TD Bank Group Reports Third Quarter 2024 Results

Earnings News Release • *Three and nine months ended July 31, 2024*

This quarterly Earnings News Release should be read in conjunction with the Bank's unaudited third quarter 2024 Report to Shareholders for the three and nine months ended July 31, 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 August 21, 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 and Subsequent Events" and "Non-GAAP and Other Financial Measures" in the "How We Performed" section of this document.

THIRD QUARTER FINANCIAL HIGHLIGHTS, compared with the third quarter last year:
- **Reported diluted earnings (loss) per share were $(0.14), compared with $1.53.**
- **Adjusted diluted earnings per share were $2.05, compared with $1.95.**
- **Reported net income (loss) was $(181) million, compared with $2,881 million.**
- **Adjusted net income was $3,646 million, compared with $3,649 million.**

YEAR-TO-DATE FINANCIAL HIGHLIGHTS, nine months ended July 31, 2024, compared with the corresponding period last year:
- **Reported diluted earnings per share were $2.76, compared with $4.04.**
- **Adjusted diluted earnings per share were $6.09, compared with $6.09.**
- **Reported net income was $5,207 million, compared with $7,768 million.**
- **Adjusted net income was $11,072 million, compared with $11,510 million.**

THIRD QUARTER ADJUSTMENTS (ITEMS OF NOTE)
The third quarter reported earnings figures included the following items of note:
- **Amortization of acquired intangibles of $64 million ($56 million after-tax or 3 cents per share), compared with $88 million ($75 million after-tax or 4 cents per share) in the third quarter last year.**
- **Acquisition and integration charges related to the Schwab transaction of $21 million ($18 million after-tax or 1 cent per share), compared with $54 million ($44 million after-tax or 2 cents per share) in the third quarter last year.**
- **Restructuring charges of $110 million ($81 million after-tax or 5 cents per share).**
- **Acquisition and integration charges related to the Cowen acquisition of $78 million ($60 million after-tax or 3 cents per share), compared with $143 million ($105 million after-tax or 6 cents per share) in the third quarter last year.**
- **Impact from the terminated First Horizon Corporation (FHN) acquisition-related capital hedging strategy of $62 million ($46 million after-tax or 3 cents per share), compared with $177 million ($134 million after-tax or 8 cents per share) in the third quarter last year.**
- **Provision for investigations related to the Bank's AML program of $3,566 million ($3,566 million after-tax or $2.04 per share).**

TORONTO, August 22, 2024 – TD Bank Group ("TD" or the "Bank") today announced its financial results for the third quarter ended July 31, 2024. Reported earnings were a loss of $181 million, compared with reported earnings of $2,881 million in the third quarter last year, and adjusted earnings were $3.6 billion, relatively flat.

The Bank's reported results include the impact of the US$2,600 million provision for investigations related to the Bank's anti-money laundering (AML) program, which, together with the provision taken last quarter in connection with this matter, reflects the Bank's current estimate of the total fines related to this matter.

"TD delivered record revenue and net income in Canadian Personal and Commercial Banking, continued operating momentum in the U.S., and strong results across our markets-driven businesses," said Bharat Masrani, Group President and CEO, TD Bank Group. "We continued to invest in new and innovative capabilities and expanded our product offerings to better serve our customers and clients."

Canadian Personal and Commercial Banking delivered record net income and revenue supported by continued volume growth and strong operating leverage
Canadian Personal and Commercial Banking net income was $1,872 million, an increase of 13% compared to the third quarter last year, reflecting higher revenue, partially offset by higher non-interest expenses and provisions for credit losses. The segment delivered record revenue of $5,003 million, an increase of 9%, primarily reflecting volume growth and margin expansion.

Canadian Personal and Commercial Banking grew its leading deposit franchise with another strong quarter for account openings. TD further expanded its market-leading credit card business to reach a milestone of more than 8 million active accounts and delivered market share gains in Real Estate Secured Lending while supporting its growing customer base. This quarter, TD added more value for New to Canada customers, including offers for both TD Direct Investing and the TD Cash Back Visa Card. The Bank also enhanced its TD Student Line of Credit offering, supporting Canada's next generation of doctors, dentists, and veterinarians. In addition, Business Banking launched TD Innovation Partners, a full-service banking and financing solutions platform for technology and innovation companies.

The U.S. Retail Bank delivered operating momentum in a challenging environment
U.S. Retail reported net loss for the quarter was $2,275 million (US$1,658 million), compared with reported net income of $1,305 million (US$977 million) in the third quarter last year. On an adjusted basis, net income was $1,291 million (US$942 million), a decrease of $77 million (US$83 million). Reported net income for the quarter from the Bank's investment in The Charles Schwab Corporation ("Schwab") was $178 million (US$129 million), a decrease of $13 million (US$13 million).

The U.S. Retail Bank, which excludes the Bank's investment in Schwab, reported net loss was $2,453 million (US$1,787 million), compared with reported net income of $1,114 million (US$835 million) in the third quarter last year, primarily reflecting the impact of the provision for investigations related to the Bank's AML program. On an adjusted basis net income was $1,113 million, a decrease of $64 million from the third quarter last year, primarily reflecting higher PCL and higher non-interest expenses, partially offset by higher revenue. In U.S. dollars, adjusted net income was US$813 million, a decrease of US$70 million, reflecting higher PCL and lower revenue.

This quarter, the U.S. Retail Bank continued to deliver strong operating momentum with stable deposits excluding Schwab sweep deposits, and year-over-year peer-leading loan growth. The Commercial Banking Middle Market loan balances and lending fees grew 18% and 9% respectively year-over-year. In addition, TD Bank, America's Most Convenient Bank® ranked highest among national banks in the J.D. Power 2024 U.S. Online Banking Satisfaction Study[1], reflecting investments in digital banking and continued enhancements to customer experience. For the fifth year in a row, TD Auto Finance ranked #1 in Dealer Satisfaction among Non-Captive National Prime Automotive Finance Lenders in the J.D. Power 2024 U.S. Dealer Financing Satisfaction Study[2].

Wealth Management and Insurance delivered record revenue while net income reflects impact from severe weather events
Wealth Management and Insurance net income was $430 million, relatively flat compared with the third quarter last year. Driven by strong business fundamentals, Wealth Management and Insurance delivered record revenues of $3,349 million reflecting higher insurance premiums, asset growth, higher deposit margins, and increased trades per day in the Direct Investing business. TD Insurance reported higher claims costs due to severe weather events in the Greater Toronto Area and wildfires in Alberta, in addition to increased claims severity.

Wealth Management and Insurance continued to invest in client-centric innovation this quarter. TD Direct Investing was the first bank-owned brokerage in Canada to launch partial shares trading, enabling investors to buy and sell a fraction of stocks and exchange-traded funds. TD Insurance supported customers and communities in their moments of need by providing advice and assistance to those impacted by severe weather-related events this quarter.

Wholesale Banking continued its growth, with revenues up on broader and stronger capabilities
Wholesale Banking reported net income for the quarter was $317 million, an increase of $45 million compared with the third quarter last year, primarily reflecting higher revenues, partially offset by higher PCL and non-interest expenses. On an adjusted basis, net income was $377 million, flat compared to the third quarter last year. Revenue for the quarter was $1,795 million, an increase of $227 million, or 14%, compared with the third quarter last year, reflecting higher trading-related revenue, lending revenue, advisory and underwriting fees.

This quarter, Wholesale Banking continued to gain momentum across its banking and markets businesses. In June, TD Securities colleagues across North America participated in the annual TD Securities Underwriting Hope Campaign, which raised more than $2.1 million in support of children and youth-related charities.

Update on TD's AML remediation program
TD is undertaking a remediation of its U.S. AML Program. As part of this work, the Bank has been making investments in its risk and control infrastructure, including onboarding leadership with deep subject matter expertise supported by increased staffing resources, implementing new cross-functional procedures for preventing, detecting and reporting suspicious activity; and investing in data and technology, training and process design to enable improved transaction monitoring and data analytics capabilities.

Capital
TD's Common Equity Tier 1 Capital ratio was 12.8%.

Conclusion
"Looking ahead, TD is strong and well-positioned to navigate the macroeconomic environment, invest in both our AML remediation program and our business, and continue to deepen our relationships with our nearly 28 million customers and clients," added Masrani. "I want to thank TD bankers around the globe for their hard work and commitment to the Bank and those we serve."

