TD Bank Group Reports Second Quarter 2024 Results

Earnings News Release • *Three and six months ended April 30, 2024*

This quarterly Earnings News Release should be read in conjunction with the Bank's unaudited second quarter 2024 Report to Shareholders for the three and six months ended April 30, 2024, prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), which is available on our website at http://www.td.com/investor/. This analysis is dated May 22, 2024. Unless otherwise indicated, all amounts are expressed in Canadian dollars, and have been primarily derived from the Bank's Annual or Interim Consolidated Financial Statements prepared in accordance with IFRS. Certain comparative amounts have been revised to conform with the presentation adopted in the current period. Additional information relating to the Bank is available on the Bank's website at http://www.td.com, as well as on SEDAR+ at http://www.sedarplus.ca and on the U.S. Securities and Exchange Commission's (SEC) website at http://www.sec.gov (EDGAR filers section).

Reported results conform with generally accepted accounting principles (GAAP), in accordance with IFRS. Adjusted results are non-GAAP financial measures. For additional information about the Bank's use of non-GAAP financial measures, refer to "Significant Events" and "Non-GAAP and Other Financial Measures" in the "How We Performed" section of this document.

SECOND QUARTER FINANCIAL HIGHLIGHTS, compared with the second quarter last year:
- **Reported diluted earnings per share were $1.35, compared with $1.69.**
- **Adjusted diluted earnings per share were $2.04, compared with $1.91.**
- **Reported net income was $2,564 million, compared with $3,306 million.**
- **Adjusted net income was $3,789 million, compared with $3,707 million.**

YEAR-TO-DATE FINANCIAL HIGHLIGHTS, six months ended April 30, 2024, compared with the corresponding period last year:
- **Reported diluted earnings per share were $2.89, compared with $2.52.**
- **Adjusted diluted earnings per share were $4.04, compared with $4.14.**
- **Reported net income was $5,388 million, compared with $4,887 million.**
- **Adjusted net income was $7,426 million, compared with $7,861 million.**

SECOND QUARTER ADJUSTMENTS (ITEMS OF NOTE)
The second quarter reported earnings figures included the following items of note:
- **Amortization of acquired intangibles of $72 million ($62 million after-tax or 4 cents per share), compared with $79 million ($67 million after-tax or 3 cents per share) in the second quarter last year.**
- **Acquisition and integration charges related to the Schwab transaction of $21 million ($16 million after-tax or 1 cent per share), compared with $30 million ($26 million after-tax or 1 cent per share) in the second quarter last year.**
- **Restructuring charges of $165 million ($122 million after-tax or 7 cents per share).**
- **Acquisition and integration charges related to the Cowen acquisition of $102 million ($80 million after-tax or 4 cents per share), compared with $73 million ($63 million after-tax or 4 cents per share) in the second quarter last year.**
- **Impact from the terminated FHN acquisition-related capital hedging strategy of $64 million ($48 million after-tax or 3 cents per share), compared with $134 million ($101 million after-tax or 6 cents per share) in the second quarter last year.**
- **Civil matter provision/Litigation settlement of $274 million ($205 million after-tax or 11 cents per share), compared with $39 million ($28 million after-tax or 2 cents per share) in the second quarter last year.**
- **FDIC special assessment of $103 million ($77 million after-tax or 4 cents per share).**
- **Provision for investigations related to the Bank's AML program of $615 million ($615 million after-tax or 35 cents per share).**

TORONTO, May 23, 2024 – TD Bank Group ("TD" or the "Bank") today announced its financial results for the second quarter ended April 30, 2024. Reported earnings were $2.6 billion, down 22% compared with the second quarter last year, and adjusted earnings were $3.8 billion, up 2%.

"TD delivered strong second quarter results, with earnings of $3.8 billion and solid momentum across our franchise. We delivered significant positive operating leverage while continuing to invest in our business, including our risk and control infrastructure," said Bharat Masrani, Group President and Chief Executive Officer, TD Bank Group.

Canadian Personal and Commercial Banking delivered a strong quarter driven by continued volume growth and positive operating leverage
Canadian Personal and Commercial Banking net income was $1,739 million, an increase of 7% compared to the second quarter last year. The increase reflects revenue growth, partially offset by higher provisions for credit losses and non-interest expenses. Revenue was $4,839 million, an increase of 10%, driven by volume growth and margin expansion.

Canadian Personal and Commercial Banking continued to build momentum, delivering another strong quarter for New to Canada account openings. TD increased its support for international students with an agreement with HDFC, India's leading private sector bank, to help attract new customers with a simplified banking experience. The Bank also established a new collaboration with ApplyBoard, a Canadian educational organization that helps international students prepare their finances to study in Canada. In addition, TD Auto Finance was ranked #1 in Dealer Satisfaction with Non-Prime and Prime Credit Non-Captive Automotive Financing Lenders, according to the J.D. Power 2024 Canada Dealer Financing Satisfaction Study[1].

The U.S. Retail Bank delivered operating momentum with sequential earnings and loan growth in a challenging environment
U.S. Retail reported net income was $580 million (US$433 million), a decrease of 59% (58% in U.S. dollars) compared with the second quarter last year. On an adjusted basis, net income was $1,272 million, a decline of 16% (17% in U.S. dollars). TD Bank's investment in The Charles Schwab Corporation ("Schwab") contributed $183 million in earnings, a decrease of 27% (26% in U.S. dollars) compared with the second quarter last year.

The U.S. Retail Bank, which excludes the Bank's investment in Schwab, reported net income of $397 million (US$297 million), a decrease of 66% (65% in U.S. dollars) from the second quarter last year, primarily reflecting provisions for investigations related to the Bank's anti-money laundering program and the Federal

[1] 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.

Deposit Insurance Corporation (FDIC) Special Assessment, partially offset by acquisition and integration-related charges for the terminated First Horizon transaction in the second quarter last year. On an adjusted basis net income was $1,089 million (US$803 million), a decrease of 14% (15% in U.S. dollars) from the second quarter last year, primarily reflecting higher PCL and lower revenue.

The U.S. Retail Bank continued to deliver loan growth while maintaining its through-the-cycle underwriting standards, with total average loan balances up 7% compared with the second quarter last year and up 1% from last quarter. Excluding sweep deposits, total personal and business deposit average balances were down 1% year-over-year, reflecting competitive market conditions, while quarter-over-quarter, personal and business deposit average balances were flat. Overall, the U.S. Retail Bank delivered balance sheet stability in a challenging environment.

During the quarter, TD Bank, America's Most Convenient Bank® (TD AMCB) launched TD Complete Checking and TD Early Pay, offering customers more flexible banking options, including earlier access to eligible direct deposits. TD AMCB surpassed five million active mobile customers while continuing to deliver new features and capabilities that enhance the customer experience. TD AMCB was ranked 9th on Forbes' list of America's Best Employers for Diversity 2024, leading its peers as the highest ranked financial institution.

Wealth Management and Insurance results reflect strong business momentum
Wealth Management and Insurance net income was $621 million, an increase of 19% compared with the second quarter last year, as positive top-line momentum was partially offset by higher insurance service expenses. This quarter's revenue growth of 11% reflects insurance premium growth, and higher fee-based and transaction revenue in the Wealth Management business.

Wealth Management and Insurance continued to invest in client-centric innovation this quarter. TD Direct Investing completed its migration of most active traders to the new TD Active Trader platform and TD Wealth Advice continued to gain market share as it grows its advisor network[2]. TD Asset Management launched seven new actively managed fixed income ETFs, showcasing the value of its proprietary independent credit research capabilities, and offering investors the potential to earn a high rate of interest income. In TD Insurance, Small Business Insurance expanded its national reach to new customer segments including business professionals, healthcare, retail, small manufacturing, and hospitality.

Wholesale Banking delivered record revenue reflecting broad-based growth across the business
Wholesale Banking reported net income for the quarter was $361 million, an increase of $211 million compared with the second quarter last year, reflecting higher revenues, partially offset by higher non-interest expenses. On an adjusted basis, net income was $441 million, an increase of $228 million, or 107%. Revenue for the quarter was $1,940 million, an increase of $523 million, or 37%, compared with the second quarter last year, reflecting higher trading-related revenue, underwriting fees, and lending revenue.

On April 1, TD Securities and TD Cowen achieved an important milestone with the implementation of a unified Investment Banking, Capital Markets and Research platform, integrating coverage models and streamlining delivery of capabilities for clients.

Enhancements to TD's anti-money laundering (AML) program
The Bank has been cooperating with U.S. regulators and authorities in good faith for many months and is working diligently to bring these investigations to resolution so that investors can have more clarity. A comprehensive overhaul of TD's U.S. AML program is well underway, and will strengthen our program globally.

Capital
TD's Common Equity Tier 1 Capital ratio was 13.4%.

Conclusion
"Our businesses in Canada, the United States and across the globe are well-positioned to continue to meet the needs of our nearly 28 million customers and clients. I would like to thank our 95,000 TD bankers for everything they do to deliver for all of our stakeholders," added Masrani.

The foregoing contains forward-looking statements. Please refer to the "Caution Regarding Forward-Looking Statements" on page 3.

