



# **TD Bank Group**

## **Q4 2019 Quarterly Results Presentation**

Thursday, December 5, 2019

# 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 ("2019 MD&A") in the Bank's 2019 Annual Report under the heading "Economic Summary and Outlook", for the Canadian Retail, U.S. Retail, and Wholesale Banking segments under headings "Business Outlook and Focus for 2020", and for the Corporate segment, "Focus for 2020", and in other statements regarding the Bank's objectives and priorities for 2020 and beyond and strategies to achieve them, the regulatory environment in which the Bank operates, and the Bank's anticipated financial performance. Forward-looking statements are typically identified by words such as "will", "would", "should", "believe", "expect", "anticipate", "intend", "estimate", "plan", "goal", "target", "may", and "could".

By their very nature, these forward-looking statements require the Bank to make assumptions and are subject to inherent risks and uncertainties, general and specific. Especially in light of the uncertainty related to the physical, financial, economic, political, and regulatory environments, such risks and uncertainties – many of which are beyond the Bank's control and the effects of which can be difficult to predict – may cause actual results to differ materially from the expectations expressed in the forward-looking statements. Risk factors that could cause, individually or in the aggregate, such differences include: credit, market (including equity, commodity, foreign exchange, interest rate, and credit spreads), liquidity, operational (including technology and infrastructure), model, reputational, insurance, strategic, regulatory, legal, environmental, capital adequacy, and other risks. Examples of such risk factors include the general business and economic conditions in the regions in which the Bank operates; geopolitical risk; the ability of the Bank to execute on long-term strategies and shorter-term key strategic priorities, including the successful completion of acquisitions and dispositions, business retention plans, and strategic plans; the ability of the Bank to attract, develop, and retain key executives; disruptions in or attacks (including cyber-attacks) on the Bank's information technology, internet, network access or other voice or data communications systems or services; fraud or other criminal activity to which the Bank is exposed; 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; the impact of new and changes to, or application of, current laws and regulations, including without limitation tax laws, capital guidelines and liquidity regulatory guidance and the bank recapitalization "bail-in" regime; exposure related to significant litigation and regulatory matters; increased competition from incumbents and non-traditional competitors, including Fintech and big technology competitors; changes to the Bank's credit ratings; changes in currency and interest rates (including the possibility of negative interest rates); 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; existing and potential international debt crises; environmental and social risk; 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 2019 MD&A, as may be updated in subsequently filed quarterly reports to shareholders and news releases (as applicable) related to any events or transactions discussed under the headings "Significant and Subsequent Events in 2019, and Pending Transactions" in the relevant MD&A, which applicable releases may be found on [www.td.com](http://www.td.com). All such factors should be considered carefully, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements, when making decisions with respect to the Bank and 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 2019 MD&A under the headings "Economic Summary and Outlook", for the Canadian Retail, U.S. Retail, and Wholesale Banking segments, "Business Outlook and Focus for 2020", and for the Corporate segment, "Focus for 2020", each as may be updated in subsequently filed quarterly reports to shareholders.

Any forward-looking statements contained in this document represent the views of management only as of the date hereof and are presented for the purpose of assisting the Bank's shareholders and analysts in understanding the Bank's financial position, objectives and priorities and anticipated financial performance as at and for the periods ended on the dates presented, and may not be appropriate for other purposes. The Bank does not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by or on its behalf, except as required under applicable securities legislation.

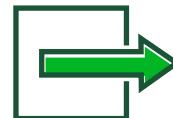
**TD aims to stand out from its peers by having a differentiated brand** – anchored in our proven business model, and rooted in a desire to give our customers, communities and colleagues the confidence to thrive in a changing world.