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

[1] TD Bank received the highest score among national banks (>$200B in deposits) in the J.D. Power 2024 U.S. Banking Online Satisfaction Study, which measures customer satisfaction with financial institutions' online experience for banking account management. Visit jdpower.com/awards for more details.
[2] TD Auto Finance received the highest score in the non-captive national – prime segment in the J.D. Power 2020-2024 U.S. Dealer Financing Satisfaction Studies of auto dealers' satisfaction with automotive finance providers. Visit jdpower.com/awards for more details.

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" or "Significant and Subsequent Events" in the relevant MD&A, which applicable releases may be found on www.td.com. All such factors, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements, should be considered carefully when making decisions with respect to the Bank. The Bank cautions readers not to place undue reliance on the Bank's forward-looking statements.

Material economic assumptions underlying the forward-looking statements contained in this document are set out in the 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 nine months ended*	
	July 31 2024	April 30 2024	July 31 2023	**July 31 2024**	July 31 2023
Results of operations					
Total revenue – reported[1]	**$ 14,176**	$ 13,819	$ 12,914	**$ 41,709**	$ 37,512
Total revenue – adjusted[1,2]	**14,238**	13,883	13,148	**41,892**	38,795
Provision for (recovery of) credit losses	**1,072**	1,071	766	**3,144**	2,055
Insurance service expenses (ISE)[1]	**1,669**	1,248	1,386	**4,283**	3,668
Non-interest expenses – reported[1]	**11,012**	8,401	7,359	**27,443**	22,227
Non-interest expenses – adjusted[1,2]	**7,208**	7,084	6,730	**21,417**	19,529
Net income (loss) – reported[1]	**(181)**	2,564	2,881	**5,207**	7,768
Net income – adjusted[1,2]	**3,646**	3,789	3,649	**11,072**	11,510
Financial position (billions of Canadian dollars)					
Total loans net of allowance for loan losses	**$ 938.3**	$ 928.1	$ 867.8	**$ 938.3**	$ 867.8
Total assets	**1,967.2**	1,966.7	1,885.2	**1,967.2**	1,885.2
Total deposits	**1,220.6**	1,203.8	1,159.5	**1,220.6**	1,159.5
Total equity	**111.6**	112.0	112.6	**111.6**	112.6
Total risk-weighted assets[3]	**610.5**	602.8	544.9	**610.5**	544.9
Financial ratios					
Return on common equity (ROE) – reported[1,4]	**(1.0) %**	9.5 %	10.8 %	**6.5 %**	9.7 %
Return on common equity – adjusted[1,2]	**14.1**	14.5	13.8	**14.3**	14.6
Return on tangible common equity (ROTCE)[1,2,4]	**(1.0)**	13.0	14.6	**8.9**	13.1
Return on tangible common equity – adjusted[1,2]	**18.8**	19.2	18.2	**18.9**	19.2
Efficiency ratio – reported[1,4]	**77.7**	60.8	57.0	**65.8**	59.3
Efficiency ratio – adjusted, net of ISE[1,2,4,5]	**57.3**	56.1	57.2	**56.9**	55.6
Provision for (recovery of) credit losses as a % of net average loans and acceptances	**0.46**	0.47	0.35	**0.46**	0.32
Common share information – reported (Canadian dollars)					
Per share earnings (loss)[1]					
Basic	**$ (0.14)**	$ 1.35	$ 1.53	**$ 2.77**	$ 4.05
Diluted	**(0.14)**	1.35	1.53	**2.76**	4.04
Dividends per share	**1.02**	1.02	0.96	**3.06**	2.88
Book value per share[4]	**57.61**	57.69	55.49	**57.61**	55.49
Closing share price[6]	**81.53**	81.67	86.96	**81.53**	86.96
Shares outstanding (millions)					
Average basic	**1,747.8**	1,762.8	1,834.8	**1,762.4**	1,827.9
Average diluted	**1,748.6**	1,764.1	1,836.3	**1,763.6**	1,829.9
End of period	**1,747.9**	1,759.3	1,827.5	**1,747.9**	1,827.5
Market capitalization (billions of Canadian dollars)	**$ 142.5**	$ 143.7	$ 158.9	**$ 142.5**	$ 158.9
Dividend yield[4]	**5.3 %**	5.1 %	4.7 %	**5.1 %**	4.5 %
Dividend payout ratio[4]	**n/m[7]**	75.6	62.6	**110.4**	71.0
Price-earnings ratio[1,4]	**19.2**	13.8	11.4	**19.2**	11.4
Total shareholder return (1 year)[4]	**(1.4)**	4.5	9.4	**(1.4)**	9.4
Common share information – adjusted (Canadian dollars)[1,2]					
Per share earnings[1]					
Basic	**$ 2.05**	$ 2.04	$ 1.95	**$ 6.09**	$ 6.10
Diluted	**2.05**	2.04	1.95	**6.09**	6.09
Dividend payout ratio	**49.7 %**	49.9 %	49.2 %	**50.1 %**	47.2 %
Price-earnings ratio[1]	**10.3**	10.5	10.5	**10.3**	10.5
Capital ratios[3]					
Common Equity Tier 1 Capital ratio	**12.8 %**	13.4 %	15.2 %	**12.8 %**	15.2 %
Tier 1 Capital ratio	**14.6**	15.1	17.2	**14.6**	17.2
Total Capital ratio	**16.3**	17.1	19.6	**16.3**	19.6
Leverage ratio	**4.1**	4.3	4.6	**4.1**	4.6
TLAC ratio	**29.1**	30.6	35.0	**29.1**	35.0
TLAC Leverage ratio	**8.3**	8.7	9.3	**8.3**	9.3

1 For the three and nine months ended July 31, 2023, certain amounts have been restated for the adoption of IFRS 17, *Insurance Contracts* (IFRS 17). Refer to Note 2 of the Bank's third 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 and Subsequent 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 third quarter of 2024 MD&A for further details.

4 For additional information about this metric, refer to the Glossary in the third 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 – Q3 2024: $12,569 million, Q2 2024: $12,635 million, Q3 2023: $11,762 million, 2024 YTD: $37,609 million, 2023 YTD: $35,127 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.

7 Not meaningful.

SIGNIFICANT AND SUBSEQUENT EVENTS

a) Investigations Related to the Bank's AML Program

The Bank continues to actively pursue a global resolution of the civil and criminal investigations into its U.S. *Bank Secrecy Act* (BSA)/AML program (the "AML Program") by its U.S. prudential regulators, the Financial Crimes Enforcement Network (FinCEN), and the U.S. Department of Justice (DOJ). For additional information about these matters, including provisions recorded in connection with such investigations, refer to Note 19 of the Bank's third quarter 2024 Interim Consolidated Financial Statements.

As previously disclosed, the Bank is undertaking a remediation of its AML Program. This is a cross-functional undertaking, spanning business lines and control functions, and is a priority for the Bank. As part of this work, the Bank has been making investments in its risk and controls infrastructure, including: (i) onboarding leadership with deep subject matter expertise supported by increased staffing resources; (ii) implementing new cross-functional procedures for preventing, detecting, and reporting suspicious activity; (iii) investing in training and process design; and (iv) investing in data and technology to enable improved transaction monitoring and data analytics capabilities. The Bank has established a dedicated program management infrastructure to monitor execution against the remediation program**.** This work is being overseen by an Interim AML/BSA Committee of the U.S. subsidiary boards and is expected to be a multi-year endeavour, involving additional investments.

b) Restructuring Charges

The Bank continued to undertake certain measures in the third quarter of 2024 to reduce its cost base and achieve greater efficiency. In connection with these measures, the Bank incurred $110 million and $566 million, respectively, of restructuring charges for the three and nine months ended July 31, 2024, which primarily relate to employee severance and other personnel-related costs and real estate optimization. The restructuring program has concluded.

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 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.

d) Sale of Schwab Common Shares

On August 21, 2024, the Bank announced that it had sold 40.5 million shares of common stock of Schwab. The shares are sold for proceeds of approximately $3.4 billion (US$2.5 billion). The share sale will reduce the Bank's ownership interest in Schwab from 12.3% to 10.1%. The Bank is expected to recognize approximately $1.0 billion (US$0.7 billion) as other income (net of $0.5 billion (US$0.4 billion) loss from accumulated other comprehensive income (AOCI) reclassified to earnings), in the fourth quarter of fiscal 2024.