[2] Investor Economics Retail Brokerage and Distribution Quarterly Update, Winter 2023.

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; 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. 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.

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 as noted)	*For the three months ended*			*For the six months ended*	
	April 30 2024	January 31 2024	April 30 2023	**April 30 2024**	April 30 2023
Results of operations					
Total revenue – reported[1]	**$ 13,819**	$ 13,714	$ 12,397	**$ 27,533**	$ 24,598
Total revenue – adjusted[1,2]	**13,883**	13,771	12,570	**27,654**	25,647
Provision for (recovery of) credit losses	**1,071**	1,001	599	**2,072**	1,289
Insurance service expenses (ISE)[1]	**1,248**	1,366	1,118	**2,614**	2,282
Non-interest expenses – reported[1]	**8,401**	8,030	6,756	**16,431**	14,868
Non-interest expenses – adjusted[1,2]	**7,084**	7,125	6,462	**14,209**	12,799
Net income – reported[1]	**2,564**	2,824	3,306	**5,388**	4,887
Net income – adjusted[1,2]	**3,789**	3,637	3,707	**7,426**	7,861
Financial position (billions of Canadian dollars)					
Total loans net of allowance for loan losses	**$ 928.1**	$ 904.3	$ 849.6	**$ 928.1**	$ 849.6
Total assets	**1,966.7**	1,910.9	1,924.8	**1,966.7**	1,924.8
Total deposits	**1,203.8**	1,181.3	1,189.4	**1,203.8**	1,189.4
Total equity	**112.0**	112.4	116.2	**112.0**	116.2
Total risk-weighted assets[3]	**602.8**	579.4	549.4	**602.8**	549.4
Financial ratios					
Return on common equity (ROE) – reported[1,4]	**9.5 %**	10.9 %	12.4 %	**10.2 %**	9.1 %
Return on common equity – adjusted[1,2]	**14.5**	14.1	14.0	**14.3**	15.0
Return on tangible common equity (ROTCE)[1,2,4]	**13.0**	14.9	16.5	**13.9**	12.3
Return on tangible common equity – adjusted[1,2]	**19.2**	18.7	18.3	**18.9**	19.7
Efficiency ratio – reported[1,4]	**60.8**	58.6	54.5	**59.7**	60.4
Efficiency ratio – adjusted, net of ISE[1,2,4,5]	**56.1**	57.4	56.4	**56.7**	54.8
Provision for (recovery of) credit losses as a % of net average loans and acceptances	**0.47**	0.44	0.28	**0.45**	0.30
Common share information – reported (Canadian dollars)					
Per share earnings[1]					
Basic	**$ 1.35**	$ 1.55	$ 1.69	**$ 2.90**	$ 2.52
Diluted	**1.35**	1.55	1.69	**2.89**	2.52
Dividends per share	**1.02**	1.02	0.96	**2.04**	1.92
Book value per share[4]	**57.69**	57.34	57.08	**57.69**	57.08
Closing share price[6]	**81.67**	81.67	82.07	**81.67**	82.07
Shares outstanding (millions)					
Average basic	**1,762.8**	1,776.7	1,828.3	**1,769.8**	1,824.4
Average diluted	**1,764.1**	1,778.2	1,830.3	**1,771.2**	1,826.6
End of period	**1,759.3**	1,772.1	1,838.5	**1,759.3**	1,838.5
Market capitalization (billions of Canadian dollars)	**$ 143.7**	$ 144.7	$ 150.9	**$ 143.7**	$ 150.9
Dividend yield[4]	**5.1 %**	4.9 %	4.5 %	**5.0 %**	4.4 %
Dividend payout ratio[4]	**75.6**	65.7	56.7	**70.3**	76.2
Price-earnings ratio[1,4]	**13.8**	13.1	10.4	**13.8**	10.4
Total shareholder return (1 year)[4]	**4.5**	(6.9)	(7.5)	**4.5**	(7.5)
Common share information – adjusted (Canadian dollars)[1,2]					
Per share earnings[1]					
Basic	**$ 2.04**	$ 2.01	$ 1.91	**$ 4.05**	$ 4.15
Diluted	**2.04**	2.00	1.91	**4.04**	4.14
Dividend payout ratio	**49.9 %**	50.7 %	50.2 %	**50.3 %**	46.2 %
Price-earnings ratio[1]	**10.5**	10.6	9.8	**10.5**	9.8
Capital ratios[3]					
Common Equity Tier 1 Capital ratio	**13.4 %**	13.9 %	15.3 %	**13.4 %**	15.3 %
Tier 1 Capital ratio	**15.1**	15.7	17.3	**15.1**	17.3
Total Capital ratio	**17.1**	17.6	19.7	**17.1**	19.7
Leverage ratio	**4.3**	4.4	4.6	**4.3**	4.6
TLAC ratio	**30.6**	30.8	34.2	**30.6**	34.2
TLAC Leverage ratio	**8.7**	8.6	9.0	**8.7**	9.0

1 For the three and six months ended April 30, 2023, certain amounts have been restated for the adoption of IFRS 17, *Insurance Contracts* (IFRS 17). Refer to Note 2 of the Bank's second quarter 2024 Interim Consolidated Financial Statements for further details.

2 The Toronto-Dominion Bank ("TD" or the "Bank") prepares its Interim Consolidated Financial Statements in accordance with IFRS, the current 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 "Significant Events" and "How We Performed" sections 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, Leverage Requirements, and Total Loss Absorbing Capacity (TLAC) guidelines. Refer to the "Capital Position" section in the second quarter of 2024 MD&A for further details.

4 For additional information about this metric, refer to the Glossary in the second quarter of 2024 MD&A, which is incorporated by reference.

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 – Q2 2024: $12,635 million, Q1 2024: $12,405 million, Q2 2023: $11,452 million, 2024 YTD: $25,040 million, 2023 YTD: $23,365 million. Effective the first quarter of 2024, the composition of this non-GAAP ratio and the comparative amounts have been revised.

6 Toronto Stock Exchange closing market price.

SIGNIFICANT EVENTS

a) Provision for Investigations Related to the Bank's AML Program

In the second quarter of 2024, the Bank recorded an initial provision of $615 million (US$450 million) in connection with discussions with one of its U.S. regulators, related to previously disclosed regulatory and law enforcement investigations of the Bank's U.S. *Bank Secrecy Act* (BSA)/Anti-Money Laundering (AML) program. For further details, refer to Note 19 of the Bank's second quarter 2024 Interim Consolidated Financial Statements.

b) Restructuring Charges

The Bank continued to undertake certain measures in the second quarter of 2024 to reduce its cost base and achieve greater efficiency. In connection with these measures, the Bank incurred $165 million of restructuring charges which primarily relate to employee severance and other personnel-related costs and real estate optimization. Next quarter, we expect to incur additional restructuring charges of approximately $50 million, and to conclude our restructuring program.

c) Federal Deposit Insurance Corporation Special Assessment

On November 16, 2023, the 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 the Bank's fiscal 2024.

On February 23, 2024, the FDIC notified all institutions subject to the special assessment that its estimate of total losses has 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 the Bank's fiscal 2024. 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. The FDIC plans to provide institutions subject to the special assessment with an updated estimate with its first quarter 2024 special assessment invoice, to be released in June 2024.

HOW WE PERFORMED

HOW THE BANK REPORTS

The Bank prepares its Interim Consolidated Financial Statements in accordance with IFRS 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, net of ISE, 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 PCL related to these portfolios in the Bank's Interim 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 October 6, 2020, the Bank acquired an approximately 13.5% stake in The Charles Schwab Corporation ("Schwab") following the completion of Schwab's acquisition of TD Ameritrade Holding Corporation ("TD Ameritrade") of which the Bank was a major shareholder (the "Schwab transaction"). On August 1, 2022, the Bank sold 28.4 million non-voting common shares of Schwab, at a price of US$66.53 per share for proceeds of $2.5 billion (US$1.9 billion), which reduced the Bank's ownership interest in Schwab to approximately 12.0%.

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 7 of the Bank's second quarter 2024 Interim 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"), 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 over FROA 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 has 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. Refer to the "Related Party Transactions" section in the 2023 MD&A for further details.

During the first quarter of 2024, Schwab exercised its option to buy down the remaining $0.7 billion (US$0.5 billion) of the US$5 billion FROA buydown allowance and paid $32 million (US$23 million) in termination fees to the Bank in accordance with the 2023 Schwab IDA Agreement. By the end of the first quarter of 2024, Schwab had completed its buy down of the full US$5 billion FROA buydown allowance and had paid a total of $337 million (US$250 million) in termination fees to the Bank. 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.