## Proven business model

Deliver consistent earnings growth, underpinned by a strong risk culture

- Diversification and scale
- Balance sheet strength
- Safety, security and trust



## Forward Focused

Shape the future of banking in the digital age

- Omni-channel
- Modernized operations
- Innovation



## Purpose-driven

Centre everything we do on our vision, purpose, and shared commitments

- Customers
- Communities
- Colleagues



# Proven Business Model

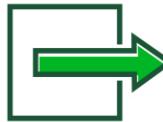


## Consistent earnings growth, underpinned by a strong risk culture

- Fiscal 2019 reported earnings up 3% (adjusted up 3%)<sup>1</sup>
- Fiscal 2019 reported EPS up 4% (adjusted up 3%)<sup>1</sup>
- Increased dividend paid by 11% over the full year
- Above peer average total shareholder return over 3, 5 and 10 years<sup>2</sup>
- CET 1 ratio of 12.1%, including repurchase of 30 million common shares in 2019

1. The Bank prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), the current generally accepted accounting principles (GAAP), and refers to results prepared in accordance with IFRS as the "reported" results. The Bank also utilizes non-GAAP financial measures referred to as "adjusted" results (i.e. reported results excluding "items of note") to assess each of its businesses and measure overall Bank performance. Adjusted net income, adjusted earnings per share (EPS) and related terms used in this presentation are not defined terms under GAAP and may not be comparable to similar terms used by other issuers. See "How the Bank Reports" in the Bank's Fourth Quarter 2019 Earnings News Release and 2019 MD&A ([www.td.com/investor](http://www.td.com/investor)) for further explanation, reported basis results, a list of the items of note, and a reconciliation of non-GAAP measures. For further information and a reconciliation, please see slide 20.

2. Among the following Canadian peers: Bank of Montreal, Canadian Imperial Bank of Commerce, Royal Bank of Canada and Scotiabank. Total shareholder return is calculated based on share price movements and dividends reinvested over the three, five and ten year periods ending October 31, 2019.



# Forward-focused



## Shaping the future of banking

### TD Cyber Fusion Centre



### TD Helps



### Responsible AI



**TD Wheels App**



**LIPPER FUND AWARDS  
FROM REFINITIV**

2019 WINNER  
CANADA



Highest in Customer  
Satisfaction for Small Business  
Banking in the South Region  
J.D. Power 2019 U.S. Retail  
Banking Satisfaction Study

**2019 Lipper Awards<sup>1</sup>**



**Supporting the Green  
and Sustainable Bond  
Market**



# Purpose-driven



## Centered on our vision, purpose and shared commitments

**TD's Ready  
Commitment Network**



**TD Mindpower:  
Analytics for Social Good**



**2019 Annual Report**



**Shape tomorrow**

2019 Annual Report

# Fiscal 2019 Highlights



## Total Bank Reported Results (YoY)

**EPS up 4% (3% adjusted)<sup>1</sup>**

**Revenue up 6%**

**Expenses up 9%**

- Includes charges related to Air Canada, Greystone and restructuring, accounting for half of the increase

**PCL up 22%**

## Segment Reported Earnings (YoY)

**Canadian Retail earnings down 4%**

- Up 3% adjusted<sup>1</sup>

**U.S. Retail earnings up 19%**

- Up 14% adjusted<sup>1</sup>

**Wholesale earnings down 42%**

## Financial Highlights \$MM

Reported	2019	2018	YoY
Revenue	41,065	38,892	6%
PCL	3,029	2,480	22%
Expenses	22,020	20,195	9%
Net Income	11,686	11,334	3%
Diluted EPS (\$)	6.25	6.01	4%

Adjusted <sup>1</sup>	2019	2018	YoY
Net Income	12,503	12,183	3%
Diluted EPS (\$)	6.69	6.47	3%

## Segment Earnings \$MM

2019	Reported	Adjusted <sup>1</sup>
Retail <sup>2</sup>	11,844	12,402
Canadian Retail	6,863	7,421
U.S. Retail	4,981	4,981
Wholesale	608	608
Corporate	(766)	(507)

1. Adjusted results are defined in footnote 1 on slide 4. For further information and a reconciliation, please see slide 20.

2. "Retail" comprises Canadian Retail and U.S. Retail segments. See the Bank's Fourth Quarter 2019 Earnings News Release and 2019 MD&A.

