AND REGULATORY COMPLIANCE (INCLUDING FINANCIAL CRIME) RISK

The proactive and effective management of LRC risk is complex given the breadth and pervasiveness of exposure. The LRC Risk Management Framework applies enterprise-wide to the Bank and to all its corporate functions, business segments, its governance, risk, and oversight functions, and its subsidiaries, and is aligned with the Bank's ERF. All the Bank's businesses are accountable for operating their business in compliance with LRC (including financial crime) requirements applicable to their jurisdiction and specific businesses. All the Bank's businesses, including corporate functions, are also accountable for the LRC risk that they generate in their operations, including LRC risks that may arise in their dealings with third-party vendors. These accountabilities involve assessing the risk, designing and implementing controls, and monitoring and reporting on their ongoing effectiveness to safeguard the businesses from operating outside of the Bank's risk appetite. Global Compliance and Financial Crime Risk Management (FCRM) are independent oversight functions (the "Oversight Functions") and are accountable for RCM oversight and provide objective guidance, and oversight with respect to managing LRC risk. Legal, U.S. Regulatory Relations & Government Affairs (RRGA)/and Regulatory Risk provide advice with respect to managing LRC risk. Representatives of these groups interact regularly with senior executives of the Bank's businesses. Also, the senior management of Legal, Compliance, and FCRM have established regular meetings with and reporting to the Audit Committee, which oversees the establishment and maintenance of policies and programs designed to help achieve and maintain the Bank's compliance with the applicable LRRs. Senior management of the Compliance Department also report regularly to the Corporate Governance Committee, which oversees conduct risk management in the Bank, the establishment and maintenance of policies in respect of the Bank's compliance with the consumer protection provisions of the Canadian Financial Consumer Protection Framework, and in its capacity as the Bank's conduct review committee, related party transactions for the Bank and certain of its Canadian subsidiaries that are federally-regulated financial institutions. In addition, senior management of Regulatory Risk has established periodic reporting to the Board and regular reporting to the Risk Committee.

HOW TD MANAGES LEGAL AND REGULATORY COMPLIANCE (INCLUDING FINANCIAL CRIME) RISK

Effective management of LRC risk is a result of enterprise-wide collaboration and requires (a) independent and objective identification and oversight of LRC risk, (b) objective guidance and advisory services and/or independent challenge and oversight to identify, assess, control, and monitor LRC risk, and (c) an approved set of frameworks, policies, procedures, guidelines, and practices. While each business line and corporate function is accountable for owning LRC risk, each of the Oversight Functions plays a critical role in the management of LRC risk at the Bank. Depending on the circumstances, they play different roles at different times: 'trusted advisor', provider of objective guidance, independent challenge, and oversight and control (including 'gatekeeper' or approver).

Compliance performs the following functions: it acts as an independent Regulatory Compliance oversight function to establish enterprise standards for business and Oversight Functions in managing regulatory compliance risk; it fosters a culture of integrity, ethics and compliance, with accountability understood and accepted throughout TD to manage and mitigate Regulatory Compliance Risks; it assesses the adequacy of, adherence to, and effectiveness of the Bank's day-to-day RCM controls; it proactively manages regulatory change and maintains a RCM Regulatory Change Standard for Oversight Functions to do the same; and it supports the Chief Compliance Officer in providing an opinion to the Audit Committee as to whether the RCM controls are sufficiently robust to achieve compliance with applicable regulatory requirements.

FCRM acts as an independent regulatory compliance and risk management oversight function and is responsible for regulatory compliance (laws, rules, regulations) and the broader prudential risk management components of the AML, Anti-Terrorist Financing, Sanctions, and Anti-Bribery/Anti-Corruption programs (collectively, the "FCR Programs"), including their design, content, and enterprise-wide implementation; develops policies and standards, monitors, evaluates, and reports on FCR Program controls, design, and execution; and reports on the overall adequacy and effectiveness of the FCR Programs, including program design and operation.

For their respective programs, Compliance and FCRM have developed methodologies and processes to measure and aggregate regulatory compliance risks and FCR program risks (including the risks that our products, and services and delivery channels are misused for financial crime) on an ongoing basis as a baseline to assess whether the Bank's internal controls are effective in adequately identifying and mitigating such risks and determine whether individual or aggregate business activities are conducted within the Bank's risk appetite.

As further described in the "Significant Events – Global Resolution of the Investigations into the Bank's U.S. BSA/AML Program" section above, the Bank is undertaking a remediation of its U.S. BSA/AML Program and undertaking several improvements to the Bank's enterprise-wide AML/Anti-Terrorist Financing and Sanctions Programs (the "Enterprise AML Program"). Similar to the U.S. BSA/AML remediation program, the FINTRAC remediation and other planned strategic enhancements of the Enterprise AML Program outside the U.S. are organized under five core pillars; (i) People & Talent, (ii) Governance & Structure, (iii) Policy & Risk Assessment, (iv) Process & Control, (v) Data & Technology. The Bank has established a dedicated program management infrastructure to monitor execution against these programs. For the U.S., the work is being overseen by the Compliance Committee of the U.S. subsidiary boards and is expected to be a multi-year endeavour, involving additional investments. In Canada, the work is subject to oversight by senior executive governance forums along with regular reporting to the Audit Committee of the Board.

Legal acts as an independent provider of legal services and advice and protects the Bank from unacceptable legal risk. Legal has also developed methodologies for measuring litigation risk for adherence to the Bank's risk appetite.

Processes employed by Legal, Compliance, and FCRM (including policies and frameworks, training and education, and the Bank's Code of Conduct and Ethics) support the responsibility of each business to adhere to LRC requirements.

Finally, the Corporate and Public Affairs (CAPA), Regulatory Risk Management and RRGA departments also create and facilitate communication with elected officials and regulators, monitor legislation and regulations, support business relationships with governments, coordinate regulatory examinations, track and monitor issues from those examinations, support regulatory discussions on new or proposed products or business initiatives, and advance the public policy objectives of the Bank.

Reputational Risk

Reputational risk is the potential that stakeholder perceptions, whether true or not, regarding the Bank's business practices, actions or inactions, will or may cause a significant decline in the Bank's value, brand, liquidity or customer base, or require costly measures to address. Stakeholders include customers, shareholders, employees, regulators, and the communities in which we operate.

A company's reputation is a valuable business asset that is essential to optimizing shareholder value and therefore, is constantly at risk. Reputational risk can arise as a consequence of negative perceptions about the Bank's business practices involving any aspect of the Bank's operations and usually involves concerns about business ethics and integrity, competence, or the quality or suitability of products and services. Since all risk categories can have an impact on a company's reputation, reputational risk is not managed in isolation from the Bank's other major risk categories and can ultimately impact its brand, earnings, and capital.

WHO MANAGES REPUTATIONAL RISK

Responsibility for managing risks to the Bank's reputation ultimately lies with the SET and the executive committees that examine reputational risk as part of their regular mandate. The ERRC is the most senior executive committee for the review of reputational risk matters at TD. The mandate of the ERRC is to oversee the management of reputational risk within the Bank's risk appetite. Its main accountability is to review and assess business and corporate initiatives and activities where significant reputational risk profiles have been identified and escalated. The ERRC also provides a forum for discussion, review, and escalation for non-traditional risks.

At the same time, every employee and representative of the Bank has a responsibility to contribute in a positive way to the Bank's reputation and the management of reputational risk. This means that every Bank employee is responsible for following ethical practices at all times, complying with applicable policies, legislation, and regulations and are also supporting positive interactions with the Bank's stakeholders. Reputational risk is most effectively managed when everyone at the Bank works continuously to protect and enhance the Bank's reputation. Where an employee is aware of or suspects any conduct that violates TD's Code of Conduct and Ethics, they have an obligation to immediately report such conduct.

HOW TD MANAGES REPUTATIONAL RISK

The Bank's approach to the management of reputational risk combines the experience and knowledge of individual business segments, corporate shared service areas and governance, risk and oversight functions. It is based on enabling the Bank's businesses to understand their risks and developing the policies, processes, and controls required to manage these risks appropriately and in line with the Bank's strategy and reputational risk appetite. The Bank's Reputational Risk Management Framework provides a comprehensive overview of its approach to the management of this risk. Amongst other significant policies, the Bank's Enterprise Reputational Risk Management Policy is approved by the Group Head and CRO and sets out the requirements under which business segments and corporate shared services are required to manage reputational risk. These requirements include implementing procedures and designating a business-level committee (where required by the Policy) to review and assess reputational risks and escalation to the ERRC as appropriate.

The Bank also has an enterprise-wide New Business and Product Approval (NBPA) Policy that is approved by the CRO and establishes standard practices to support consistent processes for approving new businesses, products, and services across the Bank. The policy is supported by business segment specific processes, which involve independent review from oversight functions, and consideration of all aspects of a new product, including reputational risk.

Environmental and Social Risk

E&S risk is the risk of financial loss, reputational damage or other harm resulting from the Bank's inability to manage and respond to changing environmental or social factors that impact or are associated with the Bank's operations, business activities, products, clients, or the communities in which the Bank operates.

Operating a complex financial institution in multiple jurisdictions exposes the Bank's businesses and operations to a broad range of financial and non-financial risks. Environmental and social issues expose the Bank to a set of risks (collectively, E&S risk) that are transverse, meaning they can drive financial and non-financial risks, including but not limited to credit, strategic, reputational, legal and regulatory compliance risks.

WHO MANAGES ENVIRONMENTAL AND SOCIAL RISK

ESG Risk Management (ESG RM) establishes E&S risk frameworks, policies, processes, governance, and reporting structures for business and corporate functions to identify, assess, measure, control, monitor and report on E&S risks. Business and corporate functions own and manage the risks. Internal polices and procedures require business and corporate functions to consider the applicability and assessment of E&S risk in current and new business activity. Internal policies also require business unit governance and business processes to incorporate an assessment of E&S risk and apply an appropriate level of governance and oversight consistent with their business procedures.

ESG RM is also developing enterprise-wide tools and programs to support measurement and monitoring activities, in addition to business and corporate segment activities. E&S Risk activities are a component of the Bank's E&S Target Operating Model (TOM) and Implementation Plans.

Senior Management oversight is maintained through monitoring and reporting to the OROC, ERMC and Risk Committee of the Board.

HOW TD MANAGES ENVIRONMENTAL AND SOCIAL RISK

The Bank follows a disciplined approach to managing financial and non-financial risks, driven by E&S risks which may have a present or future impact on the Bank's competitive position, brand or long-term shareholder value creation. The Bank considers current and potential E&S risk in the strategies it executes, as appropriate, by enabling informed decision-making based on internal capabilities, industry practices, legal and regulatory obligations, and stakeholder expectations – including shareholders and customers – as they continue to evolve.

The Enterprise E&S Risk Framework outlines how the Bank manages E&S risk. This Framework is reinforced by risk-specific policies including the Enterprise E&S Risk Policy that establishes requirements for business and corporate segments to effectively manage their E&S risk. Business and corporate segments, as applicable, certify compliance with the E&S Risk Policy requirements on an annual basis.