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

TABLE 2: OPERATING RESULTS – Reported

(millions of Canadian dollars)	*For the three months ended*			*For the six months ended*	
	April 30 2024	January 31 2024	April 30 2023	**April 30 2024**	April 30 2023
Net interest income	**$ 7,465**	$ 7,488	$ 7,428	**$ 14,953**	$ 15,161
Non-interest income[1]	**6,354**	6,226	4,969	**12,580**	9,437
Total revenue[1]	**13,819**	13,714	12,397	**27,533**	24,598
Provision for (recovery of) credit losses	**1,071**	1,001	599	**2,072**	1,289
Insurance service expenses[1]	**1,248**	1,366	1,118	**2,614**	2,282
Non-interest expenses[1]	**8,401**	8,030	6,756	**16,431**	14,868
Income before income taxes and share of net income from investment in Schwab[1]	**3,099**	3,317	3,924	**6,416**	6,159
Provision for (recovery of) income taxes[1]	**729**	634	859	**1,363**	1,798
Share of net income from investment in Schwab	**194**	141	241	**335**	526
Net income – reported[1]	**2,564**	2,824	3,306	**5,388**	4,887
Preferred dividends and distributions on other equity instruments	**190**	74	210	**264**	293
Net income available to common shareholders[1]	**$ 2,374**	$ 2,750	$ 3,096	**$ 5,124**	$ 4,594

[1] For the three and six months ended April 30, 2023, certain amounts have been restated for the adoption of IFRS 17. Refer to Note 2 of the Bank's second quarter 2024 Interim 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" section.

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

(millions of Canadian dollars)	*For the three months ended*			*For the six months ended*	
	April 30 2024	January 31 2024	April 30 2023	**April 30 2024**	April 30 2023
Operating results – adjusted					
Net interest income[1]	**$ 7,529**	$ 7,545	$ 7,610	**$ 15,074**	$ 15,472
Non-interest income[1,2,3]	**6,354**	6,226	4,960	**12,580**	10,175
Total revenue[2]	**13,883**	13,771	12,570	**27,654**	25,647
Provision for (recovery of) credit losses	**1,071**	1,001	599	**2,072**	1,289
Insurance service expenses[2]	**1,248**	1,366	1,118	**2,614**	2,282
Non-interest expenses[2,4]	**7,084**	7,125	6,462	**14,209**	12,799
Income before income taxes and share of net income from investment in Schwab	**4,480**	4,279	4,391	**8,759**	9,277
Provision for income taxes	**920**	872	967	**1,792**	2,027
Share of net income from investment in Schwab[5]	**229**	230	283	**459**	611
Net income – adjusted[2]	**3,789**	3,637	3,707	**7,426**	7,861
Preferred dividends and distributions on other equity instruments	**190**	74	210	**264**	293
Net income available to common shareholders – adjusted	**3,599**	3,563	3,497	**7,162**	7,568
Pre-tax adjustments for items of note					
Amortization of acquired intangibles[6]	**(72)**	(94)	(79)	**(166)**	(133)
Acquisition and integration charges related to the Schwab transaction[4,5]	**(21)**	(32)	(30)	**(53)**	(64)
Share of restructuring and other charges from investment in Schwab[5]	**–**	(49)	–	**(49)**	–
Restructuring charges[4]	**(165)**	(291)	–	**(456)**	–
Acquisition and integration-related charges[4]	**(102)**	(117)	(73)	**(219)**	(94)
Charges related to the terminated First Horizon (FHN) acquisition[4]	**–**	–	(154)	**–**	(260)
Impact from the terminated FHN acquisition-related capital hedging strategy[1]	**(64)**	(57)	(134)	**(121)**	(1,010)
Civil matter provision/Litigation settlement[4]	**(274)**	–	(39)	**(274)**	(1,642)
FDIC special assessment[4]	**(103)**	(411)	–	**(514)**	–
Provision for investigations related to the Bank's AML program[4]	**(615)**	–	–	**(615)**	–
Less: Impact of income taxes					
Amortization of acquired intangibles	**(10)**	(15)	(12)	**(25)**	(20)
Acquisition and integration charges related to the Schwab transaction	**(5)**	(6)	(4)	**(11)**	(10)
Restructuring charges	**(43)**	(78)	–	**(121)**	–
Acquisition and integration-related charges	**(22)**	(24)	(10)	**(46)**	(15)
Charges related to the terminated FHN acquisition	**–**	–	(38)	**–**	(64)
Impact from the terminated FHN acquisition-related capital hedging strategy	**(16)**	(14)	(33)	**(30)**	(249)
Civil matter provision/Litigation settlement	**(69)**	–	(11)	**(69)**	(456)
FDIC special assessment	**(26)**	(101)	–	**(127)**	–
Canada Recovery Dividend (CRD) and federal tax rate increase for fiscal 2022[7]	**–**	–	–	**–**	585
Total adjustments for items of note	**(1,225)**	(813)	(401)	**(2,038)**	(2,974)
Net income available to common shareholders – reported	**$ 2,374**	$ 2,750	$ 3,096	**$ 5,124**	$ 4,594

[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 – Q2 2023: ($263) million, Q1 2023: ($998) million, ii) basis adjustment amortization related to de-designated fair value hedge accounting relationships, recorded in net interest income – Q2 2023: $129 million, Q1 2023: $122 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 – Q2 2023: $311 million, Q1 2023: $251 million. After the termination of the merger agreement, the residual impact of the strategy is reversed through net interest income – Q2 2024: ($64) million, Q1 2024: ($57) million.

[2] For the three and six months ended April 30, 2023, certain amounts have been restated for the adoption of IFRS 17. Refer to Note 2 of the Bank's second quarter 2024 Interim Consolidated Financial Statements for further details.

[3] Adjusted non-interest income excludes the following item of note:
i. Stanford litigation settlement – Q2 2023: $39 million. This reflects the foreign exchange loss and is reported in the Corporate segment.

[4] Adjusted non-interest expenses exclude the following items of note:
i. Amortization of acquired intangibles – Q2 2024: $42 million, Q1 2024: $63 million, Q2 2023: $49 million, Q1 2023: $24 million, reported in the Corporate segment;
ii. The Bank's own integration and acquisition costs related to the Schwab transaction – Q2 2024: $16 million, Q1 2024: $23 million, Q2 2023: $18 million, Q1 2023: $21 million, reported in the Corporate segment;
iii. Restructuring charges – Q2 2024: $165 million, Q1 2024: $291 million, reported in the Corporate segment;
iv. Acquisition and integration-related charges – Q2 2024: $102 million, Q1 2024: $117 million, Q2 2023: $73 million, Q1 2023: $21 million, reported in the Wholesale Banking segment;
v. Charges related to the terminated FHN acquisition – Q2 2023: $154 million, Q1 2023: $106 million, reported in the U.S. Retail segment;
vi. Civil matter provision/Litigation settlement – Q2 2024: $274 million in respect of a civil matter, Q1 2023: $1,603 million in respect of the Stanford litigation settlement, reported in the Corporate segment;
vii. FDIC special assessment – Q2 2024: $103 million, Q1 2024: $411 million, reported in the U.S. Retail segment; and
viii. Provision for investigations related to the Bank's AML program – Q2 2024: $615 million, reported in the U.S. Retail segment.

[5] 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 – Q2 2024: $30 million, Q1 2024: $31 million, Q2 2023: $30 million, Q1 2023: $30 million;
ii. The Bank's share of acquisition and integration charges associated with Schwab's acquisition of TD Ameritrade – Q2 2024: $5 million, Q1 2024: $9 million, Q2 2023: $12 million, Q1 2023: $13 million;
iii. The Bank's share of restructuring charges incurred by Schwab – Q1 2024: $27 million; and
iv. The Bank's share of the FDIC special assessment charge incurred by Schwab – Q1 2024: $22 million.

[6] 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 4 and 5 for amounts.

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

TABLE 4: RECONCILIATION OF REPORTED TO ADJUSTED EARNINGS PER SHARE[1]					
(Canadian dollars)	For the three months ended			For the six months ended	
	April 30 2024	January 31 2024	April 30 2023	**April 30 2024**	April 30 2023
Basic earnings per share – reported[2]	**$ 1.35**	$ 1.55	$ 1.69	**$ 2.90**	$ 2.52
Adjustments for items of note	**0.69**	0.45	0.22	**1.15**	1.63
Basic earnings per share – adjusted[2]	**$ 2.04**	$ 2.01	$ 1.91	**$ 4.05**	$ 4.15
Diluted earnings per share – reported[2]	**$ 1.35**	$ 1.55	$ 1.69	**$ 2.89**	$ 2.52
Adjustments for items of note	**0.69**	0.45	0.22	**1.15**	1.63
Diluted earnings per share – adjusted[2]	**$ 2.04**	$ 2.00	$ 1.91	**$ 4.04**	$ 4.14

[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 three and six months ended April 30, 2023, certain amounts have been restated for the adoption of IFRS 17. Refer to Note 2 of the Bank's second quarter 2024 Interim Consolidated Financial Statements for further details.

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 financial 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 attributable 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 was increased to 11.5% Common Equity Tier 1 (CET1) Capital effective the first quarter of 2024, compared with 11% in fiscal 2023.

