Resolution of AML Investigations

TD Bank Group

October 10, 2024

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 ("2023 MD&A") in the Bank's 2023 Annual Report under the heading "Economic Summary and Outlook", under the headings "Key Priorities for 2024" 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 "2023 Accomplishments and Focus for 2024" for the Corporate segment, and in other statements regarding the Bank's objectives and priorities for 2024 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 can be identified by words such as "anticipate", "believe", "could", "estimate", "expect", "forecast", "goal", "intend", "may", "outlook", "plan", "possible", "potential", "predict", "project", "should", "target", "will", and "would" and similar expressions or variations thereof, or the negative thereof, but these terms are not the exclusive means of identifying such statements.

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, and infrastructure), model, insurance, liquidity, capital adequacy, legal, regulatory compliance and conduct, 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; geopolitical risk; inflation, rising rates and recession; regulatory oversight and compliance risk; risks associated with the Bank's ability to satisfy the consent orders relating to its global resolution of the civil and criminal investigations into the Bank's BSA/AML program; the impact of the resolution of the Bank's civil and criminal investigations into the Bank's BSA/AML program on the Bank's businesses, operations and financial condition; 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; 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; model risk; fraud activity; insider 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 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 change); exposure related to significant litigation and regulatory matters; ability of the Bank to attract, develop, and retain key talent; changes to the Bank's credit ratings; changes in foreign exchange rates, interest rates, credit spreads and equity prices; 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; Interbank Offered Rate (IBOR) transition risk; critical accounting estimates and changes to accounting standards, policies, and methods used by the Bank; the economic, financial, and other impacts of pandemics; 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 2023 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 heading "Significant Events" in the relevant MD&A, which applicable releases may be found on www.td.com, and to the Material Change Report dated October 10, 2024, which is available on SEDAR+. 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 2023 MD&A under the heading "Economic Summary and Outlook", under the headings "Key Priorities for 2024" 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 "2023 Accomplishments and Focus for 2024" 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 law.

Summary of Monetary and Non-Monetary Terms

- Resolution reached with the OCC, FRB, FinCEN and the DoJ, including Plea Agreements with the DoJ
- Total payments of ~US$3.09 billion. TD has already provisioned for US$3.05 billion
- OCC Consent Order includes an asset cap on TD's two U.S. banking subsidiaries (TD Bank USA, N.A. and TD Bank, N.A.) at ~US$434 billion (total assets at September 30, 2024). The asset cap does not apply to TD Securities or any of the Bank's Canadian or other global businesses
  - OCC Consent Order also includes more stringent approval process for new bank products, services, markets, and stores in the U.S.
- Resolution includes requirements around AML remediation. There is significant overlap in requirements across the OCC, FRB, FinCEN and the DoJ. Requirements include:
  - BSA/AML Plans detailing remediation and compliance actions
  - Appointment of a Compliance Monitor / Independent Consultant to review and assess TD's BSA/AML Program
  - Board oversight, with primary responsibility assigned to the Interim U.S. BSA/AML Committee

NB: Additional details are included in the Appendix on slides 12 - 13. Glossary is included on slides 17 - 18.

U.S. AML Program: Proven Leadership and Strong Governance in Place

People & Talent

- Appointed new Head of Financial Crime Risk Management and BSA/AML Officer, with proven leadership and experience
- Overhauled AML program leadership and talent. Added 40 new leaders and over 700 new AML specialists from financial institutions, consulting firms, regulatory agencies, and U.S. government departments such as Treasury, Justice, and Homeland Security, with experience and qualifications in money laundering prevention, financial crimes, and AML remediation

Governance & Structure

- Strengthened oversight structure and accountability across all three lines of defense, starting at the front lines and carrying through to risk management and audit teams
- Established dedicated committee at the U.S. Boards for BSA / AML oversight