With respect to non-retail lending, the Bank takes a measured, client-focused and risk-based approach to E&S risks. When a risk assessment indicates a heightened level of risk, the Bank conducts enhanced due diligence that could include the use of tools such as physical risk identification, heatmaps, industry risk ratings, client engagement and questionnaires, financed emissions estimation and analytics systems, environmental site assessments, site visits, industry research, and media scans, as applicable. Risk assessment and enhanced due diligence results follow the Bank's risk governance process, which may include segment level and enterprise-level reputational risk committee oversight. Following this process, TD makes decisions to conduct transactions based on the risks presented by an individual customer and the Bank's ability to manage those risks.

The Bank continues to assess the impacts associated with new and material changes made to TD products, services, projects, and initiatives by incorporating an E&S risk assessment into the Bank's Change Risk Management process. Additionally, the Bank's enterprise-wide Business Continuity and Crisis Management Program continues to support management's ability to operate the Bank's businesses and operations in the event of a business disruption incident, including the incremental impact of climate change.

The Bank's E&S metrics, targets and performance are publicly reported within its annual sustainability reporting suite. Key performance measures reported by the Bank are informed by the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB) and the FSB's TCFD recommendations, with select metrics that are independently assured.

Climate-Related Risk

Climate-related risk is the risk of reputational damage and/or financial loss arising from the physical and transition risks of climate change to the Bank, its clients or the communities in which the Bank operates. This includes physical risks arising from the consequences of a changing climate, as well as transition risks arising from the process of shifting to a low-carbon economy. In its 2023 annual sustainability reporting suite, the Bank highlighted its progress to assess and manage climate-related risk and effectively manage its business strategies and continues to capture opportunities in light of these evolving risks.

The Bank continues to evolve its ESG/Climate TOM to support its work to implement TD's Climate Action Plan and to manage climate-related risks through dedicated work streams, including an enterprise Climate Risk Strategy and Climate Risk Scenario Analysis Program. The Bank continues to work towards building its expertise and capabilities for managing climate-related risks, captured through the E&S TOM via dedicated workstreams including advancing climate-related risk identification and measurement processes and developing the Bank's enterprise climate data strategy.

TD's Climate Scenario Analysis program helps the Bank better understand the impacts of climate-related financial risks. Climate scenario analysis evaluates a range of hypothetical outcomes by considering a variety of alternative plausible future scenarios under a given set of assumptions and constraints. While scenarios are not designed to deliver precise outcomes or forecasts, they provide a way for the Bank to consider how the future might look and how we can prepare. The Bank's continued participation in scenario analysis pilot exercises and programs across a range of climate scenarios supports the development of tools and capabilities regarding climate data and climate-related risk modelling. Developing these capabilities supports the Bank's understanding of the transition and physical risks of climate change, which will help inform the Bank's approach to further integrate climate-related risk management activities across the enterprise.

The Bank continues to refresh and enhance the scope of its Climate Risk Heatmap, supported by an Industry Risk Review process, to support physical and transition climate-related risk identification and assessment and to refine its understanding of the industry sector and geographic location sensitivities that climate-related risk may have on the Bank and its assets, clients, and communities in which it operates. TD is applying its Physical Climate Risk Identification Framework across its footprint and business lines to inform risk control assessment processes and business strategies.

The Bank contributes to public consultations and advocacy initiatives on emerging climate issues, including disclosure frameworks proposed by regulators and standard setters. The Bank also engages with environmental and community NGOs, industry associations, rating agencies, Indigenous communities and responsible investment organizations.

TD also participates in various North American working groups, and as a member of the Partnership for Carbon Accounting Financials, helps develop and refine calculation methodologies for emerging climate metrics. The Bank continues its membership in the Risk Management Association Climate Risk Consortium, which focuses on bringing financial institutions together to advance the awareness of and address the risks relevant to climate change, by developing frameworks, and recommendations for governance, disclosure, and risk management principles.

TD recognizes it faces transition risk from its own activities, as well as from the clients we serve. In 2020, the Bank announced a target to achieve net-zero greenhouse gas (GHG) emissions associated with the Bank's operations and financing activities by 2050, in alignment with the associated principles of the Paris Agreement.

The Bank monitors and assesses legal, policy, regulatory, economic, technological and stakeholder developments regarding E&S matters, including the transition to net zero, and how those developments may affect its E&S metrics and targets. Accordingly, the Bank may adjust its E&S metrics or targets to reflect these developments. In addition, E&S methodologies or standards used by regulators, the financial sector, industry groups or associations that the Bank participates in or belongs to, or that the Bank or its clients use to measure and report on their GHG emissions could result in the Bank amending or restating its baselines, calculated results or targets, and may result in the Bank withdrawing from or modifying its membership in certain groups or associations. Limitations on the availability and reliability of data may also impact the Bank's ability to assess and evaluate E&S risks. The Bank is mindful of data availability and data quality limitations impacting risk management and financed emissions efforts and work continues through industry forums to address the lack of standardized taxonomies and methodologies. These limitations are expected to improve over time as the Bank continues to advance its data capabilities by working with internal and external subject matter experts, leading to more robust and reliable E&S risk monitoring, analysis, and reporting. The Bank assesses, and will continue to assess, the potential impacts of climate change and related risks on its operations, lending portfolios, investments, and businesses.

Regulatory and Standard Setter Developments Concerning E&S Risk

On March 7, 2023, OSFI issued Guideline B-15: Climate Risk Management (Guideline B-15), which sets out OSFI's expectations related to the management and disclosure of climate-related risks and opportunities. Effective dates of Guideline B-15 begin October 31, 2024 for certain components, and annual disclosures are required to be made publicly available no later than 180 days after fiscal year-end. The Bank's required public disclosures will be released in the 2024 sustainability reporting suite.

On June 26, 2023, the International Sustainability Standards Board (ISSB) under the IFRS Foundation, issued its first two sustainability standards, IFRS S1 General Requirements for Disclosures of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures. IFRS S1 sets out the disclosure requirements for financially material information about sustainability-related risks and opportunities to meet investor information needs, and IFRS S2 specifically sets the disclosure requirement for Climate-related risks and opportunities. ISSB recommends an effective date for annual reporting periods beginning on or after January 1, 2024, and this is subject to Canadian jurisdiction's endorsement. Early application is permitted on or before the date of initial application of IFRS S1 and IFRS S2. The International Organization of Securities Commissions (IOSCO) has officially endorsed IFRS S1 and IFRS S2 on July 23, 2023, and is now calling its member jurisdictions to consider ways they may adopt or apply the ISSB standards. The Bank is currently assessing the impact of adopting these standards and monitoring communications from the Canadian Securities Administrators.

Codes of Conduct and Human Rights

The Bank has several policies, including the Bank's Code of Conduct and Ethics, which reflect the Bank's commitment to manage its business responsibly and in compliance with applicable laws. For additional information on the Code of Conduct and Ethics, refer to the "Legal and Regulatory Compliance (including Financial Crime) Risk" section above. In 2024, the Bank published a refreshed Statement on Human Rights, which reflects the corporate responsibility to respect human rights as set out in the United Nations Guiding Principles on Business and Human Rights (UNGP). The Bank and its applicable subsidiaries also publish reports pursuant to modern slavery legislation to which they are subject. The Bank's current Human Rights Statement and Modern Slavery and Human Trafficking Report can be found here: https://www.td.com/ca/en/about-td/for-investors/policies-and-references.

In 2023, the Bank embarked on a process to review its policies, procedures and training programs relating to Indigenous Peoples and free, prior and informed consent (FPIC) to assess the operationalization of FPIC. In June 2024, the Bank reported on the outcome and progress of this policy and training review.

TD's Financial Consumer Protection Framework Policy aims to promote responsible conduct across Canadian banks and protect financial services customers. It also includes components related to promoting transparency for customers to help them make informed decisions and provisions related to fair and equitable dealing (e.g., requirements for cancelling agreements, access to basic banking services and complaints processes).

In the U.S., TD's Fair & Responsible Banking Policy supports the Bank's commitment to treat all individuals fairly and equitably in offering and providing banking products and services: to mitigate risk to the consumer; to prevent discriminatory practices and unfair, deceptive or abusive acts or practices (UDAAP); and to maintain compliance with applicable federal and state laws and regulations. TD's Complaint Policy enables it to identify and address customer issues and continue to enhance its legendary customer experience.

The Bank's Supplier Code of Conduct also reflects its commitment to respect human rights. New or prospective suppliers providing goods or services through the Bank's centralized Strategic Sourcing Group must register through an enterprise procurement system requiring them to represent that they operate in accordance with the expectations described in its Supplier Code of Conduct, including those relating to the protection of human rights and fair labour practices. In addition, the Bank's North American Supplier Diversity Program seeks to promote a level playing field and encourage the inclusion of women, Black, Indigenous and other minorities, the 2SLGBTQ+ community, people with disabilities, veterans, refugees and other diverse suppliers in its procurement process. To reflect this goal, the Bank's Statement on Supplier Diversity, recognizes diversity and inclusion as both a core value and a business imperative.

Critical Accounting Policies and Estimates

ACCOUNTING POLICIES AND ESTIMATES

The Bank's accounting policies and estimates are essential to understanding its results of operations and financial condition. A summary of the Bank's material accounting policies and estimates are presented in the Notes of the 2024 Consolidated Financial Statements. The Bank's critical accounting policies are reviewed with the Audit Committee on a periodic basis. Critical accounting policies that require management's judgment and estimates include the classification and measurement of financial assets, accounting for impairments of financial assets, accounting for leases, the determination of fair value of financial instruments, accounting for derecognition, the valuation of goodwill and other intangibles, accounting for employee benefits, accounting for income taxes, accounting for provisions, accounting for insurance, the consolidation of structured entities, and accounting for revenue from contract with customers.

The Bank's 2024 Consolidated Financial Statements have been prepared in accordance with IFRS. For details of the Bank's accounting policies under IFRS, refer to Note 2 of the Bank's 2024 Consolidated Financial Statements.

ACCOUNTING JUDGMENTS, ESTIMATES, AND ASSUMPTIONS

The estimates used in the Bank's accounting policies are essential to understanding its results of operations and financial condition. Some of the Bank's policies require subjective, complex judgments and estimates as they relate to matters that are inherently uncertain. Changes in these judgments or estimates and changes to accounting standards and policies could have a materially adverse impact on the Bank's Consolidated Financial Statements. The Bank has established procedures to ensure that accounting policies are applied consistently and that the processes for changing methodologies, determining estimates, and adopting new accounting standards are well-controlled and occur in an appropriate and systematic manner.

CLASSIFICATION AND MEASUREMENT OF FINANCIAL ASSETS

Business Model Assessment

The Bank determines its business models based on the objective under which its portfolios of financial assets are managed. Refer to Note 2 of the Bank's 2024 Consolidated Financial Statements for details on the Bank's business models. In determining its business models, the Bank considers the following:

- Management's intent and strategic objectives and the operation of the stated policies in practice;
- The primary risks that affect the performance of the portfolio of assets and how these risks are managed;
- How the performance of the portfolio is evaluated and reported to management; and
- The frequency and significance of financial asset sales in prior periods, the reasons for such sales and the expected future sales activities.

Sales in themselves do not determine the business model and are not considered in isolation. Instead, sales provide evidence about how cash flows are realized. A held-to-collect business model will be reassessed by the Bank to determine whether any sales are consistent with an objective of collecting contractual cash flows if the sales are more than insignificant in value or more than infrequent.