TABLE 5: RETURN ON COMMON EQUITY					
(millions of Canadian dollars, except as noted)	For the three months ended			For the six months ended	
	April 30 2024	January 31 2024	April 30 2023	**April 30 2024**	April 30 2023
Average common equity	**$ 101,137**	$ 100,269	$ 102,800	**$ 100,573**	$ 101,750
Net income available to common shareholders – reported[1]	**2,374**	2,750	3,096	**5,124**	4,594
Items of note, net of income taxes	**1,225**	813	401	**2,038**	2,974
Net income available to common shareholders – adjusted[1]	**$ 3,599**	$ 3,563	$ 3,497	**$ 7,162**	$ 7,568
Return on common equity – reported[1]	**9.5 %**	10.9 %	12.4 %	**10.2 %**	9.1 %
Return on common equity – adjusted[1]	**14.5**	14.1	14.0	**14.3**	15.0

[1] For the three and six months ended April 30, 2023, certain amounts have been restated for the adoption of IFRS 17. Refer to Note 2 of the Bank's second quarter 2024 Interim 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 6: RETURN ON TANGIBLE COMMON EQUITY					
(millions of Canadian dollars, except as noted)	For the three months ended			For the six months ended	
	April 30 2024	January 31 2024	April 30 2023	**April 30 2024**	April 30 2023
Average common equity	**$ 101,137**	$ 100,269	$ 102,800	**$ 100,573**	$ 101,750
Average goodwill	**18,380**	18,208	17,835	**18,322**	17,713
Average imputed goodwill and intangibles on investments in Schwab	**6,051**	6,056	6,142	**6,062**	6,163
Average other acquired intangibles[1]	**574**	615	583	**595**	525
Average related deferred tax liabilities	**(228)**	(231)	(210)	**(230)**	(195)
Average tangible common equity	**76,360**	75,621	78,450	**75,824**	77,544
Net income available to common shareholders – reported[2]	**2,374**	2,750	3,096	**5,124**	4,594
Amortization of acquired intangibles, net of income taxes	**62**	79	67	**141**	113
Net income available to common shareholders adjusted for amortization of acquired intangibles, net of income taxes[2]	**2,436**	2,829	3,163	**5,265**	4,707
Other items of note, net of income taxes	**1,163**	734	334	**1,897**	2,861
Net income available to common shareholders – adjusted[2]	**$ 3,599**	$ 3,563	$ 3,497	**$ 7,162**	$ 7,568
Return on tangible common equity[2]	**13.0 %**	14.9 %	16.5 %	**13.9 %**	12.3 %
Return on tangible common equity – adjusted[2]	**19.2**	18.7	18.3	**18.9**	19.7

[1] Excludes intangibles relating to software and asset servicing rights.
[2] For the three and six months ended April 30, 2023, certain amounts have been restated for the adoption of IFRS 17. Refer to Note 2 of the Bank's second quarter 2024 Interim Consolidated Financial Statements for further details.

HOW OUR BUSINESSES PERFORMED

For management reporting purposes, the Bank's business 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.

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 the "How We Performed" section of this document, the "Business Focus" section in the Bank's 2023 MD&A, and Note 28 of the Bank's Consolidated Financial Statements for the year ended October 31, 2023. Effective the first quarter of 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.

PCL related to performing (Stage 1 and Stage 2) and impaired (Stage 3) financial assets, loan commitments, and financial guarantees is recorded within the respective segment.

Net interest income within Wholesale Banking is calculated on a taxable equivalent basis (TEB), which means that the value of non-taxable or tax-exempt income, including certain dividends, is adjusted to its equivalent pre-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 quarter was $4 million, compared with $29 million in the prior quarter and $40 million in the second quarter last year.

Share of net income from investment in Schwab is reported in the U.S. Retail segment. 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 are recorded in the Corporate segment.

TABLE 7: CANADIAN PERSONAL AND COMMERCIAL BANKING

(millions of Canadian dollars, except as noted)	*For the three months ended*			*For the six months ended*	
	April 30 2024	January 31 2024	April 30 2023	**April 30 2024**	April 30 2023
Net interest income	**$ 3,812**	$ 3,833	$ 3,377	**$ 7,645**	$ 6,916
Non-interest income	**1,027**	1,051	1,027	**2,078**	2,077
Total revenue	**4,839**	4,884	4,404	**9,723**	8,993
Provision for (recovery of) credit losses – impaired	**397**	364	234	**761**	454
Provision for (recovery of) credit losses – performing	**70**	59	13	**129**	120
Total provision for (recovery of) credit losses	**467**	423	247	**890**	574
Non-interest expenses	**1,957**	1,984	1,903	**3,941**	3,766
Provision for (recovery of) income taxes	**676**	692	629	**1,368**	1,299
Net income	**$ 1,739**	$ 1,785	$ 1,625	**$ 3,524**	$ 3,354
Selected volumes and ratios					
Return on common equity[1]	**32.9 %**	34.6 %	37.4 %	**33.8 %**	38.6 %
Net interest margin (including on securitized assets)[2]	**2.84**	2.84	2.74	**2.84**	2.77
Efficiency ratio	**40.4**	40.6	43.2	**40.5**	41.9
Number of Canadian retail branches	**1,062**	1,062	1,060	**1,062**	1,060
Average number of full-time equivalent staff	**29,053**	29,271	28,797	**29,163**	28,800

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

[2] Net interest margin is calculated by dividing net interest income by average interest-earning assets. Average interest-earning assets used in the calculation of net interest margin is a non-GAAP financial measure. Refer to "Non-GAAP and Other Financial Measures" in the "How We Performed" section of this document and the Glossary in the Bank's second quarter 2024 MD&A for additional information about these metrics.

Quarterly comparison – Q2 2024 vs. Q2 2023

Canadian Personal and Commercial Banking net income for the quarter was $1,739 million, an increase of $114 million, or 7%, compared with the second quarter last year, reflecting higher revenue, partially offset by higher PCL and non-interest expenses. The annualized ROE for the quarter was 32.9%, compared with 37.4% in the second quarter last year.

Revenue for the quarter was $4,839 million, an increase of $435 million, or 10%, compared with the second quarter last year. Net interest income was $3,812 million, an increase of $435 million, or 13%, compared with the second quarter last year, primarily reflecting volume growth and higher margins. Average loan volumes increased $37 billion, or 7%, reflecting 7% growth in personal loans and 7% growth in business loans. Average deposit volumes increased $16 billion, or 4%, reflecting 6% growth in personal deposits, partially offset by 1% decline in business deposits. Net interest margin was 2.84%, an increase of 10 basis points (bps), primarily due to higher margins on deposits, partially offset by lower margins on loans and changes to balance sheet mix. Non-interest income was $1,027 million, flat compared with the second quarter last year.

PCL for the quarter was $467 million, an increase of $220 million compared with the second quarter last year. PCL – impaired was $397 million, an increase of $163 million, or 70%, reflecting credit migration in the consumer and commercial lending portfolios. PCL – performing was $70 million, an increase of $57 million. The performing provisions this quarter largely reflect 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 0.34%, an increase of 15 bps compared with the second quarter last year.

Non-interest expenses for the quarter were $1,957 million, an increase of $54 million, or 3%, compared with the second quarter last year, reflecting higher spend supporting business growth, including higher employee-related expenses and technology costs, partially offset by higher non-credit provisions in the second quarter last year.

The efficiency ratio for the quarter was 40.4%, compared with 43.2% in the second quarter last year.

Quarterly comparison – Q2 2024 vs. Q1 2024

Canadian Personal and Commercial Banking net income for the quarter was $1,739 million, a decrease of $46 million, or 3%, compared with the prior quarter, reflecting lower revenue and higher PCL, partially offset by lower non-interest expenses. The annualized ROE for the quarter was 32.9%, compared with 34.6% in the prior quarter.

Revenue decreased $45 million, or 1%, compared with the prior quarter. Net interest income decreased $21 million, or 1%, reflecting fewer days in the second quarter, partially offset by volume growth. Average loan volumes increased $5 billion, or 1%, reflecting 1% growth in personal loans and 2% growth in business loans. Average deposit volumes were relatively flat compared with the prior quarter, reflecting 1% growth in personal deposits, offset by 1% decline in business deposits. Net interest margin was 2.84%, flat compared with the prior quarter. Non-interest income decreased $24 million, or 2%, compared with the prior quarter, reflecting lower fee revenue.

PCL for the quarter was $467 million, an increase of $44 million compared with the prior quarter. PCL – impaired was $397 million, an increase of $33 million, or 9%, largely reflecting credit migration in the commercial lending portfolio. PCL – performing was $70 million, an increase of $11 million. The performing provisions this quarter largely reflect 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 0.34%, an increase of 4 bps compared with the prior quarter.

Non-interest expenses decreased $27 million, or 1% compared with the prior quarter, primarily reflecting lower technology costs and employee-related expenses.

The efficiency ratio was 40.4%, compared with 40.6%, in the prior quarter.

Year-to-date comparison – Q2 2024 vs. Q2 2023

Canadian Personal and Commercial Banking net income for the six months ended April 30, 2024, was $3,524 million, an increase of $170 million, or 5%, compared with the same period last year, reflecting higher revenue, partially offset by higher PCL and non-interest expenses. The annualized ROE for the period was 33.8%, compared with 38.6%, in the same period last year.