U.S. AML Program: Implementing Improvements Enabled by Data & Technology

Policy & Risk Assessment

- Implemented new standards and capabilities to measure financial crime risk more effectively, and support awareness, escalation, and effective decision-making
- Strengthened oversight of High Risk and High Cash Customer Activity to better identify suspicious activity

Process & Control

- Enhanced customer onboarding procedures, and elevated transaction and customer monitoring
- Implemented Bank-wide training to support enhanced processes and reinforce accountability

Data & Technology

- Implemented new technology solutions with stronger detection and data management capabilities, advanced analytics, new scenarios, and modelling capabilities
- Enhanced transaction monitoring platform and have improved ability to predict, monitor and manage risk. Additional work underway to build long-term sustainable risk mitigation

TD AMCB Balance Sheet Restructuring to Comply with Asset Cap and Create Capacity to Support Customer Financial Needs

Key Objectives	Strategies to Create U.S. Balance Sheet Flexibility
▪ Comply with the asset cap ▪ Create loan capacity to support customer relationships ▪ Maintain strong levels of liquidity ▪ Maintain capital strength ▪ Optimize returns for all TD stakeholders	▪ Manage down non-scalable / niche portfolios that have minimal franchise value or with lower return on investment ▪ Preserve natural balance sheet runoff (e.g., investment maturities) ▪ Reposition U.S. investment portfolio

TD AMCB Financial Impact of Balance Sheet Restructuring and AML Remediation[1]

F'25 will be a transition year with short-term costs to invest in a stronger core franchise focused on the financial needs of our customers

- Undertake balance sheet restructuring in F'25 to create capacity to continue to serve our customers while maintaining buffer to asset cap
  - Reduce U.S. assets by ~10% to support financial needs of customers in short- and medium-term; expected to reduce NII (~US$200MM to US$225MM pre-tax in F'25)
  - Maintain elevated levels of liquidity. Near-term impact on NII and NIM
  - Reposition U.S. investment portfolio by selling up to US$50 billion of lower yielding investment securities and reinvesting proceeds; expected to be accretive to NII over next 2-3 years (~US$300MM to US$500MM pre-tax in F'25)
- Expected one-time costs for asset reduction and investment portfolio repositioning of up to US$1.5B after-tax; will impact capital as executed and be treated as an item of note
- Reflect U.S. governance and control costs in U.S. Retail segment that are currently in Corporate segment (expected costs of ~US$350MM in F'24 and ~US$500MM in F'25 pre-tax)
- Aim to establish strong, sustainable risk and controls infrastructure, preserve ROE in the medium-term, and lay foundation for U.S. franchise to deliver expected returns for shareholders in future years

NB: Explanatory endnotes are included on slides 14 – 16.

TD AMCB Scale and Resilience

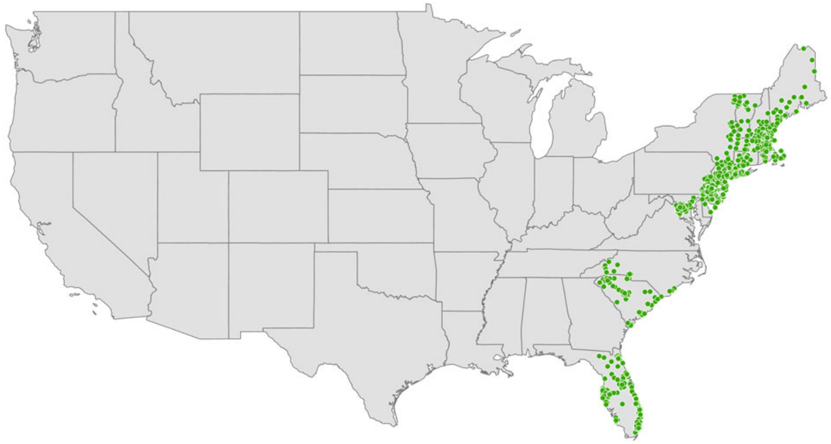
Strong franchise that is well-positioned to continue to deepen relationships and serve our more than 10 million customers