# Q4 2019 Highlights



## Total Bank Reported Results (YoY)

### EPS down 3%

- Adjusted<sup>1</sup> EPS down 2%

### Revenue up 2%

### Expenses up 3%

- Includes restructuring charges of \$154MM<sup>3</sup> (\$0.06/share)

### PCL up 36% QoQ

## Segment Reported Earnings (YoY)

### Canadian Retail flat (up 2% adj.)<sup>1</sup>

### U.S. Retail up 7% (up 5% adj.)<sup>1</sup>

### Wholesale down 44%

## Financial Highlights \$MM

Reported	Q4/19	Q3/19	Q4/18
Revenue	10,340	10,499	10,136
PCL	891	655	670
Expenses	5,543	5,374	5,366
Net Income	2,856	3,248	2,960
Diluted EPS (\$)	1.54	1.74	1.58

Adjusted <sup>1</sup>	Q4/19	Q3/19	Q4/18
Net Income	2,946	3,338	3,048
Diluted EPS (\$)	1.59	1.79	1.63

## Segment Earnings \$MM

Q4/19	Reported	Adjusted <sup>1</sup>
Retail <sup>2</sup>	2,936	2,964
Canadian Retail	1,745	1,773
U.S. Retail	1,191	1,191
Wholesale	160	160
Corporate	(178)	(178)

1. Adjusted results are defined in footnote 1 on slide 4. For further information and a reconciliation, please see slide 19.

2. "Retail" comprises the Canadian Retail and U.S. Retail segments. See the Bank's Fourth Quarter 2019 Earnings News Release and 2019 MD&A.

3. By segment, the restructuring charges in the fourth quarter of this year are as follows: \$68 million in U.S. Retail, \$51 million in Corporate, \$23 million in Wholesale, and \$12 million in Canadian Retail.

# Canadian Retail



## Highlights (YoY)

**Net income flat (up 2% adjusted)<sup>1</sup>**

**Revenue up 5%**

- Loan volumes up 5%
- Deposit volumes up 5%
- Wealth assets<sup>3</sup> up 14%

**NIM of 2.96% consistent QoQ**

- Up 2 bps YoY

**PCL up 27% QoQ**

- Impaired: \$324MM (+\$42MM)
- Performing: \$76MM (+\$42MM)

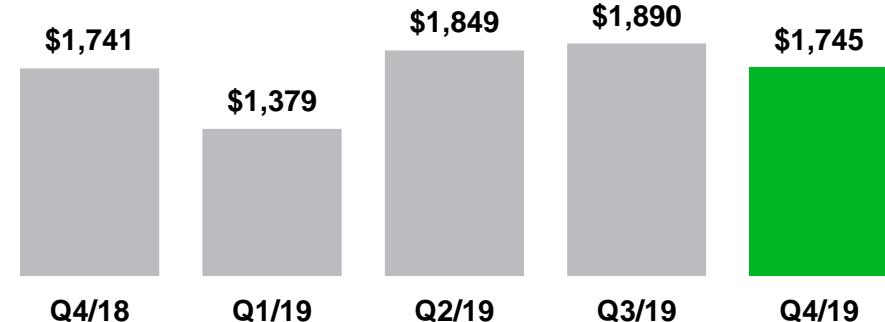
**Expenses up 4% (3% adjusted)<sup>1</sup>**

- Efficiency ratio of 43.0% (42.5% adjusted)<sup>1</sup>
- Adj. operating leverage<sup>4</sup> net of claims of 200 bps

## P&L \$MM

Reported	Q4/19	QoQ	YoY
Revenue	6,133	0%	5%
Insurance Claims	705	(1%)	3%
Revenue Net of Claims <sup>2</sup>	5,428	0%	5%
PCL	400	27%	52%
Expenses	2,637	4%	4%
Expenses (adjusted) <sup>1</sup>	2,607	4%	3%
Net Income	1,745	(8%)	0%
Net Income (adjusted) <sup>1</sup>	1,773	(7%)	2%
PCL Ratio	0.37%	8 bps	12 bps
ROE	37.9%		
ROE (adjusted) <sup>1</sup>	38.5%		

## Earnings \$MM



1. Adjusted results are defined in footnote 1 on slide 4. For further information and a reconciliation, please see slide 19.