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, 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 third 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 nine months ended*	
	July 31 2024	April 30 2024	July 31 2023	**July 31 2024**	July 31 2023
Net interest income	**$ 7,579**	$ 7,465	$ 7,289	**$ 22,532**	$ 22,450
Non-interest income[1]	**6,597**	6,354	5,625	**19,177**	15,062
Total revenue[1]	**14,176**	13,819	12,914	**41,709**	37,512
Provision for (recovery of) credit losses	**1,072**	1,071	766	**3,144**	2,055
Insurance service expenses[1]	**1,669**	1,248	1,386	**4,283**	3,668
Non-interest expenses[1]	**11,012**	8,401	7,359	**27,443**	22,227
Income before income taxes and share of net income from investment in Schwab[1]	**423**	3,099	3,403	**6,839**	9,562
Provision for (recovery of) income taxes[1]	**794**	729	704	**2,157**	2,502
Share of net income from investment in Schwab	**190**	194	182	**525**	708
Net income (loss) – reported[1]	**(181)**	2,564	2,881	**5,207**	7,768
Preferred dividends and distributions on other equity instruments	**69**	190	74	**333**	367
Net income (loss) attributable to common shareholders[1]	**$ (250)**	$ 2,374	$ 2,807	**$ 4,874**	$ 7,401

[1] For the three and nine months ended July 31, 2023, certain amounts have been restated for the adoption of IFRS 17. Refer to Note 2 of the Bank's third 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 and Subsequent Events" or "How We Performed" sections.

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

(millions of Canadian dollars)	*For the three months ended*			*For the nine months ended*	
	July 31 2024	April 30 2024	July 31 2023	**July 31 2024**	July 31 2023
Operating results – adjusted					
Net interest income[1]	**$ 7,641**	$ 7,529	$ 7,364	**$ 22,715**	$ 22,836
Non-interest income[1,2,3]	**6,597**	6,354	5,784	**19,177**	15,959
Total revenue[2]	**14,238**	13,883	13,148	**41,892**	38,795
Provision for (recovery of) credit losses	**1,072**	1,071	766	**3,144**	2,055
Insurance service expenses[2]	**1,669**	1,248	1,386	**4,283**	3,668
Non-interest expenses[2,4]	**7,208**	7,084	6,730	**21,417**	19,529
Income before income taxes and share of net income from investment in Schwab	**4,289**	4,480	4,266	**13,048**	13,543
Provision for income taxes	**868**	920	845	**2,660**	2,872
Share of net income from investment in Schwab[5]	**225**	229	228	**684**	839
Net income – adjusted[2]	**3,646**	3,789	3,649	**11,072**	11,510
Preferred dividends and distributions on other equity instruments	**69**	190	74	**333**	367
Net income available to common shareholders – adjusted	**3,577**	3,599	3,575	**10,739**	11,143
Pre-tax adjustments for items of note					
Amortization of acquired intangibles[6]	**(64)**	(72)	(88)	**(230)**	(221)
Acquisition and integration charges related to the Schwab transaction[4,5]	**(21)**	(21)	(54)	**(74)**	(118)
Share of restructuring and other charges from investment in Schwab[5]	**–**	–	–	**(49)**	–
Restructuring charges[4]	**(110)**	(165)	–	**(566)**	–
Acquisition and integration-related charges[4]	**(78)**	(102)	(143)	**(297)**	(237)
Charges related to the terminated FHN acquisition[4]	**–**	–	(84)	**–**	(344)
Payment related to the termination of the FHN transaction[4]	**–**	–	(306)	**–**	(306)
Impact from the terminated FHN acquisition-related capital hedging strategy[1]	**(62)**	(64)	(177)	**(183)**	(1,187)
Impact of retroactive tax legislation on payment card clearing services[3]	**–**	–	(57)	**–**	(57)
Civil matter provision/Litigation settlement[3,4]	**–**	(274)	–	**(274)**	(1,642)
FDIC special assessment[4]	**–**	(103)	–	**(514)**	–
Provision for investigations related to the Bank's AML program[4]	**(3,566)**	(615)	–	**(4,181)**	–
Less: Impact of income taxes					
Amortization of acquired intangibles	**(8)**	(10)	(13)	**(33)**	(33)
Acquisition and integration charges related to the Schwab transaction	**(3)**	(5)	(10)	**(14)**	(20)
Restructuring charges	**(29)**	(43)	–	**(150)**	–
Acquisition and integration-related charges	**(18)**	(22)	(38)	**(64)**	(53)
Charges related to the terminated FHN acquisition	**–**	–	(21)	**–**	(85)
Impact from the terminated FHN acquisition-related capital hedging strategy	**(16)**	(16)	(43)	**(46)**	(292)
Impact of retroactive tax legislation on payment card clearing services	**–**	–	(16)	**–**	(16)
Civil matter provision/Litigation settlement	**–**	(69)	–	**(69)**	(456)
FDIC special assessment	**–**	(26)	–	**(127)**	–
Canada Recovery Dividend (CRD) and federal tax rate increase for fiscal 2022[7]	**–**	–	–	**–**	585
Total adjustments for items of note	**(3,827)**	(1,225)	(768)	**(5,865)**	(3,742)
Net income (loss) attributable to common shareholders – reported	**$ (250)**	$ 2,374	$ 2,807	**$ 4,874**	$ 7,401

[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 – Q3 2023: ($125) million, 2023 YTD: ($1,386) million ii) basis adjustment amortization related to de-designated fair value hedge accounting relationships, recorded in net interest income – Q3 2023: $11 million, 2023 YTD: $262 million and iii) interest income (expense) recognized on the interest rate swaps, reclassified from non-interest income to net interest income with no impact to total adjusted net income – Q3 2023: $23 million, 2023 YTD: $585 million. After the termination of the merger agreement, the residual impact of the strategy is reversed through net interest income – Q3 2024: ($62) million, Q2 2024: ($64) million, 2024 YTD: ($183) million, Q3 2023: ($63) million, 2023 YTD: ($63) million.

[2] For the three and nine months ended July 31, 2023, certain amounts have been restated for the adoption of IFRS 17. Refer to Note 2 of the Bank's third quarter 2024 Interim Consolidated Financial Statements for further details.

[3] Adjusted non-interest income excludes the following items of note:
i. Stanford litigation settlement – 2023 YTD: $39 million. This reflects the foreign exchange loss and is reported in the Corporate segment; and
ii. Impact of retroactive tax legislation on payment card clearing services – Q3 2023: $57 million, reported in the Corporate segment.