Solely Payments of Principal and Interest Test

In assessing whether contractual cash flows represent solely payments of principal and interest (SPPI), the Bank considers the contractual terms of the instrument. This includes assessing whether the financial asset contains contractual terms that could change the timing or amount of contractual cash flows such that they would not be consistent with a basic lending arrangement. In making the assessment, the Bank considers the primary terms as follows and assesses if the contractual cash flows of the instrument continue to meet the SPPI test:

- Performance-linked features;
- Terms that limit the Bank's claim to cash flows from specified assets (non-recourse terms);
- Prepayment and extension terms;
- Leverage features;
- Features that modify elements of the time value of money; and
- Sustainability-linked features.

IMPAIRMENT OF FINANCIAL ASSETS

Significant Increase in Credit Risk

For retail exposures, criteria for assessing significant increase in credit risk are defined at the appropriate product or portfolio level and vary based on the exposure's credit risk at origination. The criteria include relative changes in PD, absolute PD backstop, and delinquency backstop when contractual payments are more than 30 days past due. Significant increase in credit risk since initial recognition has occurred when one of the criteria is met.

For non-retail exposures, BRR is determined on an individual borrower basis using industry and sector specific credit risk models that are based on historical data. Current and forward-looking information that is specific to the borrower, industry, and sector is considered based on expert credit judgment. Criteria for assessing significant increase in credit risk are defined at the appropriate segmentation level and vary based on the BRR of the exposure at origination. Criteria include relative changes in BRR, absolute BRR backstop, and delinquency backstop when contractual payments are more than 30 days past due. Significant increase in credit risk since initial recognition has occurred when one of the criteria is met.

Measurement of Expected Credit Loss

ECLs are recognized on the initial recognition of financial assets. Allowance for credit losses represents management's unbiased estimate of the risk of default and ECLs on the financial assets, including any off-balance sheet exposures, at the balance sheet date.

For retail exposures, ECLs are calculated as the product of PD, LGD, and EAD at each time step over the remaining expected life of the financial asset and discounted to the reporting date based on the EIR. PD estimates represent the forward-looking PD, updated quarterly based on the Bank's historical experience, current conditions, and relevant forward-looking expectations over the expected life of the exposure to determine the lifetime PD curve. LGD estimates are determined based on historical charge-off events and recovery payments, current information about attributes specific to the borrower, and direct costs. Expected cash flows from collateral, guarantees, and other credit enhancements are incorporated in LGD if integral to the contractual terms. Relevant macroeconomic variables are incorporated in determining expected LGD. EAD represents the expected balance at default across the remaining expected life of the exposure. EAD incorporates forward-looking expectations about repayments of drawn balances and future draws where applicable.

For non-retail exposures, ECLs are calculated based on the present value of cash shortfalls determined as the difference between contractual cash flows and expected cash flows over the remaining expected life of the financial instrument. Lifetime PD is determined by mapping the exposure's BRR to forward-looking PD over the expected life. LGD estimates are determined by mapping the exposure's FRR to expected LGD which takes into account facility-specific characteristics such as collateral, seniority ranking of debt, and loan structure. Relevant macroeconomic variables are incorporated in determining expected PD and LGD. Expected cash flows are determined by applying the PD and LGD estimates to the contractual cash flows to calculate cash shortfalls over the expected life of the exposure.

Forward-Looking Information

In calculating ECLs, the Bank employs internally developed models that utilize parameters for PD, LGD, and EAD. Forward-looking macroeconomic factors including at the regional level are incorporated in the risk parameters as relevant. Additional risk factors that are industry or segment specific are also incorporated, where relevant. Forward-looking macroeconomic forecasts are generated by TD Economics as part of the ECL process: A base economic forecast is accompanied with upside and downside estimates of realistically possible economic conditions by considering the sources of uncertainty around the base forecast. All macroeconomic forecasts are updated quarterly for each variable on a regional basis where applicable and incorporated as relevant into the quarterly modelling of base, upside and downside risk parameters used in the calculation of ECL scenarios and probability-weighted ECLs. TD Economics will apply judgment to recommend probability weights to each forecast on a quarterly basis. The proposed macroeconomic forecasts and probability weightings are subject to robust management review and challenge process by a cross-functional committee that includes representation from TD Economics, Risk, Finance, and Business. ECLs calculated under each of the three forecasts are applied against the respective probability weightings to determine the probability-weighted ECLs. Refer to Note 8 for further details on the macroeconomic variables and ECL sensitivity.

Expert Credit Judgment

Management's expert credit judgment is used to determine the best estimate for the qualitative component contributing to ECLs, based on an assessment of business and economic conditions, historical loss experience, loan portfolio composition, and other relevant indicators and forward-looking information that are not fully incorporated into the model calculation.

There remains elevated economic uncertainty, and management continues to exercise expert credit judgment in assessing if an exposure has experienced significant increase in credit risk since initial recognition and in determining the amount of ECLs at each reporting date. To the extent that certain effects are not fully incorporated into the model calculations, temporary quantitative and qualitative adjustments have been applied.

LEASES

The Bank applies judgment in determining the appropriate lease term on a lease-by-lease basis. All facts and circumstances that create an economic incentive to exercise a renewal option or not to exercise a termination option including investments in major leaseholds, branch performance and past business practice are considered. The periods covered by renewal or termination options are only included in the lease term if it is reasonably certain that the Bank will exercise the options; management considers "reasonably certain" to be a high threshold. Changes in the economic environment or changes in the industry may impact the Bank's assessment of lease term, and any changes in the Bank's estimate of lease terms may have a material impact on the Bank's Consolidated Balance Sheet and Consolidated Statement of Income.

In determining the carrying amount of right-of-use (ROU) assets and lease liabilities, the Bank is required to estimate the incremental borrowing rate specific to each leased asset or portfolio of leased assets if the interest rate implicit in the lease is not readily determinable. The Bank determines the incremental borrowing rate of each leased asset or portfolio of leased assets by incorporating the Bank's creditworthiness, the security, term, and value of the ROU asset, and the economic environment in which the leased asset operates. The incremental borrowing rates are subject to change mainly due to changes in the macroeconomic environment.

FAIR VALUE MEASUREMENTS

The fair value of financial instruments traded in active markets at the balance sheet date is based on their quoted market prices. For all other financial instruments not traded in an active market, fair value may be based on other observable current market transactions involving the same or similar instruments, without modification or repackaging, or is based on a valuation technique which maximizes the use of observable market inputs. Observable market inputs may include interest rate yield curves, foreign exchange rates, and option volatilities. Valuation techniques include comparisons with similar instruments where observable market prices exist, discounted cash flow analysis, option pricing models, and other valuation techniques commonly used by market participants.

For certain complex or illiquid financial instruments, fair value is determined using valuation techniques in which current market transactions or observable market inputs are not available. Judgment is used when determining which valuation techniques to apply, liquidity considerations, and model inputs such as volatilities, correlations, spreads, discount rates, pre-payment rates, and prices of underlying instruments. Any imprecision in these estimates can affect the resulting fair value.

Judgment is also used in recording valuation adjustments to model fair values to account for system limitations or measurement uncertainty, such as when valuing complex and less actively traded financial instruments. If the market for a complex financial instrument develops, the pricing for this instrument may become more transparent, resulting in refinement of valuation models.

DERECOGNITION OF FINANCIAL ASSETS

Certain financial assets transferred may qualify for derecognition from the Bank's Consolidated Balance Sheet. To qualify for derecognition, certain key determinations must be made, including whether the Bank's rights to receive cash flows from the financial assets have been retained or transferred and the extent to which the risks and rewards of ownership of the financial assets have been retained or transferred. If the Bank neither transfers nor retains substantially all of the risks and rewards of ownership of the financial assets, a decision must be made as to whether the Bank has retained control of the financial assets.

Upon derecognition, the Bank will record a gain or loss on sale of those assets which is calculated as the difference between the carrying amount of the asset transferred and the sum of any cash proceeds received, including any financial assets received or financial liabilities assumed, and any cumulative gains or losses allocated to the transferred asset that had been recognized in AOCI. In determining the fair value of any financial assets received, the Bank estimates future cash flows by relying on estimates of the amount of interest that will be collected on the securitized assets, the yield to be paid to investors, the portion of the securitized assets that will be prepaid before their scheduled maturity, ECLs, the cost of servicing the assets, and the rate at which to discount these expected future cash flows. Actual cash flows may differ significantly from those estimated by the Bank.

Retained interests are financial interests in transferred assets retained by the Bank. They are classified as trading securities and are initially recognized at relative fair value on the Bank's Consolidated Balance Sheet. Subsequently, the fair value of retained interests is determined by estimating the present value of future expected cash flows. Differences between the actual cash flows and the Bank's estimated future cash flows are recognized in trading income (loss). These assumptions are subject to periodic reviews and may change due to significant changes in the economic environment.

GOODWILL

The recoverable amount of the Bank's cash-generating units (CGUs) or groups of CGUs is determined from internally developed valuation models that consider various factors and assumptions such as forecasted earnings, growth rates, discount rates, and terminal growth rates. Management is required to use judgment in estimating the recoverable amount of the CGUs or groups of CGUs, and the use of different assumptions and estimates in the calculations could influence the determination of the existence of impairment and the valuation of goodwill. Management believes that the assumptions and estimates used are reasonable and supportable. Where possible, assumptions generated internally are compared to relevant market information. The carrying amounts of the Bank's CGUs or groups of CGUs are determined by management using risk-based capital models to adjust net assets and liabilities by CGU. These models consider various factors including market risk, credit risk, and operational risk, including investment capital (comprised of goodwill and other intangibles). Any capital not directly attributable to the CGUs is held within the Corporate segment. The Bank's capital oversight committees provide oversight to the Bank's capital allocation methodologies.

EMPLOYEE BENEFITS

The projected benefit obligation and expense related to the Bank's pension and post-retirement defined benefit plans are determined using multiple assumptions that may significantly influence the value of these amounts. Actuarial assumptions including discount rates, compensation increases, health care cost trend rates, and mortality rates are management's best estimates and are reviewed annually with the Bank's actuaries. The Bank develops each assumption using relevant historical experience of the Bank in conjunction with market-related data and considers if the market-related data indicates there is any prolonged or significant impact on the assumptions. The discount rate used to value the projected benefit obligation is determined by reference to market yields on high-quality corporate bonds with terms matching the plans' specific cash flows. The other assumptions are also long-term estimates. All assumptions are subject to a degree of uncertainty. Differences between actual experiences and the assumptions, as well as changes in the assumptions resulting from changes in future expectations, result in remeasurement gains and losses which are recognized in other comprehensive income (OCI) during the year and also impact expenses in future periods.

INCOME TAXES

The Bank is subject to taxation in numerous jurisdictions. There are many transactions and calculations in the ordinary course of business for which the ultimate tax determination is uncertain. The Bank maintains provisions for uncertain tax positions that it believes appropriately reflect the risk of tax positions under discussion, audit, dispute, or appeal with tax authorities, or which are otherwise considered to involve uncertainty. These provisions are made using the Bank's best estimate of the amount expected to be paid based on an assessment of all relevant factors, which are reviewed at the end of each reporting period. However, it is possible that at some future date, changes in these liabilities could result from audits by the relevant taxing authorities.