Revenue for the period was $9,723 million, an increase of $730 million, or 8%, compared with the same period last year. Net interest income was $7,645 million, an increase of $729 million, or 11% compared with the same period last year, reflecting volume growth and higher margins. Average loan volumes increased $37 billion, or 7%, reflecting 7% growth in personal loans and 8% growth in business loans. Average deposit volumes increased $15 billion, or 3%, reflecting 6% growth in personal deposits, partially offset by a 2% decline in business deposits. Net interest margin was 2.84%, an increase of 7 bps, primarily due to higher margins on deposits, partially offset by lower margins on loans and changes to balance sheet mix. Non-interest income was $2,078 million, relatively flat compared with the same period last year.

PCL was $890 million, an increase of $316 million compared with the same period last year. PCL – impaired was $761 million, an increase of $307 million, or 68%, reflecting credit migration in the consumer and commercial lending portfolios. PCL – performing was $129 million, an increase of $9 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 0.32%, an increase of 10 bps compared with the same period last year.

Non-interest expenses were $3,941 million, an increase of $175 million, or 5%, compared with the same period last year, reflecting higher spend supporting business growth, including higher employee-related expenses and technology costs.

The efficiency ratio was 40.5%, compared with 41.9%, for the same period last year.

TABLE 8: U.S. RETAIL					
(millions of dollars, except as noted)	*For the three months ended*			*For the six months ended*	
Canadian Dollars	**April 30 2024**	January 31 2024	April 30 2023	**April 30 2024**	April 30 2023
Net interest income	**$ 2,841**	$ 2,899	$ 3,034	**$ 5,740**	$ 6,201
Non-interest income	**606**	604	523	**1,210**	1,083
Total revenue	**3,447**	3,503	3,557	**6,950**	7,284
Provision for (recovery of) credit losses – impaired	**311**	377	186	**688**	398
Provision for (recovery of) credit losses – performing	**69**	8	4	**77**	(8)
Total provision for (recovery of) credit losses	**380**	385	190	**765**	390
Non-interest expenses – reported	**2,597**	2,410	2,022	**5,007**	4,062
Non-interest expenses – adjusted[1,2]	**1,879**	1,999	1,868	**3,878**	3,802
Provision for (recovery of) income taxes – reported	**73**	(5)	189	**68**	393
Provision for (recovery of) income taxes – adjusted[1]	**99**	96	227	**195**	457
U.S. Retail Bank net income – reported	**397**	713	1,156	**1,110**	2,439
U.S. Retail Bank net income – adjusted[1]	**1,089**	1,023	1,272	**2,112**	2,635
Share of net income from investment in Schwab[3,4]	**183**	194	250	**377**	551
Net income – reported	**$ 580**	$ 907	$ 1,406	**$ 1,487**	$ 2,990
Net income – adjusted[1]	**1,272**	1,217	1,522	**2,489**	3,186
U.S. Dollars					
Net interest income	**$ 2,094**	$ 2,141	$ 2,241	**$ 4,235**	$ 4,589
Non-interest income	**446**	446	387	**892**	802
Total revenue	**2,540**	2,587	2,628	**5,127**	5,391
Provision for (recovery of) credit losses – impaired	**229**	279	137	**508**	295
Provision for (recovery of) credit losses – performing	**51**	6	3	**57**	(6)
Total provision for (recovery of) credit losses	**280**	285	140	**565**	289
Non-interest expenses – reported	**1,909**	1,779	1,493	**3,688**	3,005
Non-interest expenses – adjusted[1,2]	**1,384**	1,479	1,380	**2,863**	2,814
Provision for (recovery of) income taxes – reported	**54**	(3)	140	**51**	291
Provision for (recovery of) income taxes – adjusted[1]	**73**	71	168	**144**	338
U.S. Retail Bank net income – reported	**297**	526	855	**823**	1,806
U.S. Retail Bank net income – adjusted[1]	**803**	752	940	**1,555**	1,950
Share of net income from investment in Schwab[3,4]	**136**	144	185	**280**	407
Net income – reported	**$ 433**	$ 670	$ 1,040	**$ 1,103**	$ 2,213
Net income – adjusted[1]	**939**	896	1,125	**1,835**	2,357
Selected volumes and ratios					
Return on common equity – reported[5]	**5.4 %**	8.5 %	14.1 %	**6.9 %**	14.8 %
Return on common equity – adjusted[1,5]	**11.7**	11.3	15.3	**11.5**	15.8
Net interest margin[1,6]	**2.99**	3.03	3.25	**3.01**	3.27
Efficiency ratio – reported	**75.2**	68.8	56.8	**71.9**	55.7
Efficiency ratio – adjusted[1]	**54.5**	57.2	52.5	**55.8**	52.2
Assets under administration (billions of U.S. dollars)[7]	**$ 40**	$ 40	$ 39	**$ 40**	$ 39
Assets under management (billions of U.S. dollars)[7,8]	**7**	7	7	**7**	7
Number of U.S. retail stores	**1,167**	1,176	1,164	**1,167**	1,164
Average number of full-time equivalent staff	**27,957**	27,985	28,401	**27,971**	27,987

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

[2] Adjusted non-interest expenses exclude the following items of note:

i. Charges related to the terminated First Horizon acquisition – Q2 2023: $154 million or US$113 million ($116 million or US$85 million after-tax), Q1 2023: $106 million or US$78 million ($80 million or US$59 million after-tax);
ii. FDIC special assessment – Q2 2024: $103 million or US$75 million ($77 million or US$56 million after-tax), Q1 2024: $411 million or US$300 million ($310 million or US$226 million after-tax); and
iii. Provision for investigations related to the Bank's AML program – Q2 2024: $615 million or US$450 million (before and after tax).

[3] The Bank's share of Schwab's earnings is reported with a one-month lag. Refer to Note 7 of the Bank's second quarter 2024 Interim Consolidated Financial Statements for further details.

[4] 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.

[5] Capital allocated to the business segment was increased to 11.5% CET1 Capital effective the first quarter of 2024, compared with 11% in the prior year.

[6] Net interest margin is calculated by dividing U.S. Retail segment's net interest income by average interest-earning assets. For the U.S. Retail segment, this calculation excludes the impact related to sweep deposits arrangements, intercompany deposits, and cash collateral. The value of tax-exempt interest income is adjusted to its equivalent before-tax value. For investment securities, the adjustment to fair value is included in the calculation of average interest-earning assets. Management believes this calculation better reflects segment performance. Net interest income and average interest-earning assets used in the calculation are non-GAAP financial measures.

[7] For additional information about this metric, refer to the Glossary in the Bank's second quarter 2024 MD&A.

[8] Refer to "How Our Businesses Performed" section regarding alignment of certain asset management businesses from the U.S. Retail segment to the Wealth Management and Insurance segment.

Quarterly comparison – Q2 2024 vs. Q2 2023

U.S. Retail reported net income for the quarter was $580 million (US$433 million), a decrease of $826 million (US$607 million), or 59% (58% in U.S. dollars), compared with the second quarter last year. On an adjusted basis, net income for the quarter was $1,272 million (US$939 million), a decrease of $250 million (US$186 million), or 16% (17% in U.S. dollars). The reported and adjusted annualized ROE for the quarter were 5.4% and 11.7%, respectively, compared with 14.1% and 15.3%, respectively, in the second quarter 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 quarter from the Bank's investment in Schwab was $183 million (US$136 million), a decrease of $67 million (US$49 million), or 27% (26% in U.S. dollars).

U.S. Retail Bank reported net income was $397 million (US$297 million), a decrease of $759 million (US$558 million), or 66% (65% in U.S. dollars), compared with the second quarter last year, primarily reflecting higher non-interest expenses, higher PCL, and lower net interest income. U.S. Retail Bank adjusted net income was $1,089 million (US$803 million), a decrease of $183 million (US$137 million), or 14% (15% in U.S. dollars), compared with the second quarter last year, reflecting higher PCL and lower net interest income.

Revenue for the quarter was US$2,540 million, a decrease of US$88 million, or 3%, compared with the second quarter last year. Net interest income of US$2,094 million, decreased US$147 million, or 7%, driven by lower deposit margins and volumes, partially offset by higher loan volumes. Net interest margin of 2.99%, decreased 26 bps, due to lower deposit margins reflecting higher deposit costs and lower margins on loans. Non-interest income of US$446 million increased US$59 million, or 15%, compared with the second quarter last year, primarily reflecting fee income growth from increased customer activity and losses from the disposition of certain investments in the prior year.

Average loan volumes increased US$13 billion, or 7%, compared with the second quarter last year. Personal loans increased 10%, reflecting strong mortgage and auto originations and lower prepayments in the higher rate environment. Business loans increased 5%, reflecting good originations from new customer growth and slower payment rates. Average deposit volumes decreased US$21 billion, or 6%, reflecting an 18% decrease in sweep deposits, a 2% decrease in business deposits, partially offset by a 1% increase in personal deposit volumes. Excluding sweep deposits, average deposits decreased 1%.

Assets under administration (AUA) were US$40 billion as at April 30, 2024, an increase of US$1 billion, or 3%, compared with the second quarter last year, reflecting net asset growth. Assets under Management (AUM) were US$7 billion as at April 30, 2024, flat compared with the second quarter last year.