[4] Adjusted non-interest expenses exclude the following items of note:
i. Amortization of acquired intangibles – Q3 2024: $34 million, Q2 2024: $42 million, 2024 YTD: $139 million, Q3 2023: $58 million, 2023 YTD: $131 million, reported in the Corporate segment;
ii. The Bank's own acquisition and integration charges related to the Schwab transaction – Q3 2024: $16 million, Q2 2024: $16 million, 2024 YTD: $55 million, Q3 2023: $38 million, 2023 YTD: $77 million, reported in the Corporate segment;
iii. Restructuring charges – Q3 2024: $110 million, Q2 2024: $165 million, 2024 YTD: $566 million, reported in the Corporate segment;
iv. Acquisition and integration-related charges – Q3 2024: $78 million, Q2 2024: $102 million, 2024 YTD: $297 million, Q3 2023: $143 million, 2023 YTD: $237 million, reported in the Wholesale Banking segment;
v. Charges related to the terminated FHN acquisition – Q3 2023: $84 million, 2023 YTD: $344 million, reported in the U.S. Retail segment;
vi. Payment related to the termination of the First Horizon transaction – Q3 2023: $306 million, reported in the Corporate segment;
vii. Civil matter provision/Litigation settlement – Q2 2024: $274 million, 2024 YTD $274 million in respect of a civil matter, 2023 YTD: $1,603 million in respect of the Stanford litigation settlement, reported in the Corporate segment;
viii. FDIC special assessment – Q2 2024: $103 million, 2024 YTD: $514 million, reported in the U.S. Retail segment; and
ix. Provision for investigations related to the Bank's AML program – Q3 2024: $3,566 million, Q2 2024: $615 million, 2024 YTD: $4,181 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 – Q3 2024: $30 million, Q2 2024: $30 million, 2024 YTD: $91 million, Q3 2023: $30 million, 2023 YTD: $90 million;
ii. The Bank's share of acquisition and integration charges associated with Schwab's acquisition of TD Ameritrade – Q3 2024: $5 million, Q2 2024: $5 million, 2024 YTD: $19 million, Q3 2023: $16 million, 2023 YTD: $41 million;
iii. The Bank's share of restructuring charges incurred by Schwab – 2024 YTD: $27 million; and
iv. The Bank's share of the FDIC special assessment charge incurred by Schwab – 2024 YTD: $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 nine months ended*	
	July 31 2024	April 30 2024	July 31 2023	**July 31 2024**	July 31 2023
Basic earnings (loss) per share – reported[2]	**$ (0.14)**	$ 1.35	$ 1.53	**$ 2.77**	$ 4.05
Adjustments for items of note	**2.19**	0.69	0.42	**3.32**	2.05
Basic earnings per share – adjusted[2]	**$ 2.05**	$ 2.04	$ 1.95	**$ 6.09**	$ 6.10
Diluted earnings (loss) per share – reported[2]	**$ (0.14)**	$ 1.35	$ 1.53	**$ 2.76**	$ 4.04
Adjustments for items of note	**2.19**	0.69	0.42	**3.32**	2.05
Diluted earnings per share – adjusted[2]	**$ 2.05**	$ 2.04	$ 1.95	**$ 6.09**	$ 6.09

[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 nine months ended July 31, 2024, certain amounts have been restated for the adoption of IFRS 17. Refer to Note 2 of the Bank's third 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 nine months ended*	
	July 31 2024	April 30 2024	July 31 2023	**July 31 2024**	July 31 2023
Average common equity	**$ 100,677**	$ 101,137	$ 102,750	**$ 100,523**	$ 101,832
Net income (loss) attributable to common shareholders – reported[1]	**(250)**	2,374	2,807	**4,874**	7,401
Items of note, net of income taxes	**3,827**	1,225	768	**5,865**	3,742
Net income available to common shareholders – adjusted[1]	**$ 3,577**	$ 3,599	$ 3,575	**$ 10,739**	$ 11,143
Return on common equity – reported[1]	**(1.0) %**	9.5 %	10.8 %	**6.5 %**	9.7 %
Return on common equity – adjusted[1]	**14.1**	14.5	13.8	**14.3**	14.6

[1] For the three and nine months ended July 31, 2023, certain amounts have been restated for the adoption of IFRS 17. Refer to Note 2 of the Bank's third 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 nine months ended*	
	July 31 2024	April 30 2024	July 31 2023	**July 31 2024**	July 31 2023
Average common equity	**$ 100,677**	$ 101,137	$ 102,750	**$ 100,523**	$ 101,832
Average goodwill	**18,608**	18,380	18,018	**18,403**	17,788
Average imputed goodwill and intangibles on investments in Schwab	**6,087**	6,051	6,058	**6,066**	6,123
Average other acquired intangibles[1]	**544**	574	683	**578**	569
Average related deferred tax liabilities	**(228)**	(228)	(132)	**(230)**	(165)
Average tangible common equity	**75,666**	76,360	78,123	**75,706**	77,517
Net income (loss) attributable to common shareholders – reported[2]	**(250)**	2,374	2,807	**4,874**	7,401
Amortization of acquired intangibles, net of income taxes	**56**	62	75	**197**	188
Net income (loss) attributable to common shareholders adjusted for amortization of acquired intangibles, net of income taxes[2]	**(194)**	2,436	2,882	**5,071**	7,589
Other items of note, net of income taxes	**3,771**	1,163	693	**5,668**	3,554
Net income available to common shareholders – adjusted[2]	**$ 3,577**	$ 3,599	$ 3,575	**$ 10,739**	$ 11,143
Return on tangible common equity[2]	**(1.0) %**	13.0 %	14.6 %	**8.9 %**	13.1 %
Return on tangible common equity – adjusted[2]	**18.8**	19.2	18.2	**18.9**	19.2

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

[2] For the three and nine months ended July 31, 2023, certain amounts have been restated for the adoption of IFRS 17. Refer to Note 2 of the Bank's third 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 $27 million, compared with $4 million in the prior quarter and $40 million in the third 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 nine months ended*	
	July 31 2024	April 30 2024	July 31 2023	**July 31 2024**	July 31 2023
Net interest income	**$ 3,994**	$ 3,812	$ 3,571	**$ 11,639**	$ 10,487
Non-interest income	**1,009**	1,027	999	**3,087**	3,076
Total revenue	**5,003**	4,839	4,570	**14,726**	13,563
Provision for (recovery of) credit losses – impaired	**338**	397	285	**1,099**	739
Provision for (recovery of) credit losses – performing	**97**	70	94	**226**	214
Total provision for (recovery of) credit losses	**435**	467	379	**1,325**	953
Non-interest expenses	**1,967**	1,957	1,895	**5,908**	5,661
Provision for (recovery of) income taxes	**729**	676	641	**2,097**	1,940
Net income	**$ 1,872**	$ 1,739	$ 1,655	**$ 5,396**	$ 5,009
Selected volumes and ratios					
Return on common equity[1]	**34.1 %**	32.9 %	35.4 %	**33.9 %**	37.5 %
Net interest margin (including on securitized assets)[2]	**2.81**	2.84	2.74	**2.83**	2.76
Efficiency ratio	**39.3**	40.4	41.5	**40.1**	41.7
Number of Canadian retail branches	**1,060**	1,062	1,060	**1,060**	1,060
Average number of full-time equivalent staff	**28,465**	29,053	29,172	**28,929**	28,925

[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 third quarter 2024 MD&A for additional information about these metrics.

<u>Quarterly comparison – Q3 2024 vs. Q3 2023</u>

Canadian Personal and Commercial Banking net income for the quarter was $1,872 million, an increase of $217 million, or 13%, compared with the third quarter last year, reflecting higher revenue, partially offset by higher non-interest expenses and PCL. The annualized ROE for the quarter was 34.1%, compared with 35.4% in the third quarter last year.

Revenue for the quarter was $5,003 million, an increase of $433 million, or 9%, compared with the third quarter last year. Net interest income was $3,994 million, an increase of $423 million, or 12%, primarily reflecting volume growth and higher deposit margins. Average loan volumes increased $33 billion, or 6%, reflecting 6% growth in personal loans and 7% growth in business loans. Average deposit volumes increased $22 billion, or 5%, reflecting 7% growth in personal deposits and 2% growth in business deposits. Net interest margin was 2.81%, an increase of 7 basis points (bps), primarily due to higher margins on deposits, partially offset by lower margins on loans and changes to balance sheet mix reflecting the transition of Bankers' Acceptances to Canadian Overnight Repo Rate Average (CORRA)-based loans. Non-interest income was $1,009 million, an increase of $10 million, or 1%, compared with the third quarter last year.

PCL for the quarter was $435 million, an increase of $56 million compared with the third quarter last year. PCL – impaired was $338 million, an increase of $53 million, or 19%, largely related to credit migration in the consumer lending portfolios. PCL – performing was $97 million, an increase of $3 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 0.30%, an increase of 2 bps compared with the third quarter last year.

Non-interest expenses for the quarter were $1,967 million, an increase of $72 million, or 4%, compared with the third quarter last year, reflecting higher spend supporting business growth, including higher employee-related expenses and technology costs.

The efficiency ratio for the quarter was 39.3%, compared with 41.5% in the third quarter last year.

<u>Quarterly comparison – Q3 2024 vs. Q2 2024</u>

Canadian Personal and Commercial Banking net income for the quarter was $1,872 million, an increase of $133 million, or 8%, compared with the prior quarter, primarily reflecting higher revenue. The annualized ROE for the quarter was 34.1%, compared with 32.9% in the prior quarter.