Q3 2024 (US$)	U.S. Retail
Deposits[1]	$318B
Loans[2]	$193B
Investments (incl. cash)	$188B
HQLA (incl. cash)	$145B
AUA[3]	$41B
AUM[3]	$8B
Network Highlights	
Employees[4]	27,627
Total Customers[5]	~10MM
Small Business and Commercial Clients	~700K
ATMs[6]	2,602
Mobile Users[7]	5.1MM

Density

76%
of TD deposits in markets with top three share[8]

Versus **<50%** median of US$100B+ asset U.S. Banks



#1

Small Business Administration (SBA) lending in Maine-to-Florida footprint[9]

1,150 stores in the U.S.

TD Scale and Resilience

- **TD is a Top 10 North American Bank**
  - 2nd largest bank in Canada by assets and 6th largest in North America
  - **C$1.97 trillion in assets** as of July 31, 2024
- The Bank had **total deposits of C$1.22 trillion** as of July 31, 2024
  - TD Canada Trust is ranked #1 in Total Personal Non-Term Deposits[1]
  - Strong mix of deposit clients and customers across all industries and sectors
- TD serves **over 27.5 million customers**, including more than 17 million active online and mobile customers
  - 2,210 retail locations in North America
  - TD Wealth operates in 781 cities across North America and 7 cities globally
  - TD Securities operates in 32 cities across the world
- TD is a **Global Systemically Important Bank (G-SIB)**, which means the Bank is held to higher regulatory standards and has higher capital requirements and more stringent stress tests

Focused on Maintaining Strong Liquidity and Capital at a Large Cushion to Published Regulatory Minima

Liquidity

- TD's average liquidity coverage ratio ("LCR") for fiscal Q3'24 was 129%, representing a surplus of C$75 billion over the published regulatory minimum
- In the near-term, TD is targeting LCR above 150% for:
  - TD's Canadian retail businesses
  - TD Bank USA, N.A.
  - TD Bank, N.A.
  - TD Securities

Capital

- TD's CET1 ratio was 12.8% as at Q3'24
  - Expected Q4'24 operational risk RWA impact to CET1 from Q3'24 AML investigations provision of (35) bps
  - Expected Q4'24 impact to CET1 from August 2024 sale of 40.5 million Schwab shares of 54 bps
- Strong capital position and significant flexibility with levers available

Our Medium-Term Ambitions in Canada

Continue to Strengthen Market Positions

Leading Market Positions in Retail & Commercial

50% Growth in N2C Acquisition[1], #1 in Core Deposits[2], Cards[3], C$500B Real Estate Secured Loans[4]

Business Loan Volumes of C$150B[5], Core Deposit Volumes of C$170B[5], TDAF Retail Auto Loan Volumes of C$32.5B[5]

Leading Integrated Wealth Management & Direct Insurer Franchise

+C$225B in Canadian Wealth Net Asset Growth, #1 Direct Investing[6] & Institutional Asset Management[7], Fastest Growing Advice Channels[8]

#1 Direct Personal & Small Business Insurer[9], Fastest Growing Personal Insurer[9]

Integrated Wholesale Bank with Global Reach

Top-2 Market Share Position in Canada[10]

Appendix

OCC Consent Order Terms

Asset Cap	▪ The total assets of the U.S. Bank cannot exceed ~US$434 billion (total assets as at September 30, 2024) ▪ The total assets test is performed quarterly and is an average of the assets for the current quarter and the preceding quarter ▪ The U.S. Bank must comply starting March 31, 2025, which is the first full calendar quarter following the date of the OCC Consent Order ▪ The asset cap will stay in place until the OCC removes it. TD is focused on meeting the regulators' expectations so it can be removed as soon as possible ▪ The Deputy Comptroller of the OCC may, at the Deputy Comptroller’s discretion, temporarily suspend the asset cap as described in the order
More stringent approval processes	▪ The U.S. Bank is subject to more stringent approval processes to offer new products/services, open new stores, or enter new markets ▪ The U.S. Bank is required to submit improved policies and procedures for evaluating BSA/AML risks posed by a new product or service. Once such policies are approved, the U.S. Bank must obtain no supervisory objection before new medium or high BSA/AML risk products are introduced ▪ The U.S. Bank must also obtain no supervisory objection before opening a new store or entering a new market