PCL for the quarter was US$280 million, an increase of US$140 million compared with the second quarter last year. PCL – impaired was US$229 million, an increase of US$92 million, or 67%, reflecting credit migration in the consumer and commercial lending portfolios. PCL – performing was US$51 million, an increase of US$48 million. The performing provisions this quarter reflect credit conditions and volume growth, and are largely recorded in the auto and commercial lending portfolios. 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 27 bps, compared with the second quarter last year.

Reported non-interest expenses for the quarter were US$1,909 million, an increase of US$416 million, or 28%, compared with the second quarter last year, reflecting the impact of the provision for investigations related to the Bank's AML program, and FDIC special assessment, partially offset by acquisition and integration-related charges for the terminated First Horizon transaction in the second quarter last year. On an adjusted basis, non-interest expenses were relatively flat, reflecting higher employee-related expenses, partially offset by productivity initiatives.

The reported and adjusted efficiency ratios for the quarter were 75.2% and 54.5%, respectively, compared with 56.8% and 52.5%, respectively, in the second quarter last year.

Quarterly comparison – Q2 2024 vs. Q1 2024

U.S. Retail reported net income of $580 million (US$433 million), a decrease of $327 million (US$237 million), or 36% (35% in U.S. dollars), compared with the prior quarter. On an adjusted basis, net income for the quarter was $1,272 million (US$939 million), an increase of $55 million (US$43 million), or 5% (5% in U.S. dollars). The reported and adjusted annualized ROE for the quarter were 5.4% and 11.7%, respectively, compared with 8.5% and 11.3%, respectively, in the prior quarter.

The contribution from Schwab of $183 million (US$136 million) decreased $11 million (US$8 million), or 6% (6% in U.S. dollars).

U.S. Retail Bank reported net income was $397 million (US$297 million), a decrease of $316 million (US$229 million), or 44% (44% in U.S. dollars), compared with the prior quarter, primarily reflecting higher non-interest expenses and lower net interest income. U.S. Retail Bank adjusted net income was $1,089 million (US$803 million), an increase of $66 million (US$51 million), or 6% (7% in U.S. dollars), primarily reflecting lower non-interest expenses, partially offset by lower net interest income.

Revenue for the quarter was US$2,540 million, a decrease of US$47 million, or 2%, compared with the prior quarter. Net interest income of US$2,094 million decreased US$47 million, or 2%, primarily reflecting the effect of fewer days in the quarter, and lower deposit margins and volumes. Net interest margin of 2.99% decreased 4 bps quarter-over-quarter due to balance sheet mix and higher funding costs. Non-interest income of US$446 million was flat compared to the prior quarter.

Average loan volumes increased US$2 billion, or 1%, compared with the prior quarter. Personal loans were relatively flat. Business loans increased 1%, reflecting good originations from new customer growth and slower payment rates. Average deposit volumes decreased US$5 billion, or 1%, compared with the prior quarter, reflecting a 5% decrease in sweep deposits and a 2% decrease in business deposits, partially offset by a 2% increase in personal deposit volume.

AUA were US$40 billion as at April 30, 2024, flat compared with the prior quarter. AUM were US$7 billion, flat compared with the prior quarter.

PCL for the quarter was US$280 million, a decrease of US$5 million compared with the prior quarter. PCL – impaired was US$229 million, a decrease of US$50 million, or 18%, reflecting lower provisions in the commercial lending portfolios, and seasonal trends in credit card and auto portfolios. PCL – performing was US$51 million, an increase of US$45 million. The performing provisions this quarter reflect credit conditions and volume growth, and are largely recorded in the auto and commercial lending portfolios. 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%, a decrease of 1 basis point, compared with the prior quarter.

Reported non-interest expenses for the quarter were US$1,909 million, an increase of US$130 million, or 7%, compared to the prior quarter, primarily reflecting the impact of the provision for investigations related to the Bank's AML program and additional FDIC special assessment, partially offset by the initial FDIC special assessment in the prior quarter, and lower operating expenses. On an adjusted basis, non-interest expenses decreased US$95 million, or 6%, due to seasonality of expenses and the impact of productivity initiatives.

The reported and adjusted efficiency ratios for the quarter were 75.2% and 54.5%, respectively, compared with 68.8% and 57.2%, respectively, in the prior quarter.

Year-to-date comparison – Q2 2024 vs. Q2 2023

U.S. Retail reported net income for the six months ended April 30, 2024, was $1,487 million (US$1,103 million), a decrease of $1,503 million (US$1,110 million), or 50% (50% in U.S. dollars), compared with the same period last year. On an adjusted basis, net income for the period was $2,489 million (US$1,835 million), a decrease of $697 million (US$522 million), or 22% (22% in U.S. dollars). The reported and adjusted annualized ROE for the period were 6.9% and 11.5%, respectively, compared with 14.8% and 15.8%, respectively, in the same period last year.

The contribution from Schwab of $377 million (US$280 million), decreased $174 million (US$127 million), or 32% (31% in U.S. dollars).

U.S. Retail Bank reported net income for the period was $1,110 million (US$823 million), a decrease of $1,329 million (US$983 million), or 54% (54% in U.S. dollars), compared with the same period last year, reflecting higher non-interest expenses, higher PCL, and lower net interest income. U.S. Retail Bank adjusted net income was $2,112 million (US$1,555 million), a decrease of $523 million (US$395 million), or 20% (20% in U.S. dollars), primarily reflecting higher PCL, higher non-interest expenses, and lower net interest income.

Revenue for the period was US$5,127 million, a decrease of US$264 million, or 5%, compared with the same period last year. Net interest income of US$4,235 million decreased US$354 million, or 8%, primarily reflecting lower deposit margins and volumes, partially offset by higher loan volumes. Net interest margin of 3.01%, decreased 26 bps, due to lower deposit margins reflecting higher deposit costs and lower margins on loans. Non-interest income of US$892 million increased US$90 million, or 11%, primarily reflecting fee income growth from increased customer activity and higher valuation on certain investments in the prior year.

Average loan volumes increased US$15 billion, or 8%, compared with the same period last year. Personal loans increased 10%, reflecting good originations and slower payment rates across portfolios. Business loans increased 6%, reflecting good originations from new customer growth, and slower payment rates. Average deposit volumes decreased US$27 billion, or 8%, reflecting a 20% decrease in sweep deposits and a 3% decrease in business deposits. Personal deposit volumes were flat. Excluding sweep deposits, average deposits decreased 1%.

PCL was US$565 million, an increase of US$276 million compared with the same period last year. PCL – impaired was US$508 million, an increase of US$213 million, or 72%, reflecting credit migration in the consumer and commercial lending portfolios. PCL – performing was a build of US$57 million, compared with a recovery of US$6 million in the prior year. The current year performing provisions largely reflect current 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 27 bps, compared with the same period last year.

Reported non-interest expenses for the period were US$3,688 million, an increase of US$683 million, or 23%, compared with the same period last year, reflecting the impact of the provision for investigations related to the Bank's AML program, FDIC special assessment, and higher operating expenses, partially offset by acquisition and integration-related charges for the terminated First Horizon transaction in the same period last year. On an adjusted basis, non-interest expenses increased US$49 million, or 2%, reflecting higher employee-related expenses.

The reported and adjusted efficiency ratios for the quarter were 71.9% and 55.8%, respectively, compared with 55.7% and 52.2%, respectively, for the same period last year.

TABLE 9: WEALTH MANAGEMENT AND INSURANCE

(millions of Canadian dollars, except as noted)	For the three months ended			For the six months ended	
	April 30 2024	January 31 2024	April 30 2023	**April 30 2024**	April 30 2023
Net interest income	**$ 304**	$ 285	$ 258	**$ 589**	$ 541
Non-interest income[1]	**2,810**	2,850	2,543	**5,660**	5,175
Total revenue	**3,114**	3,135	2,801	**6,249**	5,716
Provision for (recovery of) credit losses – impaired	**–**	–	1	**–**	1
Provision for (recovery of) credit losses – performing	**–**	–	–	**–**	–
Total provision for (recovery of) credit losses	**–**	–	1	**–**	1
Insurance service expenses[1]	**1,248**	1,366	1,118	**2,614**	2,282
Non-interest expenses[1]	**1,027**	1,047	963	**2,074**	1,972
Provision for (recovery of) income taxes	**218**	167	195	**385**	383
Net income	**$ 621**	$ 555	$ 524	**$ 1,176**	$ 1,078
Selected volumes and ratios					
Return on common equity[1,2]	**40.8 %**	37.5 %	38.0 %	**39.2 %**	38.6 %
Efficiency ratio[1]	**33.0**	33.4	34.4	**33.2**	34.5
Efficiency ratio, net of ISE[1,3]	**55.0**	59.2	57.2	**57.1**	57.4
Assets under administration (billions of Canadian dollars)[4]	**$ 596**	$ 576	$ 549	**$ 596**	$ 549
Assets under management (billions of Canadian dollars)	**489**	479	460	**489**	460
Average number of full-time equivalent staff	**15,163**	15,386	16,454	**15,276**	16,426

[1] For the three and six months ended April 30, 2023, certain amounts have been restated for the adoption of IFRS 17. Refer to Note 2 of the Bank's second quarter 2024 Interim Consolidated Financial Statements for further details.