Revenue increased $164 million, or 3%, compared with the prior quarter. Net interest income increased $182 million, or 5%, reflecting volume growth and two more days in the third quarter. Average loan volumes increased $8 billion, or 1%, reflecting 1% growth in personal loans and 1% growth in business loans. Average deposit volumes increased $8 billion, or 2%, reflecting 1% growth in personal deposits and 3% growth in business deposits. Net interest margin was 2.81%, a decrease of 3 bps, primarily due to balance sheet mix, reflecting the transition of Bankers' Acceptances to CORRA-based loans. Non-interest income decreased $18 million, or 2%, compared with the prior quarter, reflecting lower fee revenue.

PCL for the quarter was $435 million, a decrease of $32 million compared with the prior quarter. PCL – impaired was $338 million, a decrease of $59 million, or 15%, reflecting lower provisions in both the commercial and consumer lending portfolios. PCL – performing was $97 million, an increase of $27 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 0.30%, a decrease of 4 bps compared with the prior quarter.

Non-interest expenses increased $10 million, or 1% compared with the prior quarter, primarily reflecting higher technology costs, partially offset by lower employee-related expenses.

The efficiency ratio was 39.3%, compared with 40.4% in the prior quarter.

Year-to-date comparison – Q3 2024 vs. Q3 2023

Canadian Personal and Commercial Banking net income for the nine months ended July 31, 2024, was $5,396 million, an increase of $387 million, or 8%, 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 33.9%, compared with 37.5%, in the same period last year.

Revenue for the period was $14,726 million, an increase of $1,163 million, or 9%, compared with the same period last year. Net interest income was $11,639 million, an increase of $1,152 million, or 11%, reflecting volume growth and higher deposit margins. Average loan volumes increased $35 billion, or 7%, reflecting 6% growth in personal loans and 7% growth in business loans. Average deposit volumes increased $17 billion, or 4%, reflecting 6% growth in personal deposits and business deposits were relatively flat compared with the same period last year. Net interest margin was 2.83%, an increase of 7 bps, primarily due to higher margins on deposits, partially offset by changes to balance sheet mix reflecting the transition of Bankers' Acceptances to CORRA-based loans and lower margins on loans. Non-interest income was $3,087 million, relatively flat compared with the same period last year.

PCL was $1,325 million, an increase of $372 million compared with the same period last year. PCL – impaired was $1,099 million, an increase of $360 million, or 49%, reflecting credit migration in the consumer and commercial lending portfolios. PCL – performing was $226 million, an increase of $12 million. The current year performing provisions largely reflect current credit conditions, including credit migration in the consumer and commercial lending portfolios, and volume growth. Total PCL as an annualized percentage of credit volume was 0.31%, an increase of 7 bps compared with the same period last year.

Non-interest expenses were $5,908 million, an increase of $247 million, or 4%, compared with the same period 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 was 40.1%, compared with 41.7%, for the same period last year.

TABLE 8: U.S. RETAIL					
(millions of dollars, except as noted)	*For the three months ended*			*For the nine months ended*	
Canadian Dollars	**July 31 2024**	April 30 2024	July 31 2023	**July 31 2024**	July 31 2023
Net interest income	**$ 2,936**	$ 2,841	$ 2,877	**$ 8,676**	$ 9,078
Non-interest income	**616**	606	606	**1,826**	1,689
Total revenue	**3,552**	3,447	3,483	**10,502**	10,767
Provision for (recovery of) credit losses – impaired	**331**	311	259	**1,019**	657
Provision for (recovery of) credit losses – performing	**47**	69	(10)	**124**	(18)
Total provision for (recovery of) credit losses	**378**	380	249	**1,143**	639
Non-interest expenses – reported	**5,498**	2,597	1,972	**10,505**	6,034
Non-interest expenses – adjusted[1,2]	**1,932**	1,879	1,888	**5,810**	5,690
Provision for (recovery of) income taxes – reported	**129**	73	148	**197**	541
Provision for (recovery of) income taxes – adjusted[1]	**129**	99	169	**324**	626
U.S. Retail Bank net income (loss) – reported	**(2,453)**	397	1,114	**(1,343)**	3,553
U.S. Retail Bank net income – adjusted[1]	**1,113**	1,089	1,177	**3,225**	3,812
Share of net income from investment in Schwab[3,4]	**178**	183	191	**555**	742
Net income (loss) – reported	**$ (2,275)**	$ 580	$ 1,305	**$ (788)**	$ 4,295
Net income – adjusted[1]	**1,291**	1,272	1,368	**3,780**	4,554
U.S. Dollars					
Net interest income	**$ 2,144**	$ 2,094	$ 2,155	**$ 6,379**	$ 6,744
Non-interest income	**450**	446	454	**1,342**	1,256
Total revenue	**2,594**	2,540	2,609	**7,721**	8,000
Provision for (recovery of) credit losses – impaired	**242**	229	193	**750**	488
Provision for (recovery of) credit losses – performing	**34**	51	(8)	**91**	(14)
Total provision for (recovery of) credit losses	**276**	280	185	**841**	474
Non-interest expenses – reported	**4,011**	1,909	1,478	**7,699**	4,483
Non-interest expenses – adjusted[1,2]	**1,411**	1,384	1,415	**4,274**	4,229
Provision for (recovery of) income taxes – reported	**94**	54	111	**145**	402
Provision for (recovery of) income taxes – adjusted[1]	**94**	73	126	**238**	464
U.S. Retail Bank net income (loss) – reported	**(1,787)**	297	835	**(964)**	2,641
U.S. Retail Bank net income – adjusted[1]	**813**	803	883	**2,368**	2,833
Share of net income from investment in Schwab[3,4]	**129**	136	142	**409**	549
Net income (loss) – reported	**$ (1,658)**	$ 433	$ 977	**$ (555)**	$ 3,190
Net income – adjusted[1]	**942**	939	1,025	**2,777**	3,382
Selected volumes and ratios					
Return on common equity – reported[5]	**(19.8) %**	5.4 %	12.7 %	**(2.3) %**	14.1 %
Return on common equity – adjusted[1,5]	**11.3**	11.7	13.3	**11.4**	15.0
Net interest margin[1,6]	**3.02**	2.99	3.00	**3.01**	3.18
Efficiency ratio – reported	**154.6**	75.2	56.7	**99.7**	56.0
Efficiency ratio – adjusted[1]	**54.4**	54.5	54.2	**55.4**	52.9
Assets under administration (billions of U.S. dollars)[7]	**$ 41**	$ 40	$ 40	**$ 41**	$ 40
Assets under management (billions of U.S. dollars)[7,8]	**8**	7	8	**8**	8
Number of U.S. retail stores	**1,150**	1,167	1,171	**1,150**	1,171
Average number of full-time equivalent staff	**27,627**	27,957	28,375	**27,855**	28,119

[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 – Q3 2023: $84 million or US$63 million ($63 million or US$48 million after-tax), 2023 YTD: $344 million or US$254 million ($259 million or US$192 million after-tax);
ii. FDIC special assessment – Q2 2024: $103 million or US$75 million ($77 million or US$56 million after-tax), 2024 YTD: $514 million or US$375 million ($387 million or US$282 million after-tax); and
iii. Provision for investigations related to the Bank's AML program – Q3 2024: $3,566 million or US$2,600 million (before and after tax), Q2 2024: $615 million or US$450 million (before and after tax), 2024 YTD: $4,181 million or US$3,050 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 third 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 third 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 – Q3 2024 vs. Q3 2023

U.S. Retail reported net loss for the quarter was $2,275 million (US$1,658 million), compared with reported net income of $1,305 million (US$977 million) in the third quarter last year. On an adjusted basis, net income for the quarter was $1,291 million (US$942 million), a decrease of $77 million (US$83 million), or 6% (8% in U.S. dollars). The reported and adjusted annualized ROE for the quarter were (19.8)% and 11.3%, respectively, compared with 12.7% and 13.3%, respectively, in the third 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 $178 million (US$129 million), a decrease of $13 million (US$13 million), or 7% (9% in U.S. dollars), compared with the third quarter last year.

U.S. Retail Bank reported net loss was $2,453 million (US$1,787 million), compared with reported net income of $1,114 million (US$835 million) in the third quarter last year, primarily reflecting the impact of the provision for investigations related to the Bank's AML program. U.S. Retail Bank adjusted net income was $1,113 million, a decrease of $64 million, or 5%, compared with the third quarter last year, reflecting higher PCL and higher non-interest expenses, partially offset by higher revenue. In U.S. dollars, U.S. Retail Bank adjusted net income was US$813 million, a decrease of US$70 million, or 8%, compared with the third quarter last year, reflecting higher PCL and lower revenue.