2. Total revenues (without netting insurance claims) were \$5,852MM in Q4 2018 and \$6,146MM in Q3 2019. Insurance claims and other related expenses were \$684MM in Q4 2018 and \$712MM in Q3 2019.

3. Wealth assets includes assets under management (AUM) and assets under administration (AUA).

4. Operating leverage is calculated as the difference between revenue growth and adjusted expense growth. Adjusted results are defined in footnote 1 on slide 4.

## Highlights US\$MM (YoY)

**Net income up 5% (3% adjusted)<sup>1</sup>**

**Revenue up 2%**

- Loan volumes up 7%
- Deposits ex-TD Ameritrade up 5%

**NIM of 3.18% down 9 bps QoQ**

- Down 15 bps YoY

**PCL up 17% QoQ**

- Impaired: \$203MM (+\$65MM)
- Performing: \$20MM (-\$33MM)

**Expenses flat**

- Efficiency ratio of 56.5%
- Operating leverage<sup>3</sup> of 130 bps

## P&L US\$MM (except where noted)

	Q4/19	QoQ	YoY	YoY Adj. <sup>1</sup>
Revenue	2,230	(1%)	2%	2%
PCL	223	17%	19%	19%
Expenses	1,261	4%	0%	0%
<b>U.S. Retail Bank Net Income</b>	<b>681</b>	<b>(9%)</b>	<b>0%</b>	<b>0%</b>
TD AMTD Equity Pickup	219	0%	25%	13%
<b>Net Income</b>	<b>900</b>	<b>(7%)</b>	<b>5%</b>	<b>3%</b>
<b>Net Income (C\$MM)</b>	<b>1,191</b>	<b>(7%)</b>	<b>7%</b>	<b>5%</b>
PCL Ratio <sup>2</sup>	0.55%	7 bps	5 bps	
ROE	11.8%			

## Earnings US\$MM



1. Adjusted results are defined in footnote 1 on slide 4. For further information and a reconciliation, please see slide 19.

2. U.S. Retail PCL including only the Bank's contractual portion of credit losses in the U.S. strategic cards portfolio.

3. Operating leverage is calculated as the difference between revenue growth and expense growth.

# Wholesale Banking



## Highlights (YoY)

**Net income down 44%**

**Revenue down 9%**

- Includes \$96MM in derivative valuation charges

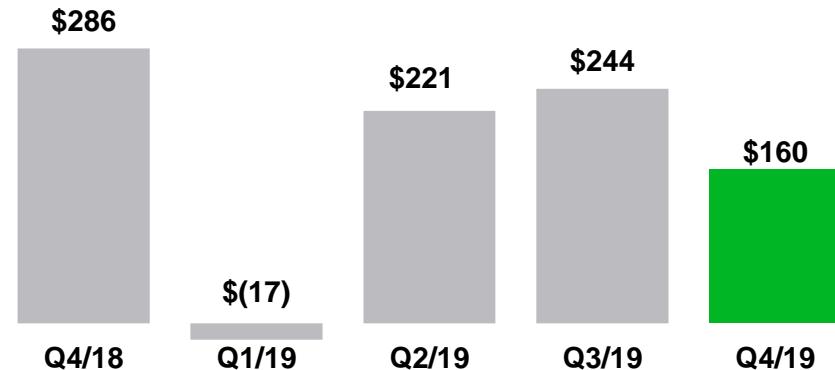
**Expenses up 9% YoY**

- Includes \$23MM of restructuring charges

## P&L \$MM

	Q4/19	QoQ	YoY
Revenue	848	(7%)	(9%)
PCL	41	NM	NM
Expenses	600	1%	9%
Net Income	160	(34%)	(44%)
ROE	8.5%		

## Earnings \$MM



# Corporate Segment



## Highlights (YoY)

### Reported loss of \$240MM

- Adjusted<sup>1</sup> loss of \$178MM

## P&L \$MM

Reported	Q4/19	Q3/19	Q4/18
<b>Net Income</b>	(240)	(173)	(181)
Adjusted <sup>1</sup>	Q4/19	Q3/19	Q4/18
<b>Net Corporate Expenses</b>	(201)	(156)	(221)
<b>Other</b>	23	47	85
<b>Non-Controlling Interests</b>	0	0	18
<b>Net Income</b>	(178)	(109)	(118)

1. Adjusted results are defined in footnote 1 on slide 4. For further information and a reconciliation, please see slide 19.