Deferred tax assets are recognized only when it is probable that sufficient taxable profit will be available in future periods against which deductible temporary differences may be utilized. The amount of the deferred tax asset recognized and considered realizable could, however, be reduced if projected income is not achieved due to various factors, such as unfavourable business conditions. If projected income is not expected to be achieved, the Bank would decrease its deferred tax assets to the amount that it believes can be realized. The magnitude of the decrease is significantly influenced by the Bank's forecast of future profit generation, which determines the extent to which it will be able to utilize the deferred tax assets.

PROVISIONS

Provisions arise when there is some uncertainty in the timing or amount of a loss in the future. Provisions are based on the Bank's best estimate of all expenditures required to settle its present obligations, considering all relevant risks and uncertainties, as well as, when material, the effect of the time value of money.

Many of the Bank's provisions relate to various legal and regulatory actions that the Bank is involved in during the ordinary course of business. Legal and regulatory provisions require the involvement of both the Bank's management and legal counsel when assessing the probability of a loss and estimating any monetary impact. Throughout the life of a provision, the Bank's management or legal counsel may learn of additional information that may impact its assessments about the probability of loss or about the estimates of amounts involved. Changes in these assessments may lead to changes in the amount recorded for provisions. In addition, the actual costs of resolving these claims may be substantially higher or lower than the amounts recognized. The Bank reviews its legal and regulatory provisions on a case-by-case basis after considering, among other factors, the progress of each case, the Bank's experience, the experience of others in similar cases, and the opinions and views of legal counsel.

Certain of the Bank's provisions relate to restructuring initiatives initiated by the Bank. Restructuring provisions require management's best estimate, including forecasts of economic conditions. Throughout the life of a provision, the Bank may become aware of additional information that may impact the assessment of amounts to be incurred. Changes in these assessments may lead to changes in the amount recorded for restructuring provisions.

INSURANCE

The assumptions used in establishing the Bank's insurance contract liabilities are based on best estimates of possible outcomes.

For property and casualty insurance contracts, the ultimate cost of LIC is estimated using a range of standard actuarial claims projection techniques by the appointed actuary in accordance with Canadian accepted actuarial practices. Additional qualitative judgment is used to assess the extent to which past trends may or may not apply in the future, in order to arrive at the estimated ultimate claims cost amounts that present the most likely outcome taking into account all the uncertainties involved.

For life and health insurance contracts, insurance contract liabilities consider all future policy cash flows, including premiums, claims, and expenses required to administer the policies. Critical assumptions used in the measurement of life and health insurance contract liabilities are determined by the appointed actuary.

Further information on insurance risk assumptions is provided in Note 21 of the 2024 Consolidated Financial Statements.

CONSOLIDATION OF STRUCTURED ENTITIES

Management judgment is required when assessing whether the Bank should consolidate an entity. For instance, it may not be feasible to determine if the Bank controls an entity solely through an assessment of voting rights for certain structured entities. In these cases, judgment is required to establish whether the Bank has decision-making power over the key relevant activities of the entity and whether the Bank has the ability to use that power to absorb significant variable returns from the entity. If it is determined that the Bank has both decision-making power and significant variable returns from the entity, judgment is also used to determine whether any such power is exercised by the Bank as principal, on its own behalf, or as agent, on behalf of another counterparty.

Assessing whether the Bank has decision-making power includes understanding the purpose and design of the entity in order to determine its key economic activities. In this context, an entity's key economic activities are those which predominantly impact the economic performance of the entity. When the Bank has the current ability to direct the entity's key economic activities, it is considered to have decision-making power over the entity.

The Bank also evaluates its exposure to the variable returns of a structured entity in order to determine if it absorbs a significant proportion of the variable returns the entity is designed to create. As part of this evaluation, the Bank considers the purpose and design of the entity in order to determine whether it absorbs variable returns from the structured entity through its contractual holdings, which may take the form of securities issued by the entity, derivatives with the entity, or other arrangements such as guarantees, liquidity facilities, or lending commitments.

If the Bank has decision-making power over the entity and absorbs significant variable returns from the entity, it then determines if it is acting as principal or agent when exercising its decision-making power. Key factors considered include the scope of its decision-making power; the rights of other parties involved with the entity, including any rights to remove the Bank as decision-maker or rights to participate in key decisions; whether the rights of other parties are exercisable in practice; and the variable returns absorbed by the Bank and by other parties involved with the entity. When assessing consolidation, a presumption exists that the Bank exercises decision-making power as principal if it is also exposed to significant variable returns, unless an analysis of the factors above indicates otherwise.

The decisions above are made with reference to the specific facts and circumstances relevant for the structured entity and related transaction(s) under consideration.

REVENUE FROM CONTRACTS WITH CUSTOMERS

The Bank applies judgment to determine the timing of satisfaction of performance obligations which affects the timing of revenue recognition, by evaluating the pattern in which the Bank transfers control of services promised to the customer. A performance obligation is satisfied over time when the customer simultaneously receives and consumes the benefits as the Bank performs the service. For performance obligations satisfied over time, revenue is generally recognized using the time-elapsed method which is based on time elapsed in proportion to the period over which the service is provided, for example, personal deposit account bundle fees. The time-elapsed method is a faithful depiction of the transfer of control for these services as control is transferred evenly to the customer when the Bank provides a stand-ready service or effort is expended evenly by the Bank to provide a service over the contract period. In contracts where the Bank has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the Bank's performance completed to date, the Bank recognizes revenue in the amount to which it has a right to invoice.

The Bank satisfies a performance obligation at a point in time if the customer obtains control of the promised services at that date. Determining when control is transferred requires the use of judgment. For transaction-based services, the Bank determines that control is transferred to the customer at a point in time when the customer obtains substantially all of the benefits from the service rendered and the Bank has a present right to payment, which generally coincides with the moment the transaction is executed.

The Bank exercises judgment in determining whether costs incurred in connection with acquiring new revenue contracts would meet the requirement to be capitalized as incremental costs to obtain or fulfil a contract with customers.

INTEREST RATE BENCHMARK REFORM PHASE 2

Effective November 1, 2020, the Bank was an early adopter of the Interest Rate Benchmark Reform Phase 2 and no transitional adjustment was required.

Interest Rate Benchmark Reform Phase 2 addresses issues affecting financial reporting when changes are made to contractual cash flows of financial instruments or hedging relationships as a result of IBOR reform. The amendments permit modification to financial assets, financial liabilities and lease liabilities required as a direct consequence of IBOR reform and made on an economically equivalent basis to be accounted for by updating the EIR prospectively. If the modification does not meet the practical expedient requirements, existing IFRS requirements are applied. Relief is also provided for an entity's hedge accounting relationships in circumstances where changes to hedged items and hedging instruments arise as a result of IBOR reform. The amendments enable entities to reflect these changes without discontinuing, or resulting in a new formal designation of, the existing hedging relationship. Permitted changes include redefining the hedged risk to reference an ARR (contractually or non-contractually specified), amending the description of the hedged item and hedging instrument to reflect the ARR, and amending the description of how the entity will assess hedge effectiveness. Hedging relationships within the scope of Interest Rate Benchmark Reform Phase 2 are the same as those within the scope of Interest Rate Benchmark Reform Phase 1. Interest Rate Benchmark Reform Phase 2 also amended IFRS 7, introducing expanded qualitative and quantitative disclosures about the risks arising from IBOR reform, how an entity is managing those risks, its progress in completing the transition to ARRs, and how it is managing the transition.

Interest rate benchmarks (such as the London Interbank Offered Rate (LIBOR) and the Canadian Dollar Offered Rate (CDOR)) have been reformed and replaced by ARRs. From June 30, 2023, all remaining USD LIBOR settings (overnight, one-month, three-month, six-month and twelve-month) have either ceased or were published only on a synthetic basis for the use in legacy contracts that had no other fallback solution. The remaining settings of CDOR (one-month, two-month, and three-month) ceased following a final publication on June 28, 2024. The Bank's exposure to non-derivative financial assets, non-derivative financial liabilities, derivative notional amounts and off-balance sheet commitments referencing CDOR is no longer significant to its financial statements as at October 31, 2024 (October 31, 2023 – $17 billion, $12 billion, $2,645 billion and $64 billion, respectively).

Current and Future Changes in Accounting Policies

CURRENT CHANGES IN ACCOUNTING POLICIES

The following new standard was adopted by the Bank on November 1, 2023.

Insurance Contracts

The IASB issued IFRS 17 which replaced the guidance in IFRS 4 and became effective for annual reporting periods beginning on or after January 1, 2023, which was November 1, 2023 for the Bank. IFRS 17 establishes principles for recognition, measurement, presentation and disclosure of insurance contracts.

The Bank initially applied IFRS 17 on November 1, 2023 and restated the comparative period. The Bank transitioned by primarily applying the full retrospective approach which resulted in the measurement of insurance contracts as if IFRS 17 had always applied to them. The following table sets out adjustments to the Bank's insurance-related balances reported under IFRS 4 as at October 31, 2022 used to derive the insurance contract liabilities and reinsurance contract assets recognized by the Bank as at November 1, 2022 under IFRS 17.

(millions of Canadian dollars)	Amount
Insurance-related liabilities	**$ 7,468**
Other liabilities	**131**
Other assets	**(2,361)**
Net insurance-related balances as at October 31, 2022	**$ 5,238**
Changes in actuarial assumptions, including risk adjustment and discount factor	**(192)**
Recognition of losses on onerous contracts	**113**
Other adjustments	**(93)**
Net insurance-related balances as at November 1, 2022	**$ 5,066**
Insurance contract liabilities	**$ 5,761**
Reinsurance contract assets	**(695)**
Net insurance-related balances as at November 1, 2022	**$ 5,066**

On November 1, 2022, IFRS 17 transition adjustments resulted in a decrease to the Bank's deferred tax assets of $60 million and an after-tax increase to retained earnings of $112 million.

Upon the initial application of IFRS 17 on November 1, 2023, the Bank applied transitional guidance and reclassified certain securities supporting insurance operations to minimize accounting mismatches arising from the application of the new discount factor under IFRS 17. The transitional guidance for such securities is applicable for entities that previously used IFRS 9 and was applied without a restatement of comparatives. The reclassification resulted in a decrease to retained earnings and an increase in AOCI of $10 million.

FUTURE CHANGES IN ACCOUNTING POLICIES

The following standard and amendments have been issued but are not yet effective on the date of issuance of the Bank's Consolidated Financial Statements.

Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, *Presentation and Disclosure in Financial Statements* (IFRS 18), which replaces the guidance in IAS 1, *Presentation of Financial Statements* and sets out requirements for presentation and disclosure of information, focusing on providing relevant information to users of the financial statements. IFRS 18 introduces changes to the structure of the statement of profit or loss, aggregation and disaggregation of financial information, and management-defined performance measures to be disclosed in the notes to the financial statements. It will be effective for the Bank's annual period beginning November 1, 2027. Early application is permitted. The standard will be applied retrospectively with restatement of comparatives. The Bank is currently assessing the impact of adopting this standard.

Amendments to the Classification and Measurement of Financial Instruments

In May 2024, the IASB issued *Amendments to the Classification and Measurement of Financial Instruments*, which amended IFRS 9 and IFRS 7. The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9. The amendments clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social, and governance linked features and other similar contingent features. The amendments also clarify the treatment of non-recourse assets and contractually linked instruments. Furthermore, the amendments clarify that a financial liability is derecognized on the settlement date and provide an accounting policy choice to derecognize a financial liability settled using an electronic payment system before the settlement date if certain conditions are met. Finally, the amendments introduce additional disclosure requirements for financial instruments with contingent features and equity instruments classified at FVOCI.