Revenue for the quarter was US$2,594 million, a decrease of US$15 million, or 1%, compared with the third quarter last year. Net interest income of US$2,144 million, decreased US$11 million, or 1%, driven by lower deposit volumes and loan margins, partially offset by higher loan volumes. Net interest margin of 3.02% increased 2 bps due to higher deposit margins. Non-interest income of US$450 million decreased US$4 million, or 1%, compared with the third quarter last year.

Average loan volumes increased US$10 billion, or 5%, compared with the third quarter last year. Personal loans increased 8%, reflecting strong mortgage and auto originations and lower prepayments in the higher rate environment. Business loans increased 3%, reflecting good originations from new customer growth and slower payment rates. Average deposit volumes decreased US$17 billion, or 5%, reflecting a 17% decrease in sweep deposits, a 3% decrease in business deposits, partially offset by a 3% increase in personal deposit volumes. Excluding sweep deposits, average deposits remained relatively stable.

Assets under administration (AUA) were US$41 billion as at July 31, 2024, an increase of US$1 billion, or 3%, compared with the third quarter last year, reflecting net asset growth. Assets under management (AUM) were US$8 billion as at July 31, 2024, flat compared with the third quarter last year.

PCL for the quarter was US$276 million, an increase of US$91 million compared with the third quarter last year. PCL – impaired was US$242 million, an increase of US$49 million, or 25%, largely reflecting credit migration in the consumer lending portfolios. PCL – performing was US$34 million compared with a recovery of US$8 million in the prior year. The performing provisions this quarter were largely recorded in the commercial lending portfolio, reflecting credit conditions, including credit migration. 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 0.58%, an increase of 17 bps, compared with the third quarter last year.

Reported non-interest expenses for the quarter were US$4,011 million, compared with US$1,478 million in the third quarter last year, reflecting the impact of the provision for investigations related to the Bank's AML program, partially offset by the impact of acquisition and integration-related charges for the terminated First Horizon transaction in the third quarter last year. On an adjusted basis, non-interest expenses were US$1,411 million, relatively flat compared with the third quarter last year, primarily due to higher operating expenses, offset by ongoing productivity initiatives.

The reported and adjusted efficiency ratios for the quarter were 154.6% and 54.4%, respectively, compared with 56.7% and 54.2%, respectively, in the third quarter last year.

Quarterly comparison – Q3 2024 vs. Q2 2024

U.S. Retail reported net loss was $2,275 million (US$1,658 million), compared with reported net income of $580 million (US$433 million) in the prior quarter. On an adjusted basis, net income for the quarter was $1,291 million (US$942 million), an increase of $19 million (US$3 million), or 1% (relatively flat in U.S. dollars). The reported and adjusted annualized ROE for the quarter were (19.8)% and 11.3%, respectively, compared with 5.4% and 11.7%, respectively, in the prior quarter.

The contribution from Schwab of $178 million (US$129 million) decreased $5 million (US$7 million), or 3% (5% in U.S. dollars), compared with the prior quarter.

U.S. Retail Bank reported net loss was $2,453 million (US$1,787 million), compared with reported net income of $397 million (US$297 million) in the prior quarter, primarily reflecting the impact of higher provision for investigations related to the Bank's AML program, partially offset by the impact of the FDIC special assessment charge in the prior quarter and higher net interest income. U.S. Retail Bank adjusted net income was $1,113 million (US$813 million), an increase of $24 million (US$10 million), or 2% (1% in U.S. dollars), primarily reflecting higher revenue, partially offset by higher non-interest expenses.

Revenue increased US$54 million, or 2%, compared with the prior quarter. Net interest income of US$2,144 million increased US$50 million, or 2%, reflecting higher deposit margins and loan volumes, partially offset by lower deposit volumes. Net interest margin of 3.02% increased 3 bps quarter over quarter due to higher deposit margins. Non-interest income of US$450 million increased US$4 million or 1%, primarily reflecting fee income growth from increased customer activity.

Average loan volumes were relatively flat compared with the prior quarter with personal loans increase of 1%. Business loans were relatively flat. Average deposit volumes decreased US$7 billion, or 2%, compared with the prior quarter, reflecting a 6% decrease in sweep deposits and a 2% decrease in business deposits. Personal deposits were relatively flat.

AUA were US$41 billion as at July 31, 2024, an increase of $1 billion, or 3%, compared with the prior quarter. AUM were US$8 billion, an increase of $1 billion, or 14%, compared with the prior quarter.

PCL for the quarter was US$276 million, a decrease of US$4 million compared with the prior quarter. PCL – impaired was US$242 million, an increase of US$13 million, or 6%, reflecting credit migration in the consumer and commercial lending portfolios. PCL – performing was US$34 million, a decrease of US$17 million. The performing provisions this quarter were largely recorded in the commercial lending portfolio, reflecting credit conditions, including credit migration. 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 0.58%, a decrease of 2 bps, compared with the prior quarter.

Reported non-interest expenses for the quarter were US$4,011 million, compared with reported non-interest expenses of US$1,909 million in the prior quarter, primarily reflecting the impact of a higher provision for investigations related to the Bank's AML program, and higher operating expenses, partially offset by the impact of FDIC special assessment charge in the prior quarter. On an adjusted basis, non-interest expenses increased US$27 million, or 2%, due to higher operating expenses.

The reported and adjusted efficiency ratios for the quarter were 154.6% and 54.4%, respectively, compared with 75.2% and 54.5%, respectively, in the prior quarter.

Year-to-date comparison – Q3 2024 vs. Q3 2023

U.S. Retail reported net loss for the nine months ended July 31, 2024, was $788 million (US$555 million), compared with reported net income of $4,295 million (US$3,190 million) in the same period last year. On an adjusted basis, net income for the period was $3,780 million (US$2,777 million), a decrease of $774 million (US$605 million), or 17% (18% in U.S. dollars). The reported and adjusted annualized ROE for the period were (2.3)% and 11.4%, respectively, compared with 14.1% and 15.0%, respectively, in the same period last year.

The contribution from Schwab of $555 million (US$409 million), decreased $187 million (US$140 million), or 25% (26% in U.S. dollars), compared with the same period last year.

U.S. Retail Bank reported net loss for the period was $1,343 million (US$964 million), compared with reported net income of $3,553 million (US$2,641 million) in the same period last year, reflecting the impact of the provision for investigations related to the Bank's AML program, the impact of the FDIC special assessment charge, higher PCL and lower net interest income, partially offset by acquisition and integration-related charges for the terminated First Horizon transaction in the same period last year. U.S. Retail Bank adjusted net income was $3,225 million (US$2,368 million), a decrease of $587 million (US$465 million), or 15% (16% in U.S. dollars), primarily reflecting higher PCL and non-interest expenses, and lower net interest income.

Revenue for the period was US$7,721 million, a decrease of US$279 million, or 3%, compared with the same period last year. Net interest income of US$6,379 million decreased US$365 million, or 5%, primarily reflecting lower deposit margins and volumes, partially offset by higher loan volumes. Net interest margin of 3.01%, decreased 17 bps, due to lower deposit margins reflecting higher deposit costs. Non-interest income of US$1,342 million increased US$86 million, or 7%, primarily reflecting fee income growth from increased customer activity.

Average loan volumes increased US$13 billion, or 7%, compared with the same period last year. Personal loans increased 9% and business loans increased 5%, reflecting good originations and slower payment rates across portfolios. Average deposit volumes decreased US$24 billion, or 7%, reflecting a 19% decrease in sweep deposits and a 3% decrease in business deposits, partially offset by 1% increase in personal deposit volumes. Excluding sweep deposits, average deposits decreased 1%.

PCL was US$841 million, an increase of US$367 million compared with the same period last year. PCL – impaired was US$750 million, an increase of US$262 million, or 54%, reflecting credit migration in the consumer and commercial lending portfolios. PCL – performing was US$91 million, compared with a recovery of US$14 million in the prior year. The current year performing provisions largely reflect current credit conditions, including credit migration, and volume growth. U.S. Retail PCL including only the Bank's share of PCL in the U.S. strategic cards portfolio, as an annualized percentage of credit volume was 0.59%, an increase of 23 bps, compared with the same period last year.