Note: The Corporate segment includes corporate expenses, other items not fully allocated to operating segments, and net treasury and capital management-related activities. See page 26 of the Bank's 2019 MD&A for more information. The Bank's U.S. strategic cards portfolio comprises agreements with certain U.S. retailers pursuant to which TD is the U.S. issuer of private label and co-branded consumer credit cards to their U.S. customers. Under the terms of the individual agreements, the Bank and the retailers share in the profits generated by the relevant portfolios after credit losses. Under IFRS, TD is required to present the gross amount of revenue and provisions for credit losses related to these portfolios in the Bank's Consolidated Statement of Income. At the segment level, the retailer program partners' share of revenues and credit losses is presented in the Corporate segment, with an offsetting amount (representing the partners' net share) recorded in Non-interest expenses, resulting in no impact to Corporate 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.

# Capital & Liquidity



## Highlights

**Common Equity Tier 1 ratio of 12.1%**

**Leverage ratio of 4.0%**

**Liquidity coverage ratio of 133%**

**Repurchased 8.75 million common shares in the quarter**

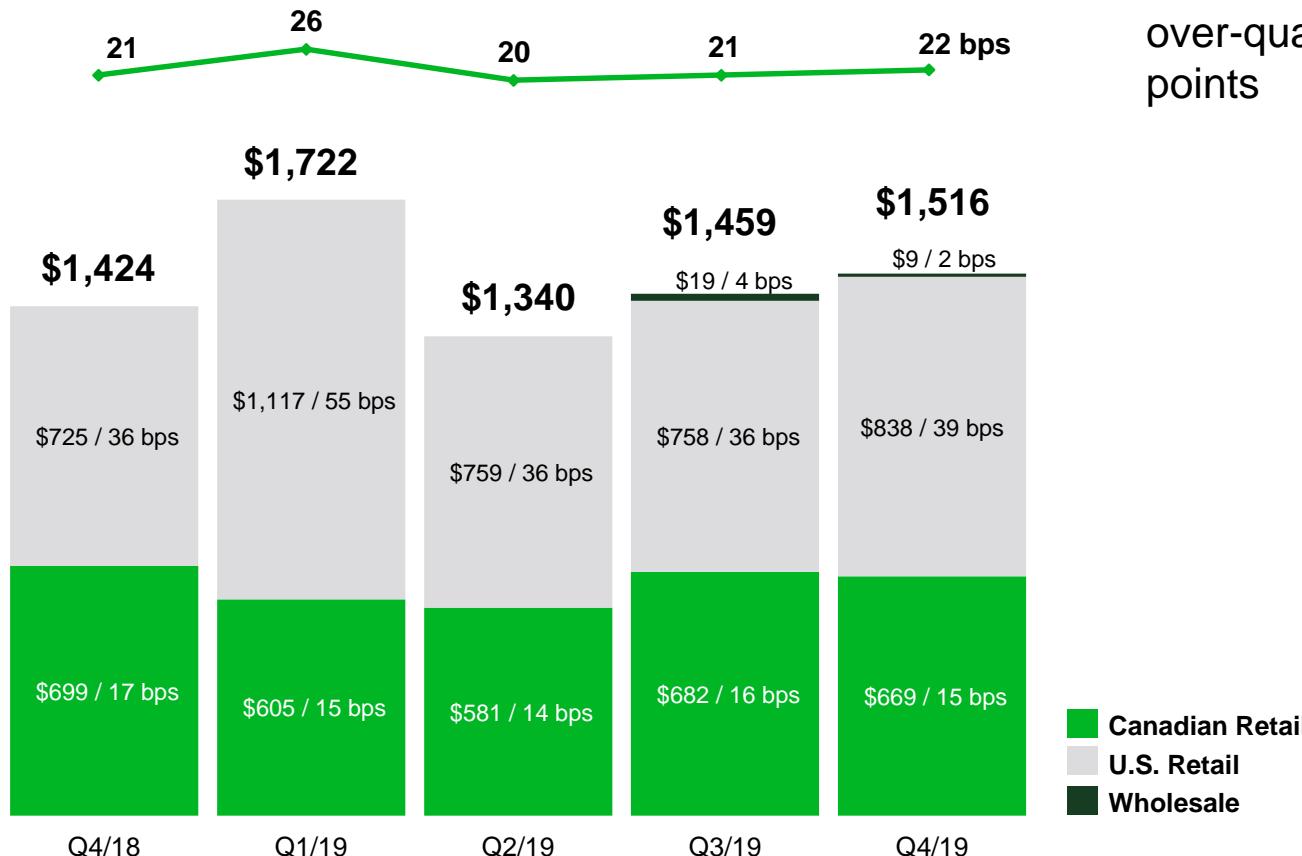
## Common Equity Tier 1

<b>Q3 2019 CET1 Ratio</b>	<b>12.0%</b>
Internal capital generation	32
Organic RWA increase and other	(4)
Actuarial losses on employee pension plans	(5)
Repurchase of common shares	(14)
<b>Q4 2019 CET1 Ratio</b>	<b>12.1%</b>

# Gross Impaired Loan Formations By Business Segment



## GIL Formations<sup>1</sup>: \$MM and Ratios<sup>2</sup>



## Highlights

- Gross impaired loan formations stable quarter-over-quarter at 22 basis points

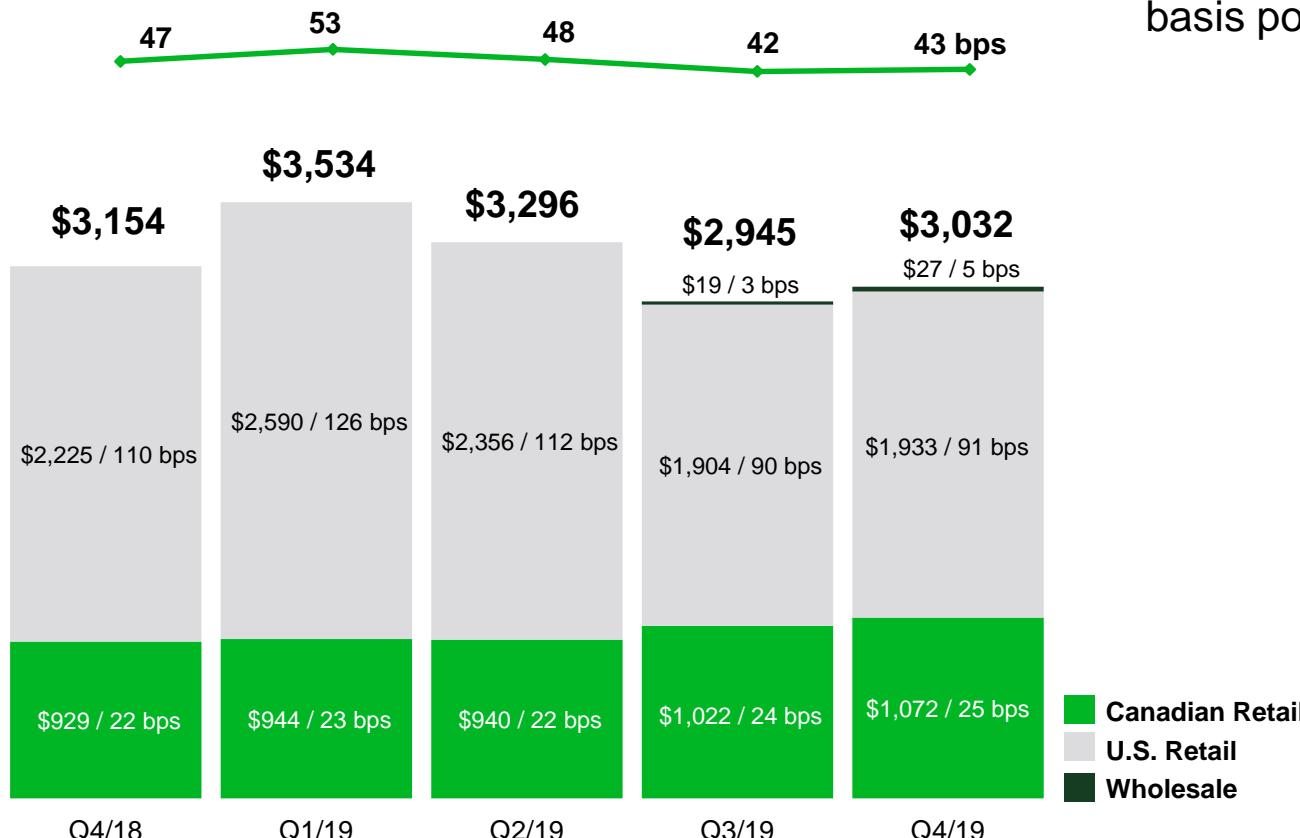
1. Gross Impaired Loan formations represent additions to Impaired Loans & Acceptances during the quarter; excludes the impact of acquired credit-impaired loans.