[2] Capital allocated to the business segment was increased to 11.5% CET1 Capital effective the first quarter of 2024, compared with 11% in the prior year.

[3] Efficiency ratio, net of ISE is calculated by dividing non-interest expenses by total revenue, net of ISE. Total revenue, net of ISE – Q2 2024: $1,866 million, Q1 2024: $1,769 million, Q2 2023: $1,683 million, 2024 YTD: $3,635 million, 2023 YTD: $3,434 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 in the Bank's second quarter 2024 MD&A for additional information about this metric.

[4] Includes AUA administered by TD Investor Services, which is part of the Canadian Personal and Commercial Banking segment.

Quarterly comparison – Q2 2024 vs. Q2 2023

Wealth Management and Insurance net income for the quarter was $621 million, an increase of $97 million, or 19%, compared with the second quarter last year, reflecting higher revenue, partially offset by higher insurance service expenses and non-interest expenses. The annualized ROE for the quarter was 40.8%, compared with 38.0% in the second quarter last year.

Revenue for the quarter was $3,114 million, an increase of $313 million, or 11%, compared with the second quarter last year. Non-interest income was $2,810 million, an increase of $267 million, or 10%, reflecting higher insurance premiums, fee-based revenue commensurate with market growth and transaction revenue. Net interest income was $304 million, an increase of $46 million, or 18%, compared with the second quarter last year, reflecting higher deposit margins.

AUA were $596 billion as at April 30, 2024, an increase of $47 billion, or 9%, compared with the second quarter last year, reflecting market appreciation and net asset growth. AUM were $489 billion as at April 30, 2024, an increase of $29 billion, or 6%, compared with the second quarter last year, primarily reflecting market appreciation.

Insurance service expenses for the quarter were $1,248 million, an increase of $130 million, or 12%, compared with the second quarter last year, reflecting business growth, increased claims severity and less favourable prior years' claims development.

Non-interest expenses for the quarter were $1,027 million, an increase of $64 million, or 7%, compared with the second quarter last year, reflecting higher variable compensation commensurate with higher revenues, and technology costs.

The efficiency ratio for the quarter was 33.0%, compared with 34.4% in the second quarter last year. The efficiency ratio, net of ISE for the quarter was 55.0%, compared with 57.2% in the second quarter last year.

Quarterly comparison – Q2 2024 vs. Q1 2024

Wealth Management and Insurance net income for the quarter was $621 million, an increase of $66 million, or 12%, compared with the prior quarter, primarily reflecting higher earnings in the wealth management business. The annualized ROE for the quarter was 40.8%, compared with 37.5% in the prior quarter.

Revenue decreased $21 million, or 1%, compared with the prior quarter. Non-interest income decreased $40 million, or 1%, reflecting lower revenue in the insurance business, partially offset by higher fee-based and transaction revenue in the wealth management business. Net interest income increased $19 million, or 7%, reflecting higher deposit margins.

AUA increased $20 billion, or 3%, compared with the prior quarter, reflecting market appreciation and net asset growth. AUM increased $10 billion, or 2%, compared with prior quarter, primarily reflecting market appreciation.

Insurance service expenses for the quarter decreased $118 million, or 9%, compared with the prior quarter, reflecting seasonally lower claims and more favourable prior years' claims development.

Non-interest expenses decreased $20 million, or 2%, compared with the prior quarter, reflecting lower employee-related expenses.

The efficiency ratio for the quarter was 33.0%, compared with 33.4% in the prior quarter. The efficiency ratio, net of ISE for the quarter was 55.0%, compared with 59.2% in the prior quarter.

Year-to-date comparison – Q2 2024 vs. Q2 2023

Wealth Management and Insurance net income for the six months ended April 30, 2024, was $1,176 million, an increase of $98 million, or 9%, compared with the same period last year, reflecting higher revenues, partially offset by higher insurance service expenses and non-interest expenses. The annualized ROE for the period was 39.2%, compared with 38.6%, in the same period last year.

Revenue for the period was $6,249 million, an increase of $533 million, or 9%, compared with same period last year. Non-interest income increased $485 million, or 9%, reflecting higher insurance premiums, and fee-based revenue commensurate with market growth. Net interest income increased $48 million, or 9%, reflecting higher investment income in the insurance business, and higher deposit margins, partially offset by lower deposit volumes in the wealth management business.

Insurance service expenses were $2,614 million, an increase of $332 million, or 15%, compared with the same period last year, reflecting business growth, increased claims severity and less favourable prior years' claims development.

Non-interest expenses were $2,074 million, an increase of $102 million, or 5%, compared with the same period last year, reflecting higher variable compensation commensurate with higher revenues, and technology costs.

The efficiency ratio for the period was 33.2%, compared with 34.5% for the same period last year. The efficiency ratio, net of ISE for the period was 57.1%, compared with 57.4% in the same period last year.

TABLE 10: WHOLESALE BANKING[1]					
(millions of Canadian dollars, except as noted)	*For the three months ended*			*For the six months ended*	
	April 30 2024	January 31 2024	April 30 2023	**April 30 2024**	April 30 2023
Net interest income (TEB)	**$ 189**	$ 198	$ 498	**$ 387**	$ 1,023
Non-interest income	**1,751**	1,582	919	**3,333**	1,739
Total revenue	**1,940**	1,780	1,417	**3,720**	2,762
Provision for (recovery of) credit losses – impaired	**(1)**	5	5	**4**	6
Provision for (recovery of) credit losses – performing	**56**	5	7	**61**	38
Total provision for (recovery of) credit losses	**55**	10	12	**65**	44
Non-interest expenses – reported	**1,430**	1,500	1,189	**2,930**	2,072
Non-interest expenses – adjusted[2,3]	**1,328**	1,383	1,116	**2,711**	1,978
Provision for (recovery of) income taxes (TEB) – reported	**94**	65	66	**159**	165
Provision for (recovery of) income taxes (TEB) – adjusted[2]	**116**	89	76	**205**	180
Net income – reported	**$ 361**	$ 205	$ 150	**$ 566**	$ 481
Net income – adjusted[2]	**441**	298	213	**739**	560
Selected volumes and ratios					
Trading-related revenue (TEB)[4]	**$ 693**	$ 730	$ 482	**$ 1,423**	$ 1,144
Average gross lending portfolio (billions of Canadian dollars)[5]	**96.3**	96.2	95.2	**96.3**	96.1
Return on common equity – reported[6]	**9.2 %**	5.3 %	4.5 %	**7.3 %**	7.0 %
Return on common equity – adjusted[2,6]	**11.3**	7.6	6.4	**9.5**	8.2
Efficiency ratio – reported	**73.7**	84.3	83.9	**78.8**	75.0
Efficiency ratio – adjusted[2]	**68.5**	77.7	78.8	**72.9**	71.6
Average number of full-time equivalent staff	**7,077**	7,100	6,510	**7,089**	5,937

[1] Effective March 1, 2023, Wholesale Banking results include the acquisition of Cowen Inc.

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

[3] Adjusted non-interest expenses exclude the acquisition and integration-related charges primarily for the Cowen acquisition – Q2 2024: $102 million ($80 million after-tax), Q1 2024: $117 million ($93 million after-tax), Q2 2023: $73 million ($63 million after-tax), Q1 2023: $21 million ($16 million after-tax).

[4] Includes net interest income (loss) TEB of ($118) million (Q1 2024: $(54) million, Q2 2023: $285 million, Q1 2023: $261 million), and trading income (loss) of $811 million (Q1 2024: $784 million, Q2 2023: $197 million, Q1 2023: $401 million). Trading-related revenue (TEB) is a non-GAAP financial measure. Refer to "Non-GAAP and Other Financial Measures" in the "How We Performed" section and the Glossary in the Bank's second quarter 2024 MD&A for additional information about this metric.

[5] Includes gross loans and bankers' acceptances 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 the first quarter of 2024 compared with 11% in the prior year.

<u>Quarterly comparison – Q2 2024 vs. Q2 2023</u>

Wholesale Banking reported net income for the quarter was $361 million, an increase of $211 million, compared with the second quarter last year, primarily reflecting higher revenues, partially offset by higher non-interest expenses. On an adjusted basis, net income was $441 million, an increase of $228 million.

Revenue for the quarter, including TD Cowen, was $1,940 million, an increase of $523 million, or 37%, compared with the second quarter last year. Higher revenue primarily reflects higher trading-related revenue, underwriting fees, and lending revenue.

PCL for the quarter was $55 million, an increase of $43 million compared with the second quarter last year. PCL – impaired was a recovery of $1 million. PCL – performing was $56 million, an increase of $49 million compared to the prior year, reflecting a higher build in the current quarter largely related to credit migration across various industries.

Reported non-interest expenses for the quarter, including TD Cowen, were $1,430 million, an increase of $241 million, or 20%, compared with the second quarter last year, primarily reflecting higher variable compensation commensurate with higher revenues, TD Cowen and the associated acquisition and integration-related costs. On an adjusted basis, non-interest expenses were $1,328 million, an increase of $212 million, or 19%.