Reported non-interest expenses for the period were US$7,699 million, an increase of US$3,216 million, or 72%, compared with the same period last year, primarily reflecting the impact of the provision for investigations related to the Bank's AML program, the impact of the FDIC special assessment charge, and higher operating expenses, partially offset by the impact of 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$45 million, or 1%, reflecting higher operating expenses, partially offset by ongoing productivity initiatives.

The reported and adjusted efficiency ratios for the quarter were 99.7% and 55.4%, respectively, compared with 56.0% and 52.9%, 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 nine months ended	
	July 31 2024	April 30 2024	July 31 2023	**July 31 2024**	July 31 2023
Net interest income	**$ 316**	$ 304	$ 258	**$ 905**	$ 799
Non-interest income[1]	**3,033**	2,810	2,700	**8,693**	7,875
Total revenue	**3,349**	3,114	2,958	**9,598**	8,674
Provision for (recovery of) credit losses – impaired	**–**	–	–	**–**	1
Provision for (recovery of) credit losses – performing	**–**	–	–	**–**	–
Total provision for (recovery of) credit losses	**–**	–	–	**–**	1
Insurance service expenses[1]	**1,669**	1,248	1,386	**4,283**	3,668
Non-interest expenses[1]	**1,104**	1,027	979	**3,178**	2,951
Provision for (recovery of) income taxes	**146**	218	162	**531**	545
Net income	**$ 430**	$ 621	$ 431	**$ 1,606**	$ 1,509
Selected volumes and ratios					
Return on common equity[1,2]	**27.1 %**	40.8 %	29.0 %	**35.0 %**	35.5 %
Efficiency ratio[1]	**33.0**	33.0	33.1	**33.1**	34.0
Efficiency ratio, net of ISE[1,3]	**65.7**	55.0	62.3	**59.8**	58.9
Assets under administration (billions of Canadian dollars)[4]	**$ 632**	$ 596	$ 559	**$ 632**	$ 559
Assets under management (billions of Canadian dollars)	**523**	489	460	**523**	460
Average number of full-time equivalent staff	**14,887**	15,163	16,002	**15,145**	16,283

[1] For the three and nine months ended July 31, 2023, certain amounts have been restated for the adoption of IFRS 17. Refer to Note 2 of the Bank's third 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 – Q3 2024: $1,680 million, Q2 2024: $1,866 million, Q3 2023: $1,572 million, 2024 YTD: $5,315 million, 2023 YTD: $5,006 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 third 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 – Q3 2024 vs. Q3 2023

Wealth Management and Insurance net income for the quarter was $430 million, relatively flat compared with the third quarter last year, reflecting higher insurance service expenses and non-interest expenses, offset by higher revenue. The annualized ROE for the quarter was 27.1%, compared with 29.0% in the third quarter last year.

Revenue for the quarter was $3,349 million, an increase of $391 million, or 13%, compared with the third quarter last year. Non-interest income was $3,033 million, an increase of $333 million, or 12%, reflecting higher insurance premiums, fee-based revenue, and transaction revenue. Net interest income was $316 million, an increase of $58 million, or 22%, compared with the third quarter last year, reflecting higher deposit margins.

AUA were $632 billion as at July 31, 2024, an increase of $73 billion, or 13%, and AUM were $523 billion as at July 31, 2024, an increase of $63 billion, or 14%, compared with the third quarter last year, both reflecting market appreciation and net asset growth.

Insurance service expenses for the quarter were $1,669 million, an increase of $283 million, or 20%, compared with the third quarter last year, primarily reflecting increased claims severity, less favourable prior years' claims development and larger impact of severe weather-related events.

Non-interest expenses for the quarter were $1,104 million, an increase of $125 million, or 13%, compared with the third quarter last year, reflecting provisions related to ongoing litigation matters and higher variable compensation.

The efficiency ratio for the quarter was 33.0%, compared with 33.1% in the third quarter last year. The efficiency ratio, net of ISE for the quarter was 65.7%, compared with 62.3% in the third quarter last year.

Quarterly comparison – Q3 2024 vs. Q2 2024

Wealth Management and Insurance net income for the quarter was $430 million, a decrease of $191 million, or 31%, compared with the prior quarter, primarily reflecting higher insurance service expenses and non-interest expenses, partially offset by higher revenue. The annualized ROE for the quarter was 27.1%, compared with 40.8% in the prior quarter.

Revenue increased $235 million, or 8%, compared with the prior quarter. Non-interest income increased $223 million, or 8%, reflecting seasonally higher insurance premiums and higher fee-based revenue. Net interest income increased $12 million, or 4%, reflecting higher deposit margins.

AUA increased $36 billion, or 6%, and AUM increased $34 billion, or 7%, compared with the prior quarter, both reflecting market appreciation and net asset growth.

Insurance service expenses for the quarter increased $421 million, or 34%, compared with the prior quarter, reflecting more severe weather-related events, increased claims severity, seasonally higher claims, and less favourable prior years' claims development.

Non-interest expenses increased $77 million, or 7%, compared with the prior quarter, primarily reflecting provisions related to ongoing litigation matters.

The efficiency ratio for the quarter was 33.0%, flat, compared with the prior quarter. The efficiency ratio, net of ISE for the quarter was 65.7%, compared with 55.0% in the prior quarter.

Year-to-date comparison – Q3 2024 vs. Q3 2023

Wealth Management and Insurance net income for the nine months ended July 31, 2024, was $1,606 million, an increase of $97 million, or 6%, compared with the same period last year, reflecting higher revenue, partially offset by higher insurance service expenses and non-interest expenses. The annualized ROE for the period was 35.0%, compared with 35.5%, in the same period last year.

Revenue for the period was $9,598 million, an increase of $924 million, or 11%, compared with same period last year. Non-interest income increased $818 million, or 10%, reflecting higher insurance premiums, fee-based revenue, and transaction revenue. Net interest income increased $106 million, or 13%, reflecting higher deposit margins and higher investment income in the insurance business, partially offset by lower deposit volumes in the wealth management business.

Insurance service expenses were $4,283 million, an increase of $615 million, or 17%, compared with the same period last year, primarily reflecting increased claims severity, less favourable prior years' claims development and larger impact of severe weather-related events.

Non-interest expenses were $3,178 million, an increase of $227 million, or 8%, compared with the same period last year, reflecting higher variable compensation and provisions related to ongoing litigation matters.

The efficiency ratio for the period was 33.1%, compared with 34.0% for the same period last year. The efficiency ratio, net of ISE for the period was 59.8%, compared with 58.9% 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 nine months ended	
	July 31 2024	April 30 2024	July 31 2023	**July 31 2024**	July 31 2023
Net interest income (loss) (TEB)	**$ (26)**	$ 189	$ 270	**$ 361**	$ 1,293
Non-interest income	**1,821**	1,751	1,298	**5,154**	3,037
Total revenue	**1,795**	1,940	1,568	**5,515**	4,330
Provision for (recovery of) credit losses – impaired	**109**	(1)	10	**113**	16
Provision for (recovery of) credit losses – performing	**9**	56	15	**70**	53
Total provision for (recovery of) credit losses	**118**	55	25	**183**	69
Non-interest expenses – reported	**1,310**	1,430	1,247	**4,240**	3,319
Non-interest expenses – adjusted[2,3]	**1,232**	1,328	1,104	**3,943**	3,082
Provision for (recovery of) income taxes (TEB) – reported	**50**	94	24	**209**	189
Provision for (recovery of) income taxes (TEB) – adjusted[2]	**68**	116	62	**273**	242
Net income – reported	**$ 317**	$ 361	$ 272	**$ 883**	$ 753
Net income – adjusted[2]	**377**	441	377	**1,116**	937
Selected volumes and ratios					
Trading-related revenue (TEB)[4]	**$ 726**	$ 693	$ 626	**$ 2,149**	$ 1,770
Average gross lending portfolio (billions of Canadian dollars)[5]	**97.4**	96.3	93.8	**96.6**	95.3
Return on common equity – reported[6]	**7.8 %**	9.2 %	7.4 %	**7.5 %**	7.1 %
Return on common equity – adjusted[2,6]	**9.4**	11.3	10.3	**9.4**	8.9
Efficiency ratio – reported	**73.0**	73.7	79.5	**76.9**	76.7
Efficiency ratio – adjusted[2]	**68.6**	68.5	70.4	**71.5**	71.2
Average number of full-time equivalent staff	**7,018**	7,077	7,233	**7,065**	7,081

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 – Q3 2024: $78 million ($60 million after-tax), Q2 2024: $102 million ($80 million after-tax), 2024 YTD: $297 million ($233 million after-tax), Q3 2023: $143 million ($105 million after-tax), 2023 YTD: $237 million ($184 million after-tax).
4 Includes net interest income (loss) TEB of ($332) million (Q2 2024: ($118) million, 2024 YTD: $(504) million, Q3 2023: $8 million, 2023 YTD: $554 million), and trading income (loss) of $1,058 million (Q2 2024: $811 million, 2024 YTD: $2,653 million, Q3 2023: $618 million, 2023 YTD: $1,216 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 third 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.