The amendments will be effective for the Bank's annual period beginning November 1, 2026. Early adoption is permitted, with an option to early adopt the amendments related to the classification of financial assets and associated disclosures only. The Bank is required to apply the amendments retrospectively, but is not required to restate prior periods. The Bank is currently assessing the impact of adopting these amendments.

Controls and Procedures

DISCLOSURE CONTROLS AND PROCEDURES

An evaluation was performed under the supervision and with the participation of the Bank's management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the Bank's disclosure controls and procedures, as defined in the rules of the SEC and Canadian Securities Administrators, as of October 31, 2024. Based on that evaluation, the Bank's management, including the Chief Executive Officer and Chief Financial Officer, concluded that the Bank's disclosure controls and procedures were effective as of October 31, 2024.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The Bank's management is responsible for establishing and maintaining adequate internal control over financial reporting for the Bank. The Bank's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records, that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that receipts and expenditures of the Bank are being made only in accordance with authorizations of the Bank's management and directors; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Bank's assets that could have a material effect on the financial statements.

The Bank's management has used the criteria established in the 2013 Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission to assess, with the participation of the Chief Executive Officer and Chief Financial Officer, the effectiveness of the Bank's internal control over financial reporting. Based on this assessment management has concluded that as at October 31, 2024, the Bank's internal control over financial reporting was effective based on the applicable criteria. The effectiveness of the Bank's internal control over financial reporting has been audited by the independent auditors, Ernst & Young LLP, a registered public accounting firm that has also audited the Consolidated Financial Statements of the Bank as of, and for the year ended October 31, 2024. Their Report on Internal Control over Financial Reporting under Standards of the Public Company Accounting Oversight Board (United States), included in the Report of Independent Registered Public Accounting Firm – Internal Control over Financial Reporting, expresses an unqualified opinion on the effectiveness of the Bank's internal control over financial reporting as of October 31, 2024.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

During the year and quarter ended October 31, 2024, there have been no changes in the Bank's policies and procedures and other processes that comprise its internal control over financial reporting, that have materially affected, or are reasonably likely to materially affect, the Bank's internal control over financial reporting. Refer to Note 2 and Note 3 of the Bank's 2024 Consolidated Financial Statements for further information regarding the Bank's changes to accounting policies, procedures, and estimates.

ADDITIONAL FINANCIAL INFORMATION

Unless otherwise indicated, all amounts are expressed in Canadian dollars and have been primarily derived from the Bank's 2024 Consolidated Financial Statements, prepared in accordance with IFRS as issued by the IASB.

TABLE 59 **SELECT ANNUAL INFORMATION**[1]

(millions of Canadian dollars, except as noted)	**2024**	2023	2022
Total revenue	**$ 57,223**	$ 50,690	$ 49,032
Net income available to common shareholders	**8,316**	10,071	17,170
Basic earnings per share	**4.73**	5.53	9.48
Diluted earnings per share	**4.72**	5.52	9.47
Dividends declared per common share	**4.08**	3.84	3.56
Total Assets (billions of Canadian dollars)	**2,061.8**	1,955.1	1,917.5
Deposits (billions of Canadian dollars)	**1,268.7**	1,198.2	1,230.0

[1] For the year ended October 31, 2023, certain amounts have been restated for the adoption of IFRS 17. Refer to Note 4 of the Bank's 2024 Consolidated Financial Statements for further details.

TABLE 60	INVESTMENT PORTFOLIO – Securities Maturity Schedule[1,2]

(millions of Canadian dollars) *As at*

	Remaining terms to maturities[3]							
	Within 1 year	**Over 1 year to 3 years**	**Over 3 years to 5 years**	**Over 5 years to 10 years**	**Over 10 years**	**With no specific maturity**	**Total**	Total
							October 31 2024	October 31 2023
Securities at fair value through other comprehensive income								
Government and government-related securities								
Canadian government debt								
Federal								
Fair value	**$ 4,587**	**$ 1,070**	**$ 3,447**	**$ 8,651**	**$ 384**	**$ –**	**$ 18,139**	$ 18,210
Amortized cost	**4,584**	**1,065**	**3,451**	**8,733**	**448**	**–**	**18,281**	18,334
Yield	**1.06%**	**1.16%**	**2.51%**	**2.98%**	**2.92%**	**–%**	**2.30%**	2.26%
Provinces								
Fair value	**2,807**	**2,376**	**6,346**	**9,609**	**132**	**–**	**21,270**	19,940
Amortized cost	**2,796**	**2,366**	**6,314**	**9,653**	**134**	**–**	**21,263**	19,953
Yield	**2.25%**	**2.56%**	**2.29%**	**2.92%**	**4.31%**	**–%**	**2.61%**	2.56%
U.S. federal government debt								
Fair value	**16,801**	**3,093**	**1,770**	**7,839**	**–**	**–**	**29,503**	4,676
Amortized cost	**16,802**	**3,098**	**1,780**	**7,873**	**–**	**–**	**29,553**	4,738
Yield	**4.33%**	**1.98%**	**3.74%**	**4.22%**	**–%**	**–%**	**4.02%**	1.90%
U.S. states, municipalities, and agencies								
Fair value	**3,036**	**240**	**10**	**340**	**2,068**	**–**	**5,694**	6,326
Amortized cost	**3,035**	**244**	**10**	**340**	**2,189**	**–**	**5,818**	6,522
Yield	**0.01%**	**2.74%**	**4.09%**	**4.84%**	**4.68%**	**–%**	**2.17%**	2.30%
Other OECD government-guaranteed debt								
Fair value	**863**	**521**	**173**	**122**	**–**	**–**	**1,679**	1,498
Amortized cost	**870**	**520**	**174**	**123**	**–**	**–**	**1,687**	1,521
Yield	**0.97%**	**2.40%**	**2.70%**	**3.80%**	**–%**	**–%**	**1.80%**	1.59%
Canadian mortgage-backed securities								
Fair value	**5**	**1,539**	**593**	**–**	**–**	**–**	**2,137**	2,277
Amortized cost	**5**	**1,533**	**587**	**–**	**–**	**–**	**2,125**	2,313
Yield	**4.55%**	**2.33%**	**2.68%**	**–%**	**–%**	**–%**	**2.43%**	3.25%
Other debt securities								
Asset-backed securities								
Fair value	**–**	**–**	**38**	**94**	**1,252**	**–**	**1,384**	4,114
Amortized cost	**–**	**–**	**39**	**95**	**1,263**	**–**	**1,397**	4,146
Yield	**–%**	**–%**	**5.67%**	**6.09%**	**5.76%**	**–%**	**5.78%**	3.92%
Non-agency CMO[4]								
Fair value	**–**	**–**	**–**	**–**	**–**	**–**	**–**	–
Amortized cost	**–**	**–**	**–**	**–**	**–**	**–**	**–**	–
Yield	**–%**	**–%**	**–%**	**–%**	**–%**	**–%**	**–%**	–%
Corporate and other debt								
Fair value	**1,391**	**2,600**	**1,679**	**2,097**	**1,679**	**–**	**9,446**	8,890
Amortized cost	**1,391**	**2,595**	**1,675**	**2,082**	**1,675**	**1**	**9,419**	8,945
Yield	**2.31%**	**1.97%**	**3.29%**	**3.02%**	**4.88%**	**–%**	**3.01%**	3.76%
Equity securities								
Common shares								
Fair value	**–**	**–**	**–**	**–**	**–**	**3,914**	**3,914**	3,170
Cost	**–**	**–**	**–**	**–**	**–**	**3,810**	**3,810**	3,190
Yield	**–%**	**–%**	**–%**	**–%**	**–%**	**5.59%**	**5.59%**	4.07%
Preferred shares								
Fair value	**–**	**–**	**–**	**–**	**–**	**501**	**501**	343
Cost	**–**	**–**	**–**	**–**	**–**	**632**	**632**	567
Yield	**–%**	**–%**	**–%**	**–%**	**–%**	**3.82%**	**3.82%**	3.02%
Total securities at fair value through other comprehensive income								
Fair value	**$ 29,490**	**$ 11,439**	**$ 14,056**	**$ 28,752**	**$ 5,515**	**$ 4,415**	**$ 93,667**	$ 69,444
Amortized cost	**29,483**	**11,421**	**14,030**	**28,899**	**5,709**	**4,443**	**93,985**	70,229
Yield	**2.98%**	**2.10%**	**2.68%**	**3.34%**	**4.83%**	**5.34%**	**3.16%**	2.72%

[1] Yields represent the weighted-average yield of each security owned at the end of the period. The effective yield includes the contractual interest or stated dividend rate and is adjusted for the amortization of premiums and discounts; the effect of related hedging activities is excluded.

[2] There were no securities from a single issuer where the book value was greater than 10% as at October 31, 2024 and October 31, 2023.

[3] Represents contractual maturities. Actual maturities may differ due to prepayment privileges in the applicable contract.

[4] Collateralized mortgage obligation.

TABLE 60	**INVESTMENT PORTFOLIO – Securities Maturity Schedule** (continued)[1,2]