<u>Quarterly comparison – Q2 2024 vs. Q1 2024</u>

Wholesale Banking reported net income for the quarter was $361 million, an increase of $156 million, or 76%, compared with the prior quarter, primarily reflecting higher revenues, and lower non-interest expenses, partially offset by higher PCL. On an adjusted basis, net income was $441 million, an increase of $143 million, or 48%.

Revenue for the quarter increased $160 million, or 9%, compared with the prior quarter. Higher revenue primarily reflects higher underwriting and advisory fees, and the net change in fair value of loan underwriting commitments.

PCL for the quarter was $55 million, an increase of $45 million compared with the prior quarter. PCL – impaired was a recovery of $1 million. PCL – performing was $56 million, an increase of $51 million compared to the prior quarter, reflecting a higher build in the current quarter largely related to credit migration across various industries.

Reported non-interest expenses for the quarter decreased $70 million, or 5%, compared with the prior quarter, primarily reflecting a provision of $102 million taken in connection with the U.S. record keeping matter recorded in the prior period, partially offset by higher variable compensation commensurate with higher revenues. On an adjusted basis, non-interest expenses decreased $55 million or 4%.

<u>Year-to-date comparison – Q2 2024 vs. Q2 2023</u>

Wholesale Banking reported net income for the six months ended April 30, 2024 was $566 million, an increase of $85 million, or 18%, compared with the same period last year, reflecting higher revenues, partially offset by higher non-interest expenses. On an adjusted basis, net income was $739 million, an increase of $179 million, or 32%.

Revenue, including TD Cowen, was $3,720 million, an increase of $958 million, or 35%, compared with the same period last year. Higher revenue primarily reflects higher trading-related revenue, underwriting fees, lending revenue largely from syndicated and leveraged finance, and equity commissions.

PCL was $65 million, an increase of $21 million compared with the same period last year. PCL – impaired was $4 million. PCL – performing was $61 million, an increase of $23 million compared to the prior year. The current year performing provisions largely reflect credit migration across various industries.

Reported non-interest expenses were $2,930 million, an increase of $858 million, or 41%, compared with the same period last year, reflecting TD Cowen and the associated acquisition and integration-related costs, higher variable compensation commensurate with higher revenues, as well as a provision taken in connection with the U.S. record keeping matter. On an adjusted basis, non-interest expenses were $2,711 million, an increase of $733 million or 37%.

TABLE 11: CORPORATE					
(millions of Canadian dollars)	*For the three months ended*			*For the six months ended*	
	April 30 2024	January 31 2024	April 30 2023	**April 30 2024**	April 30 2023
Net income (loss) – reported	**$ (737)**	$ (628)	$ (399)	**$ (1,365)**	$ (3,016)
Adjustments for items of note					
Amortization of acquired intangibles	**72**	94	79	**166**	133
Acquisition and integration charges related to the Schwab transaction	**21**	32	30	**53**	64
Share of restructuring and other charges from investment in Schwab	**–**	49	–	**49**	–
Restructuring charges	**165**	291	–	**456**	–
Impact from the terminated FHN acquisition-related capital hedging strategy	**64**	57	134	**121**	1,010
Civil matter provision/Litigation settlement	**274**	–	39	**274**	1,642
Less: impact of income taxes					
CRD and federal tax rate increase for fiscal 2022	**–**	–	–	**–**	(585)
Other items of note	**143**	113	60	**256**	735
Net income (loss) – adjusted[1]	**$ (284)**	$ (218)	$ (177)	**$ (502)**	$ (317)
Decomposition of items included in net income (loss) – adjusted					
Net corporate expenses[2]	**$ (411)**	$ (254)	$ (191)	**$ (665)**	$ (382)
Other	**127**	36	14	**163**	65
Net income (loss) – adjusted[1]	**$ (284)**	$ (218)	$ (177)	**$ (502)**	$ (317)
Selected volumes					
Average number of full-time equivalent staff	**23,270**	23,437	22,656	**23,354**	22,244

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

[2] For additional information about this metric, refer to the Glossary in the second quarter of 2023 MD&A, which is incorporated by reference.

Quarterly comparison – Q2 2024 vs. Q2 2023

Corporate segment's reported net loss for the quarter was $737 million, compared with a reported net loss of $399 million in the second quarter last year. The higher net loss primarily reflects the impacts of a civil matter provision, higher risk and control expenses and restructuring charges, partially offset by higher revenue from treasury and balance sheet activities in the current quarter. Net corporate expenses increased $220 million compared to the prior year, primarily reflecting investments in our risk and control infrastructure. The adjusted net loss for the quarter was $284 million, compared with an adjusted net loss of $177 million in the second quarter last year.

Quarterly comparison – Q2 2024 vs. Q1 2024

Corporate segment's reported net loss for the quarter was $737 million, compared with a reported net loss of $628 million in the prior quarter. The higher net loss reflects higher risk and control expenses and the impact of a civil matter provision, partially offset by lower restructuring charges and higher revenue from treasury and balance sheet management activities. Net corporate expenses increased $157 million compared to the prior quarter, primarily reflecting investments in our risk and control infrastructure. The adjusted net loss for the quarter was $284 million, compared with an adjusted net loss of $218 million in the prior quarter.

Year-to-date comparison – Q2 2024 vs. Q2 2023

Corporate segment's reported net loss for the six months ended April 30, 2024 was $1,365 million, compared with a reported net loss of $3,016 million in the same period last year. The lower net loss primarily reflects the prior period impacts of the Stanford litigation settlement, the terminated FHN acquisition-related capital hedging strategy and provision for income taxes in connection with the CRD and increase in the Canadian federal tax rate for fiscal 2022, partially offset by restructuring charges and risk and control expenses in the current period. The adjusted net loss for the six months ended April 30, 2024 was $502 million, compared with an adjusted net loss of $317 million in the same period last year.

SHAREHOLDER AND INVESTOR INFORMATION

Shareholder Services

If you:	And your inquiry relates to:	Please contact:
Are a registered shareholder (your name appears on your TD share certificate)	Missing dividends, lost share certificates, estate questions, address changes to the share register, dividend bank account changes, the dividend reinvestment plan, eliminating duplicate mailings of shareholder materials or stopping (or resuming) receiving annual and quarterly reports	**Transfer Agent:** TSX Trust Company 301-100 Adelaide Street West Toronto, ON M5H 4H1 1-800-387-0825 (Canada and U.S. only) or 416-682-3860 Facsimile: 1-888-249-6189 shareholderinquiries@tmx.com or www.tsxtrust.com
Hold your TD shares through the Direct Registration System in the United States	Missing dividends, lost share certificates, estate questions, address changes to the share register, eliminating duplicate mailings of shareholder materials or stopping (or resuming) receiving annual and quarterly reports	Co-Transfer Agent and Registrar: Computershare Trust Company, N.A. P.O. Box 43006 Providence, RI 02940-3006 or Computershare Trust Company, N.A. 150 Royall Street Canton, MA 02021 1-866-233-4836 TDD for hearing impaired: 1-800-231-5469 Shareholders outside of U.S.: 201-680-6578 TDD shareholders outside of U.S.: 201-680-6610 Email inquiries: web.queries@computershare.com For electronic access to your account visit: www.computershare.com/investor
Beneficially own TD shares that are held in the name of an intermediary, such as a bank, a trust company, a securities broker or other nominee	Your TD shares, including questions regarding the dividend reinvestment plan and mailings of shareholder materials	Your intermediary

For all other shareholder inquiries, please contact TD Shareholder Relations at 416-944-6367 or 1-866-756-8936 or email tdshinfo@td.com. Please note that by leaving us an e-mail or voicemail message, you are providing your consent for us to forward your inquiry to the appropriate party for response.

Access to Quarterly Results Materials

Interested investors, the media and others may view the second quarter earnings news release, results slides, supplementary financial information, and the Report to Shareholders on the TD Investor Relations website at www.td.com/investor/.

Quarterly Earnings Conference Call

TD Bank Group will host an earnings conference call in Toronto, Ontario on May 23, 2024. The call will be audio webcast live through TD's website at 8:00 a.m. ET. The call will feature presentations by TD executives on the Bank's financial results for second quarter and discussions of related disclosures, followed by a question-and-answer period with analysts. The presentation material referenced during the call will be available on the TD website at www.td.com/investor on May 23, 2024, in advance of the call. A listen-only telephone line is available at 416-641-6150 or 1-866-696-5894 (toll free) and the passcode is 2727354#.

The audio webcast and presentations will be archived at www.td.com/investor. Replay of the teleconference will be available from 5:00 p.m. ET on May 23, 2024, until 11:59 p.m. ET on June 7, 2024, by calling 905-694-9451 or 1-800-408-3053 (toll free). The passcode is 7300743#.

About TD Bank Group

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 over 27.5 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 $1.97 trillion in assets on April 30, 2024. The Toronto-Dominion Bank trades under the symbol "TD" on the Toronto and New York Stock Exchanges.

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