Quarterly comparison – Q3 2024 vs. Q3 2023

Wholesale Banking reported net income for the quarter was $317 million, an increase of $45 million, or 17%, compared with the third quarter last year, primarily reflecting higher revenues, partially offset by higher PCL, and non-interest expenses. On an adjusted basis, net income was $377 million, flat to the third quarter last year.

Revenue for the quarter was $1,795 million, an increase of $227 million, or 14%, compared with the third quarter last year. Higher revenue primarily reflects higher trading-related revenue, lending revenue, advisory fees, and underwriting fees.

PCL for the quarter was $118 million, an increase of $93 million compared with the third quarter last year. PCL – impaired was $109 million, an increase of $99 million compared to the prior year, primarily reflecting a few new impairments across various industries. PCL – performing was $9 million, a decrease of $6 million.

Reported non-interest expenses for the quarter were $1,310 million, an increase of $63 million, or 5%, compared with the third quarter last year, primarily reflecting higher variable compensation commensurate with higher revenues, partially offset by lower acquisition and integration-related costs. On an adjusted basis, non-interest expenses were $1,232 million, an increase of $128 million, or 12%.

Quarterly comparison – Q3 2024 vs. Q2 2024

Wholesale Banking reported net income for the quarter was $317 million, a decrease of $44 million, or 12%, compared with the prior quarter, primarily reflecting lower revenues and higher PCL, partially offset by lower non-interest expenses. On an adjusted basis, net income was $377 million, a decrease of $64 million, or 15%.

Revenue for the quarter decreased $145 million, or 7%, compared with the prior quarter. Lower revenue primarily reflects lower interest rate and credit trading-related revenue, underwriting fees, and the net change in fair value of loan underwriting commitments recorded in the prior quarter, partially offset by higher foreign exchange trading-related revenue and equity trading-related revenue.

PCL for the quarter was $118 million, an increase of $63 million compared with the prior quarter. PCL – impaired was $109 million, an increase of $110 million, primarily reflecting a few new impairments across various industries. PCL – performing was $9 million, a decrease of $47 million.

Reported non-interest expenses for the quarter decreased $120 million, or 8%, compared with the prior quarter, primarily reflecting lower variable compensation commensurate with lower revenues, and lower acquisition and integration-related costs. On an adjusted basis, non-interest expenses decreased $96 million, or 7%.

Year-to-date comparison – Q3 2024 vs. Q3 2023

Wholesale Banking reported net income for the nine months ended July 31, 2024, was $883 million, an increase of $130 million, or 17%, compared with the same period last year, reflecting higher revenues, partially offset by higher non-interest expenses, and PCL. On an adjusted basis, net income was $1,116 million, an increase of $179 million, or 19%.

Revenue, including TD Cowen, was $5,515 million, an increase of $1,185 million, or 27%, compared with the same period last year. Higher revenue primarily reflects higher interest rate and credit trading-related revenue, lending revenue, advisory, and underwriting fees.

PCL was $183 million, an increase of $114 million compared with the same period last year. PCL – impaired was $113 million, an increase of $97 million, primarily reflecting a few new impairments across various industries. PCL – performing was $70 million, an increase of $17 million. The current year performing provisions largely reflect current credit conditions, including credit migration.

Reported non-interest expenses were $4,240 million, an increase of $921 million, or 28%, compared with the same period last year, reflecting higher variable compensation commensurate with higher revenues, TD Cowen and the associated acquisition and integration-related costs, as well as a provision taken in connection with the U.S. record keeping matter. On an adjusted basis, non-interest expenses were $3,943 million, an increase of $861 million or 28%.

TABLE 11: CORPORATE					
(millions of Canadian dollars)	*For the three months ended*			*For the nine months ended*	
	July 31 2024	April 30 2024	July 31 2023	**July 31 2024**	July 31 2023
Net income (loss) – reported	**$ (525)**	$ (737)	$ (782)	**$ (1,890)**	$ (3,798)
Adjustments for items of note					
Amortization of acquired intangibles	**64**	72	88	**230**	221
Acquisition and integration charges related to the Schwab transaction	**21**	21	54	**74**	118
Share of restructuring and other charges from investment in Schwab	**–**	–	–	**49**	–
Restructuring charges	**110**	165	–	**566**	–
Payment related to the termination of the FHN transaction	**–**	–	306	**–**	306
Impact from the terminated FHN acquisition-related capital hedging strategy	**62**	64	177	**183**	1,187
Impact of retroactive tax legislation on payment card clearing services	**–**	–	57	**–**	57
Civil matter provision/Litigation settlement	**–**	274	–	**274**	1,642
Less: impact of income taxes					
CRD and federal tax rate increase for fiscal 2022	**–**	–	–	**–**	(585)
Other items of note	**56**	143	82	**312**	817
Net income (loss) – adjusted[1]	**$ (324)**	$ (284)	$ (182)	**$ (826)**	$ (499)
Decomposition of items included in net income (loss) – adjusted					
Net corporate expenses[2]	**$ (426)**	$ (411)	$ (333)	**$ (1,091)**	$ (715)
Other	**102**	127	151	**265**	216
Net income (loss) – adjusted[1]	**$ (324)**	$ (284)	$ (182)	**$ (826)**	$ (499)
Selected volumes					
Average number of full-time equivalent staff	**22,881**	23,270	23,486	**23,196**	22,686

[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 third quarter of 2024 MD&A, which is incorporated by reference.

Quarterly comparison – Q3 2024 vs. Q3 2023

Corporate segment's reported net loss for the quarter was $525 million, compared with a reported net loss of $782 million in the third quarter last year. The lower net loss primarily reflects the prior year payment related to the termination of the First Horizon transaction and impact from the terminated FHN acquisition-related capital hedging strategy, partially offset by the current quarter's higher investments in risk and control infrastructure and restructuring charges. Net corporate expenses increased $93 million compared to the prior year, primarily reflecting investments in risk and control infrastructure, partially offset by litigation expenses in the prior year. The adjusted net loss for the quarter was $324 million, compared with an adjusted net loss of $182 million in the third quarter last year.

Quarterly comparison – Q3 2024 vs. Q2 2024

Corporate segment's reported net loss for the quarter was $525 million, compared with a reported net loss of $737 million in the prior quarter. The lower net loss primarily reflects the prior quarter impact of a civil matter provision and the current quarter's lower restructuring charges. Net corporate expenses increased $15 million compared to the prior quarter, primarily reflecting higher investments in risk and control infrastructure. The adjusted net loss for the quarter was $324 million, compared with an adjusted net loss of $284 million in the prior quarter.

Year-to-date comparison – Q3 2024 vs. Q3 2023

Corporate segment's reported net loss for the nine months ended July 31, 2024 was $1,890 million, compared with a reported net loss of $3,798 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 federal tax rate increase for fiscal 2022, partially offset by restructuring charges and higher investments in risk and control infrastructure in the current period. The adjusted net loss for the nine months ended July 31, 2024 was $826 million, compared with an adjusted net loss of $499 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 third 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 August 22, 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 the third 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 August 22, 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 August 22, 2024, until 11:59 p.m. ET on September 6, 2024, by calling 905-694-9451 or 1-800-408-3053 (toll free). The passcode is 7300743#.

Annual Meeting
Thursday, April 10, 2025
Toronto, Ontario

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 July 31, 2024. The Toronto-Dominion Bank trades under the symbol "TD" on the Toronto and New York Stock Exchanges.

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