Endnotes

Endnotes on Slides 7-9

Slide 7

1. The forward-looking information on this page represents management's estimates of future costs and certain financial impacts. These estimates are subject to the risks and assumptions described on slide 2, and are dependent on certain key factors and assumptions, including with respect to interest rates.

Slide 8

1. Deposits based on total of average personal and business deposits during the quarter. Includes Schwab Insured Deposit Accounts (IDAs).
2. Total Loans based on total of average personal and business loans during the quarter.
3. For additional information about this metric, refer to the Glossary in the Bank's Q3 2024 Report to Shareholders, which is incorporated by reference.
4. Average number of full-time equivalent staff during the quarter.
5. Includes Consumer Banking, TD Auto Finance, and Wealth Consumer Customers.
6. Total ATMs includes store, remote, mobile and TD Branded ATMs in the U.S.
7. Number of active mobile users, in millions. Active mobile users are users who have logged in via their mobile device at least once in the last 90 days.
8. FDIC data as of June 30, 2024; deposits capped at US$500MM per store.
9. For 2023, TD AMCB ranked #1 in Small Business Administration (SBA) lending in Maine-to-Florida footprint for seventh consecutive year. Lenders ranked by the U.S. SBA based on the SBA's data for the units of loans approved during the period October 1, 2022 to September 30, 2023.

Slide 9

1. Market share ranking is based on most current data available from the Office of the Superintendent of Financial Institutions Canada (OSFI) for personal deposits and loans at June 2024.

Endnotes on Slide 11

Slide 11

1. 50% growth in annual New-to-Canada acquisition relative to 2022, measured by Chequing Account sales units.
2. As measured by OSFI 'non-term' market share data.
3. Based on credit card outstanding balances.
4. Portfolio balances.
5. Spot basis. Business loan volumes include Commercial Banking and Small Business Banking and exclude Retail auto loan exposure from TD Auto Finance. Core deposits are defined as total deposits less term deposits.
6. As measured by total assets.
7. As measured by total institutional assets.
8. As measured by the rate of growth in assets within Financial Planning, Private Investment Advice, Private Investment Counsel, Private Banking, and Private Trust channels vs. comparable business models across peers. Peers defined as the other four largest Canadian banks: Royal Bank of Canada, Bank of Montreal, Bank of Nova Scotia and Canadian Imperial Bank of Commerce.
9. Based on Written Premiums.
10. As tracked by Canadian Government Debt Underwriting, Canadian Corporate Debt Underwriting, Canadian M&A Announced, Canadian Equity Underwriting and Canadian Syndications league tables.

Glossary

Glossary

AML	Anti-money laundering
AUA	Assets under administration
AUM	Assets under management
the Bank	The Toronto-Dominion Bank
BSA	Bank Secrecy Act
CET1	Common equity tier 1
DoJ	Department of Justice
FinCEN	Financial Crimes Enforcement Network
FRB	Federal Reserve Board
HQLA	High quality liquid assets
NII	Net interest income
NIM	Net interest margin
OCC	Office of the Comptroller of the Currency
ROE	Return on equity
RWA	Risk-weighted assets
TD	The Toronto-Dominion Bank
TD AMCB	TD Bank, America's Most Convenient Bank®
TDBNA	TD Bank, N.A.
TDUSA	TD Bank USA, N.A.
U.S. Bank	TD's two U.S. banking subsidiaries, TD Bank USA, N.A. and TD Bank, N.A.
U.S. Retail Bank	TD's U.S. Retail segment, excluding the Bank's investment in Schwab

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