(millions of Canadian dollars) *As at*

	Remaining terms to maturities[3]							
	Within 1 year	**Over 1 year to 3 years**	**Over 3 years to 5 years**	**Over 5 years to 10 years**	**Over 10 years**	**With no specific maturity**	**Total**	Total
							October 31 2024	October 31 2023
Debt securities at amortized cost								
Government and government-related securities								
Canadian government debt								
Federal								
Fair value	**$ 1,856**	**$ 12,336**	**$ 5,243**	**$ 2,077**	**$ 1,313**	**$ –**	**$ 22,825**	$ 24,898
Amortized cost	**1,858**	**12,431**	**5,222**	**2,095**	**1,385**	**–**	**22,991**	25,344
Yield	**1.49%**	**2.04%**	**2.56%**	**2.80%**	**4.83%**	**–%**	**2.35%**	3.07%
Provinces								
Fair value	**1,581**	**2,472**	**5,169**	**9,292**	**–**	**–**	**18,514**	17,291
Amortized cost	**1,587**	**2,496**	**5,192**	**9,339**	**–**	**–**	**18,614**	17,474
Yield	**1.17%**	**2.00%**	**2.74%**	**3.07%**	**–%**	**–%**	**2.67%**	2.28%
U.S. federal government and agencies debt								
Fair value	**852**	**12,636**	**22,464**	**–**	**13,329**	**–**	**49,281**	65,386
Amortized cost	**928**	**13,370**	**23,560**	**–**	**13,468**	**–**	**51,326**	68,413
Yield	**2.62%**	**0.66%**	**1.35%**	**–%**	**2.14%**	**–%**	**1.40%**	1.19%
U.S. states, municipalities, and agencies								
Fair value	**2,628**	**5,490**	**4,485**	**27,113**	**30,531**	**–**	**70,247**	73,604
Amortized cost	**2,637**	**5,658**	**4,597**	**28,363**	**31,518**	**–**	**72,773**	77,804
Yield	**2.70%**	**1.96%**	**2.89%**	**1.84%**	**5.38%**	**–%**	**3.48%**	3.67%
Other OECD government-guaranteed debt								
Fair value	**12,027**	**18,015**	**7,946**	**2,921**	**–**	**–**	**40,909**	39,781
Amortized cost	**11,134**	**18,391**	**7,133**	**2,736**	**–**	**–**	**39,394**	41,269
Yield	**1.02%**	**1.15%**	**3.14%**	**3.04%**	**–%**	**–%**	**1.61%**	1.36%
Other debt securities								
Asset-backed securities								
Fair value	**49**	**6,606**	**3,697**	**6,658**	**12,412**	**–**	**29,422**	38,619
Amortized cost	**49**	**6,653**	**3,821**	**6,734**	**12,451**	**–**	**29,708**	39,888
Yield	**6.61%**	**2.57%**	**2.57%**	**4.85%**	**5.71%**	**–%**	**4.41%**	4.30%
Non-agency CMO								
Fair value	**–**	**–**	**–**	**206**	**14,668**	**–**	**14,874**	15,779
Amortized cost	**–**	**–**	**–**	**209**	**15,153**	**–**	**15,362**	16,791
Yield	**–%**	**–%**	**–%**	**2.97%**	**3.02%**	**–%**	**3.02%**	3.01%
Canadian issuers								
Fair value	**308**	**2,801**	**393**	**1,118**	**–**	**–**	**4,620**	4,341
Amortized cost	**309**	**2,899**	**392**	**1,122**	**–**	**–**	**4,722**	4,552
Yield	**3.85%**	**1.94%**	**2.68%**	**1.81%**	**–%**	**–%**	**2.10%**	2.28%
Other issuers								
Fair value	**2,329**	**5,745**	**5,510**	**1,900**	**–**	**–**	**15,484**	15,511
Amortized cost	**2,547**	**6,099**	**6,044**	**2,035**	**–**	**–**	**16,725**	16,481
Yield	**2.15%**	**2.32%**	**2.23%**	**3.02%**	**–%**	**–%**	**2.71%**	2.80%
Total debt securities at amortized cost								
Fair value	**$ 21,630**	**$ 66,101**	**$ 54,907**	**$ 51,285**	**$ 72,253**	**$ –**	**$ 266,176**	$ 295,210
Amortized cost	**21,049**	**67,997**	**55,961**	**52,633**	**73,975**	**–**	**271,615**	308,016
Yield	**1.55%**	**1.59%**	**2.24%**	**2.59%**	**4.35%**	**–%**	**2.67%**	2.66%

[1] Yields represent the weighted-average yield of each security owned at the end of the period. The effective yield includes the contractual interest or stated dividend rate and is adjusted for the amortization of premiums and discounts; the effect of related hedging activities is excluded.

[2] There were no securities from a single issuer where the book value was greater than 10% as at October 31, 2024 and October 31, 2023.

[3] Represents contractual maturities. Actual maturities may differ due to prepayment privileges in the applicable contract.

TABLE 61 LOAN PORTFOLIO – Maturity Schedule

(millions of Canadian dollars)						As at
	Remaining term-to-maturity					
	Within 1 year	**Over 1 to 5 years**	**Over 5 years to 15 years**	**Over 15 years**	**Total**	Total
					October 31 2024	October 31 2023
Canada						
Residential mortgages	**$ 51,833**	**$ 218,132**	**$ 3,097**	**$ 7**	**$ 273,069**	$ 263,733
Consumer instalment and other personal						
HELOC	**56,781**	**66,195**	**60**	**–**	**123,036**	117,618
Indirect auto	**837**	**14,958**	**14,042**	**–**	**29,837**	28,786
Other	**18,186**	**631**	**1,068**	**–**	**19,885**	18,587
Credit card	**20,510**	**–**	**–**	**–**	**20,510**	18,815
Total personal	**148,147**	**299,916**	**18,267**	**7**	**466,337**	447,539
Real estate						
Residential	**14,500**	**11,220**	**2,152**	**2**	**27,874**	27,784
Non-residential	**13,813**	**9,841**	**2,308**	**–**	**25,962**	24,849
Total real estate	**28,313**	**21,061**	**4,460**	**2**	**53,836**	52,633
Total business and government (including real estate)	**102,619**	**54,112**	**7,187**	**40**	**163,958**	156,217
Total loans – Canada	**250,766**	**354,028**	**25,454**	**47**	**630,295**	603,756
United States						
Residential mortgages	**748**	**494**	**1,922**	**55,416**	**58,580**	56,548
Consumer instalment and other personal						
HELOC	**8,938**	**82**	**782**	**1,723**	**11,525**	10,585
Indirect auto	**502**	**24,750**	**17,729**	**–**	**42,981**	41,051
Other	**232**	**864**	**5**	**(2)**	**1,099**	901
Credit card	**20,123**	**–**	**–**	**–**	**20,123**	19,839
Total personal	**30,543**	**26,190**	**20,438**	**57,137**	**134,308**	128,924
Real estate						
Residential	**2,872**	**6,853**	**3,604**	**398**	**13,727**	11,958
Non-residential	**5,813**	**16,567**	**4,919**	**853**	**28,152**	28,537
Total real estate	**8,685**	**23,420**	**8,523**	**1,251**	**41,879**	40,495
Total business and government (including real estate)	**47,985**	**89,120**	**38,408**	**7,594**	**183,107**	178,259
Total loans – United States	**78,528**	**115,310**	**58,846**	**64,731**	**317,415**	307,183
Other International						
Personal	**25**	**–**	**–**	**–**	**25**	19
Business and government	**6,878**	**2,151**	**1,109**	**–**	**10,138**	10,024
Total loans – Other international	**6,903**	**2,151**	**1,109**	**–**	**10,163**	10,043
Other loans						
Debt securities classified as loans	**–**	**–**	**–**	**–**	**–**	–
Acquired credit-impaired loans	**–**	**–**	**–**	**–**	**–**	91
Total other loans	**–**	**–**	**–**	**–**	**–**	91
Total loans	**$ 336,197**	**$ 471,489**	**$ 85,409**	**$ 64,778**	**$ 957,873**	$ 921,073

TABLE 62 LOAN PORTFOLIO – Rate Sensitivity

(millions of Canadian dollars)						As at
	October 31, 2024			October 31, 2023		
	Over 1 to 5 years	**Over 5 to 15 years**	**Over 15 years**	Over 1 to 5 years	Over 5 to 15 years	Over 15 years
Fixed rate	**$ 302,548**	**$ 68,990**	**$ 44,741**	$ 290,973	$ 69,964	$ 44,764
Variable rate	**168,941**	**16,419**	**20,037**	185,130	18,607	17,663
Total	**$ 471,489**	**$ 85,409**	**$ 64,778**	$ 476,103	$ 88,571	$ 62,427

TABLE 63	ALLOWANCE FOR LOAN LOSSES	
(millions of Canadian dollars, except as noted)	**2024**	2023
Allowance for loan losses – Balance at beginning of year	**$ 7,136**	$ 6,432
Provision for credit losses	**4,253**	2,933
Write-offs		
Canada		
Residential mortgages	**5**	6
Consumer instalment and other personal		
HELOC	**8**	5
Indirect Auto	**437**	293
Other	**281**	225
Credit card	**587**	457
Total personal	**1,318**	986
Real estate		
Residential	**3**	2
Non-residential	**4**	1
Total real estate	**7**	3
Total business and government (including real estate)	**264**	128
Total Canada	**1,582**	1,114
United States		
Residential mortgages	**3**	4
Consumer instalment and other personal		
HELOC	**3**	5
Indirect Auto	**501**	325
Other	**266**	251
Credit card	**1,293**	968
Total personal	**2,066**	1,553
Real estate		
Residential	**8**	2
Non-residential	**100**	61
Total real estate	**108**	63
Total business and government (including real estate)	**336**	179
Total United States	**2,402**	1,732
Other International		
Personal	**–**	–
Business and government	**–**	–
Total other international	**–**	–
Other loans		
Debt securities classified as loans	**–**	–
Acquired credit-impaired loans[1,2]	**–**	–
Total other loans	**–**	–
Total write-offs against portfolio	**3,984**	2,846
Recoveries		
Canada		
Residential mortgages	**–**	–
Consumer instalment and other personal		
HELOC	**1**	2
Indirect Auto	**77**	82
Other	**47**	45
Credit card	**107**	95
Total personal	**232**	224
Real estate		
Residential	**–**	–
Non-residential	**–**	–
Total real estate	**–**	–
Total business and government (including real estate)	**23**	19
Total Canada	**$ 255**	$ 243

[1] Includes all FDIC covered loans and other ACI loans.
[2] Other adjustments are required as a result of the accounting for FDIC covered loans.

TABLE 63	ALLOWANCE FOR LOAN LOSSES (continued)	
(millions of Canadian dollars, except as noted)	**2024**	2023
United States		
Residential mortgages	**$ 1**	$ 3
Consumer instalment and other personal		
HELOC	**3**	4
Indirect Auto	**163**	134
Other	**32**	31
Credit card	**212**	193
Total personal	**411**	365
Real estate		
Residential	**2**	1
Non-residential	**14**	1
Total real estate	**16**	2
Total business and government (including real estate)	**41**	26
Total United States	**452**	391
Other International		
Personal	**–**	–
Business and government	**–**	–
Total other international	**–**	–
Other loans		
Debt securities classified as loans	**–**	–
Acquired credit-impaired loans[1,2]	**–**	1
Total other loans	**–**	1
Total recoveries on portfolio	**707**	635
Net write-offs	**(3,277)**	(2,211)
Disposals	**(39)**	–
Foreign exchange and other adjustments	**15**	100
Total allowance for loan losses, including off-balance sheet positions	**8,088**	7,254
Less: Change in allowance for off-balance sheet positions[3]	**(6)**	118
Total allowance for loan losses, at end of period	**$ 8,094**	$ 7,136
Ratio of net write-offs in the period to average loans outstanding	**0.35%**	0.25%

[1] Includes all FDIC covered loans and other ACI loans.

[2] Other adjustments are required as a result of the accounting for FDIC covered loans.

[3] The allowance for loan losses for off-balance sheet positions is recorded in Other liabilities on the Consolidated Balance Sheet.

TABLE 64 AVERAGE DEPOSITS

(millions of Canadian dollars, except as noted)						*For the years ended*
	October 31, 2024			October 31, 2023		
	Average balance	**Total interest expense**	**Average rate paid**	Average balance	Total interest expense	Average rate paid
Deposits booked in Canada[1]						
Non-interest-bearing demand deposits	**$ 18,246**	**$ –**	**–%**	$ 21,354	$ –	–%
Interest-bearing demand deposits	**87,264**	**7,291**	**8.36**	84,808	4,231	4.99
Notice deposits	**312,014**	**1,595**	**0.51**	320,061	2,325	0.73
Term deposits	**383,720**	**16,730**	**4.36**	335,069	14,049	4.19
Total deposits booked in Canada	**801,244**	**25,616**	**3.20**	761,292	20,605	2.71
Deposits booked in the United States						
Non-interest-bearing demand deposits	**11,233**	**–**	**–**	12,611	–	–
Interest-bearing demand deposits	**34,784**	**1,377**	**3.96**	27,067	953	3.52
Notice deposits	**363,171**	**8,780**	**2.42**	406,534	7,869	1.94
Term deposits	**131,054**	**6,985**	**5.33**	119,670	5,760	4.81
Total deposits booked in the United States	**540,242**	**17,142**	**3.17**	565,882	14,582	2.58
Deposits booked in other international						
Non-interest-bearing demand deposits	**5**	**–**	**–**	24	–	–
Interest-bearing demand deposits	**1,532**	**81**	**5.29**	32	3	9.38
Notice deposits	**–**	**–**	**–**	–	–	–
Term deposits	**79,611**	**4,021**	**5.05**	79,229	3,161	3.99
Total deposits booked in other international	**81,148**	**4,102**	**5.05**	79,285	3,164	3.99
Total average deposits	**$ 1,422,634**	**$ 46,860**	**3.29%**	$ 1,406,459	$ 38,351	2.73%

[1] As at October 31, 2024, deposits by foreign depositors in TD's Canadian bank offices amounted to $218 billion (October 31, 2023 – $187 billion).

TABLE 65 DEPOSITS – Denominations of $100,000 or greater[1]

(millions of Canadian dollars)					*As at*
	Remaining term-to-maturity				
	Within 3 months	**3 months to 6 months**	**6 months to 12 months**	**Over 12 months**	**Total**
					October 31, 2024
Canada	**$ 87,189**	**$ 39,584**	**$ 68,581**	**$ 162,097**	**$ 357,451**
United States[2]	**41,824**	**33,614**	**27,596**	**3,336**	**106,370**
Other international	**36,401**	**9,911**	**35,960**	**258**	**82,530**
Total	**$ 165,414**	**$ 83,109**	**$ 132,137**	**$ 165,691**	**$ 546,351**
					October 31, 2023
Canada	$ 72,295	$ 37,289	$ 51,887	$ 148,244	$ 309,715
United States[2]	48,481	24,335	36,868	3,939	113,623
Other international	32,895	18,287	37,304	142	88,628
Total	$ 153,671	$ 79,911	$ 126,059	$ 152,325	$ 511,966

[1] Deposits in Canada, U.S., and Other international include wholesale and retail deposits.

[2] Includes deposits based on denominations of US$250,000 or greater of $36.9 billion in 'within 3 months', $30.5 billion in 'over 3 months to 6 months', $30.0 billion in 'over 6 months to 12 months', and $3.2 billion in 'over 12 months' (October 31, 2023 – $44.9 billion in 'within 3 months', $21.2 billion in 'over 3 months to 6 months', $34.8 billion in 'over 6 months to 12 months', $3.3 billion in 'over 12 months').

TABLE 66	NET INTEREST INCOME ON AVERAGE INTEREST-EARNING BALANCES[1,2]

(millions of Canadian dollars, except as noted)			**2024**			2023
	Average balance	**Interest[3]**	**Average rate**	Average balance	Interest[3]	Average rate
Interest-earning assets						
Interest-bearing deposits with Banks						
Canada	**$ 29,251**	**$ 1,833**	**6.27%**	$ 40,932	$ 2,417	5.90%
U.S.	**72,331**	**3,446**	**4.76**	58,220	2,433	4.18
Securities						
Trading						
Canada	**77,792**	**3,110**	**4.00**	79,415	3,209	4.04
U.S.	**26,410**	**999**	**3.78**	24,377	1,006	4.13
Non-trading						
Canada	**117,514**	**6,067**	**5.16**	109,955	5,452	4.96
U.S.	**226,820**	**10,293**	**4.54**	268,597	9,988	3.72
Securities purchased under reverse repurchase agreements						
Canada	**86,905**	**4,253**	**4.89**	84,646	3,869	4.57
U.S.	**74,237**	**4,837**	**6.52**	61,839	3,630	5.87
Loans						
Residential mortgages[4]						
Canada	**287,609**	**12,772**	**4.44**	266,016	10,882	4.09
U.S.	**56,771**	**2,203**	**3.88**	51,329	1,802	3.51
Consumer instalment and other personal						
Canada	**165,582**	**8,377**	**5.06**	158,980	6,244	3.93
U.S.	**52,340**	**3,243**	**6.20**	47,692	2,405	5.04
Credit card						
Canada	**20,581**	**2,712**	**13.18**	18,683	2,393	12.81
U.S.	**18,953**	**3,652**	**19.27**	18,226	3,384	18.57
Business and government[4]						
Canada	**173,410**	**10,364**	**5.98**	151,034	8,152	5.40
U.S.	**163,744**	**10,097**	**6.17**	156,970	8,985	5.72
International[5]	**124,093**	**5,131**	**4.13**	121,324	4,423	3.65
Total interest-earning assets[6]	**1,774,343**	**93,389**	**5.26**	1,718,235	80,674	4.70
Interest-bearing liabilities						
Deposits						
Personal[7]						
Canada	**328,798**	**7,124**	**2.17**	314,227	4,852	1.54
U.S.	**264,636**	**7,647**	**2.89**	283,287	6,335	2.24
Banks[8,9]						
Canada	**20,121**	**1,078**	**5.36**	19,939	1,098	5.51
U.S.	**24,319**	**908**	**3.73**	25,486	942	3.70
Business and government[8,9]						
Canada	**394,345**	**17,414**	**4.42**	360,857	14,655	4.06
U.S.	**179,530**	**8,587**	**4.78**	175,719	7,305	4.16
Subordinated notes and debentures	**10,417**	**436**	**4.19**	11,112	436	3.92
Obligations related to securities sold short and under repurchase agreements						
Canada	**77,529**	**3,596**	**4.64**	83,935	3,662	4.36
U.S.	**109,960**	**7,015**	**6.38**	78,421	4,408	5.62
Securitization liabilities[10]	**30,503**	**1,002**	**3.28**	27,629	915	3.31
Other liabilities						
Canada	**4,092**	**156**	**3.81**	3,796	126	3.32
U.S.	**20,321**	**1,137**	**5.60**	17,162	817	4.76
International[8,9]	**135,392**	**6,817**	**5.04**	127,126	5,179	4.07
Total interest-bearing liabilities[6]	**1,599,963**	**62,917**	**3.93**	1,528,696	50,730	3.32
Total interest-earning assets, net interest income, and net interest margin	**$ 1,774,343**	**$ 30,472**	**1.72%**	$ 1,718,235	$ 29,944	1.74%
Add: non-interest earning assets	**201,032**	**–**	**–**	203,948	–	–
Total assets, net interest income and margin	**$ 1,975,375**	**$ 30,472**	**1.54%**	$ 1,922,183	$ 29,944	1.56%

1 Net interest income includes dividends on securities.
2 Geographic classification of assets and liabilities is based on the domicile of the booking point of assets and liabilities.
3 Interest income includes loan fees earned by the Bank, which are recognized in net interest income over the life of the loan through the effective interest rate method (EIRM).
4 Includes average trading loans of $20 billion (2023 – $15 billion).
5 Comprised of interest-bearing deposits with Banks, securities, securities purchased under reverse repurchase agreements, and business and government loans.
6 Average interest-earning assets and average interest-bearing liabilities are non-GAAP financial measures that depict the Bank's financial position, and are calculated using daily balances. For additional information about the Bank's use of non-GAAP financial measures, refer to "Non-GAAP and Other Financial Measures" in the "Financial Results Overview" section of this document.
7 Includes charges incurred on the Schwab IDA Agreement of $0.9 billion (2023 – $0.9 billion).
8 Includes average trading deposits with a fair value of $31 billion (2023 – $26 billion).
9 Includes average deposit designated at FVTPL of $188 billion (2023 – $188 billion).
10 Includes average securitization liabilities at fair value of $18 billion (2023 – $13 billion) and average securitization liabilities at amortized cost of $13 billion (2023 – $14 billion).

The following table presents an analysis of the change in net interest income due to volume and interest rate changes. In this analysis, changes due to volume/interest rate variance have been allocated to average interest rate.

TABLE 67 ANALYSIS OF CHANGE IN NET INTEREST INCOME[1,2]

(millions of Canadian dollars)	2024 vs. 2023		
	Increase (decrease) due to changes in		
	Average volume	Average rate	Net change
Interest-earning assets			
Interest-bearing deposits with banks			
Canada	$ (690)	$ 106	$ (584)
U.S.	590	423	1,013
Securities			
Trading			
Canada	(66)	(33)	(99)
U.S.	84	(91)	(7)
Non-trading			
Canada	375	240	615
U.S.	(1,553)	1,858	305
Securities purchased under reverse repurchase agreements			
Canada	103	281	384
U.S.	728	479	1,207
Loans			
Residential mortgages			
Canada	883	1,007	1,890
U.S.	191	210	401
Consumer instalment and other personal			
Canada	259	1,874	2,133
U.S.	234	604	838
Credit card			
Canada	243	76	319
U.S.	135	133	268
Business and government			
Canada	1,208	1,004	2,212
U.S.	388	724	1,112
International	30	678	708
Total interest income	3,142	9,573	12,715
Interest-bearing liabilities			
Deposits			
Personal			
Canada	225	2,047	2,272
U.S.	(418)	1,730	1,312
Banks			
Canada	10	(30)	(20)
U.S.	(43)	9	(34)
Business and government			
Canada	1,360	1,399	2,759
U.S.	158	1,124	1,282
Subordinated notes and debentures	(27)	27	–
Obligations related to securities sold short and under repurchase agreements			
Canada	(280)	214	(66)
U.S.	1,773	834	2,607
Securitization liabilities	95	(8)	87
Other liabilities			
Canada	10	20	30
U.S.	150	170	320
International	362	1,276	1,638
Total interest expense	3,375	8,812	12,187
Net interest income	$ (233)	$ 761	$ 528

[1] Geographic classification of assets and liabilities is based on the domicile of the booking point of assets and liabilities.

[2] Interest income includes loan fees earned by the Bank, which are recognized in net interest income over the life of the loan through the EIRM.

Financial and Banking Terms

Adjusted Results: Non-GAAP financial measures used to assess each of the Bank's businesses and to measure the Bank's overall performance. To arrive at adjusted results, the Bank adjusts for "items of note", from reported results. The items of note relate to items which management does not believe are indicative of underlying business performance.

Allowance for Credit Losses: Represent expected credit losses (ECLs) on financial assets, including any off-balance sheet exposures, at the balance sheet date. Allowance for credit losses consists of Stage 3 allowance for impaired financial assets and Stage 2 and Stage 1 allowance for performing financial assets and off-balance sheet instruments. The allowance is increased by the provision for credit losses, decreased by write-offs net of recoveries and disposals, and impacted by foreign exchange.

Amortized Cost: The amount at which a financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization, using EIRM, of any differences between the initial amount and the maturity amount, and minus any reduction for impairment.

Assets under Administration (AUA): Assets that are beneficially owned by customers where the Bank provides services of an administrative nature, such as the collection of investment income and the placing of trades on behalf of the clients (where the client has made his or her own investment selection). The majority of these assets are not reported on the Bank's Consolidated Balance Sheet.

Assets under Management (AUM): Assets that are beneficially owned by customers, managed by the Bank, where the Bank has discretion to make investment selections on behalf of the client (in accordance with an investment policy). In addition to the TD family of mutual funds, the Bank manages assets on behalf of individuals, pension funds, corporations, institutions, endowments and foundations. These assets are not reported on the Bank's Consolidated Balance Sheet. Some assets under management that are also administered by the Bank are included in assets under administration.

Asset-Backed Commercial Paper (ABCP): A form of commercial paper that is collateralized by other financial assets. Institutional investors usually purchase such instruments in order to diversify their assets and generate short-term gains.

Asset-Backed Securities (ABS): A security whose value and income payments are derived from and collateralized (or "backed") by a specified pool of underlying assets.

Average Common Equity: Average common equity for the business segments reflects the average allocated capital. The Bank's methodology for allocating capital to its business segments is largely aligned with the common equity capital requirements under Basel III.

Average Interest-Earning Assets: A non-GAAP financial measure that depicts the Bank's financial position, and is calculated as the average carrying value of deposits with banks, loans and securities based on daily balances for the period ending October 31 in each fiscal year.

Basic Earnings per Share (EPS): A performance measure calculated by dividing net income attributable to common shareholders by the weighted average number of common shares outstanding for the period. Adjusted basic EPS is calculated in the same manner using adjusted net income.

Basis Points (bps): A unit equal to 1/100 of 1%. Thus, a 1% change is equal to 100 basis points.

Book Value per Share: A measure calculated by dividing common shareholders' equity by number of common shares at the end of the period.

Carrying Value: The value at which an asset or liability is carried at on the Consolidated Balance Sheet.

Catastrophe Claims: Insurance claims that relate to any single event that occurred in the period, for which the aggregate insurance claims are equal to or greater than an internal threshold of $5 million before reinsurance. The Bank's internal threshold may change from time to time.

Collateralized Mortgage Obligation (CMO): They are collateralized debt obligations consisting of mortgage-backed securities that are separated and issued as different classes of mortgage pass-through securities with different terms, interest rates, and risks. CMOs by private issuers are collectively referred to as non-agency CMOs.

Common Equity Tier 1 (CET1) Capital: This is a primary Basel III capital measure comprised mainly of common equity, retained earnings and qualifying non-controlling interest in subsidiaries. Regulatory deductions made to arrive at the CET1 Capital include goodwill and intangibles, unconsolidated investments in banking, financial, and insurance entities, deferred tax assets, defined benefit pension fund assets, and shortfalls in allowances.

Common Equity Tier 1 (CET1) Capital Ratio: CET1 Capital ratio represents the predominant measure of capital adequacy under Basel III and equals CET1 Capital divided by RWA.

Compound Annual Growth Rate (CAGR): A measure of growth over multiple time periods from the initial investment value to the ending investment value assuming that the investment has been compounding over the time period.

Credit Valuation Adjustment (CVA): CVA represents a capital charge that measures credit risk due to default of derivative counterparties. This charge requires banks to capitalize for the potential changes in counterparty credit spread for the derivative portfolios.

Diluted EPS: A performance measure calculated by dividing net income attributable to common shareholders by the weighted average number of common shares outstanding adjusting for the effect of all potentially dilutive common shares. Adjusted diluted EPS is calculated in the same manner using adjusted net income.

Dividend Payout Ratio: A ratio represents the percentage of Bank's earnings being paid to common shareholders in the form of dividends and is calculated by dividing common dividends by net income available to common shareholders. Adjusted dividend payout ratio is calculated in the same manner using adjusted net income.

Dividend Yield: A ratio calculated as the dividend per common share for the year divided by the daily average closing stock price during the year.

Effective Income Tax Rate: A rate and performance indicator calculated by dividing the provision for income taxes as a percentage of net income before taxes. Adjusted effective income tax rate is calculated in the same manner using adjusted results.

Effective Interest Rate (EIR): The rate that discounts expected future cash flows for the expected life of the financial instrument to its carrying value. The calculation takes into account the contractual interest rate, along with any fees or incremental costs that are directly attributable to the instrument and all other premiums or discounts.

Effective Interest Rate Method (EIRM): A technique for calculating the actual interest rate in a period based on the amount of a financial instrument's book value at the beginning of the accounting period. Under EIRM, the effective interest rate, which is a key component of the calculation, discounts the expected future cash inflows and outflows expected over the life of a financial instrument.

Efficiency Ratio: The efficiency ratio measures operating efficiency and is calculated by taking the non-interest expenses as a percentage of total revenue. A lower ratio indicates a more efficient business operation. Adjusted efficiency ratio is calculated in the same manner using adjusted non-interest expenses and total revenue.

Enhanced Disclosure Task Force (EDTF): Established by the Financial Stability Board in May 2012, comprised of banks, analysts, investors, and auditors, with the goal of enhancing the risk disclosures of banks and other financial institutions.

Expected Credit Losses (ECLs): ECLs are the probability-weighted present value of expected cash shortfalls over the remaining expected life of the financial instrument and considers reasonable and supportable information about past events, current conditions, and forecasts of future events and economic conditions that impact the Bank's credit risk assessment.

Fair Value: The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, under current market conditions.

Fair value through other comprehensive income (FVOCI): Under IFRS 9, if the asset passes the contractual cash flows test (named SPPI), the business model assessment determines how the instrument is classified. If the instrument is being held to collect contractual cash flows, that is, if it is not expected to be sold, it is measured as amortized cost. If the business model for the instrument is to both collect contractual cash flows and potentially sell the asset, it is measured at FVOCI.

Fair value through profit or loss (FVTPL): Under IFRS 9, the classification is dependent on two tests, a contractual cash flow test (named SPPI) and a business model assessment. Unless the asset meets the requirements of both tests, it is measured at fair value with all changes in fair value reported in profit or loss.

Federal Deposit Insurance Corporation (FDIC): A U.S. government corporation which provides deposit insurance guaranteeing the safety of a depositor's accounts in member banks. The FDIC also examines and supervises certain financial institutions for safety and soundness, performs certain consumer-protection functions, and manages banks in receiverships (failed banks).

Forward Contracts: Over-the-counter contracts between two parties that oblige one party to the contract to buy and the other party to sell an asset for a fixed price at a future date.

Futures: Exchange-traded contracts to buy or sell a security at a predetermined price on a specified future date.

Hedging: A risk management technique intended to mitigate the Bank's exposure to fluctuations in interest rates, foreign currency exchange rates, or other market factors. The elimination or reduction of such exposure is accomplished by engaging in capital markets activities to establish offsetting positions.

Impaired Loans: Loans where, in management's opinion, there has been a deterioration of credit quality to the extent that the Bank no longer has reasonable assurance as to the timely collection of the full amount of principal and interest.

Loss Given Default (LGD): It is the amount of the loss the Bank would likely incur when a borrower defaults on a loan, which is expressed as a percentage of exposure at default.

Mark-to-Market (MTM): A valuation that reflects current market rates as at the balance sheet date for financial instruments that are carried at fair value.

Master Netting Agreements: Legal agreements between two parties that have multiple derivative contracts with each other that provide for the net settlement of all contracts through a single payment, in a single currency, in the event of default or termination of any one contract.

Net Corporate Expenses: Non-interest expenses related to corporate service and control groups which are not allocated to a business segment.

Net Interest Margin: A non-GAAP ratio calculated as net interest income as a percentage of average interest-earning assets to measure performance. This metric is an indicator of the profitability of the Bank's earning assets less the cost of funding. Adjusted net interest margin is calculated in the same manner using adjusted net interest income.

Non-Viability Contingent Capital (NVCC): Instruments (preferred shares and subordinated debt) that contain a feature or a provision that allows the financial institution to either permanently convert these instruments into common shares or fully write-down the instrument, in the event that the institution is no longer viable.

Notional: A reference amount on which payments for derivative financial instruments are based.

Office of the Superintendent of Financial Institutions Canada (OSFI): The regulator of Canadian federally chartered financial institutions and federally administered pension plans.

Options: Contracts in which the writer of the option grants the buyer the future right, but not the obligation, to buy or to sell a security, exchange rate, interest rate, or other financial instrument or commodity at a predetermined price at or by a specified future date.

Price-Earnings Ratio: A ratio calculated by dividing the closing share price by EPS based on a trailing four quarters to indicate market performance. Adjusted price-earnings ratio is calculated in the same manner using adjusted EPS.

Probability of Default (PD): It is the likelihood that a borrower will not be able to meet its scheduled repayments.

Provision for Credit Losses (PCL): Amount added to the allowance for credit losses to bring it to a level that management considers adequate to reflect expected credit-related losses on its portfolio.

Return on Common Equity (ROE): The consolidated Bank ROE is calculated as net income available to common shareholders as a percentage of average common shareholders' equity, utilized in assessing the Bank's use of equity. ROE for the business segments is calculated as the segment net income attributable to common shareholders as a percentage of average allocated capital. Adjusted ROE is calculated in the same manner using adjusted net income.

Return on Risk-weighted Assets: Net income available to common shareholders as a percentage of average risk-weighted assets.

Return on Tangible Common Equity (ROTCE): A non-GAAP financial measure calculated as reported net income available to common shareholders after adjusting for the after-tax amortization of acquired intangibles, which are treated as an item of note, as a percentage of average Tangible common equity. Adjusted ROTCE is calculated in the same manner using adjusted net income. Both measures can be utilized in assessing the Bank's use of equity.

Risk-Weighted Assets (RWA): Assets calculated by applying a regulatory risk-weight factor to on and off-balance sheet exposures. The risk-weight factors are established by the OSFI to convert on and off-balance sheet exposures to a comparable risk level.

Securitization: The process by which financial assets, mainly loans, are transferred to structures, which normally issue a series of asset-backed securities to investors to fund the purchase of loans.

Solely Payments of Principal and Interest (SPPI): Contractual cash flows of a financial asset that are consistent with a basic lending arrangement.

Swaps: Contracts that involve the exchange of fixed and floating interest rate payment obligations and currencies on a notional principal for a specified period of time.

Tangible common equity (TCE): A non-GAAP financial measure calculated as common shareholders' equity less goodwill, imputed goodwill, and intangibles on an investment in Schwab and TD Ameritrade and other acquired intangible assets, net of related deferred tax liabilities. It can be utilized in assessing the Bank's use of equity.

Taxable Equivalent Basis (TEB): A calculation method (not defined in GAAP) that increases revenues and the provision for income taxes on certain tax-exempt securities to an equivalent before-tax basis to facilitate comparison of net interest income from both taxable and tax-exempt sources.

Tier 1 Capital Ratio: Tier 1 Capital represents the more permanent forms of capital, consisting primarily of common shareholders' equity, retained earnings, preferred shares and innovative instruments. Tier 1 Capital ratio is calculated as Tier 1 Capital divided by RWA.

Total Capital Ratio: Total Capital is defined as the total of net Tier 1 and Tier 2 Capital. Total Capital ratio is calculated as Total Capital divided by RWA.

Total Shareholder Return (TSR): The total return earned on an investment in TD's common shares. The return measures the change in shareholder value, assuming dividends paid are reinvested in additional shares.

Trading-Related Revenue: A non-GAAP financial measure that is the total of trading income (loss), net interest income on trading positions, and income from financial instruments designated at FVTPL that are managed within a trading portfolio. Trading-related revenue (TEB) in the Wholesale Banking segment is also a non-GAAP financial measure and is calculated in the same manner, including TEB adjustments. Both are used for measuring trading performance.

Value-at-Risk (VaR): A metric used to monitor and control overall risk levels and to calculate the regulatory capital required for market risk in trading activities. VaR measures the adverse impact that potential changes in market rates and prices could have on the value of a portfolio over a specified period of time.