2. GIL Formations Ratio – Gross Impaired Loan Formations/Average Gross Loans & Acceptances.

# Gross Impaired Loans (GIL) By Business Segment



## GIL<sup>1</sup>: \$MM and Ratios<sup>2</sup>



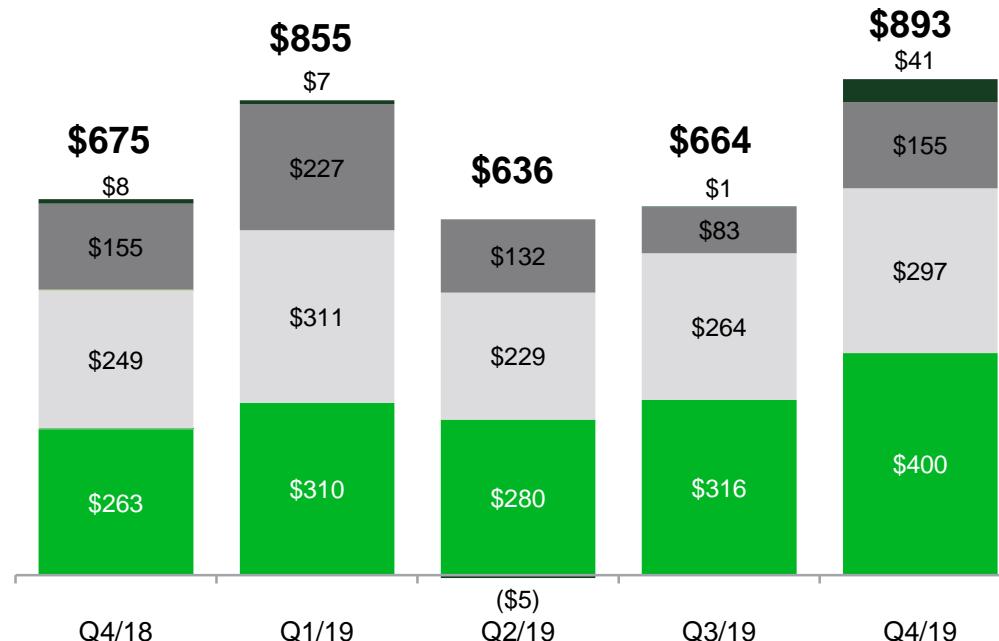
## Highlights

- Gross impaired loans stable quarter-over-quarter at 43 basis points

# Provision for Credit Losses (PCL) By Business Segment



## PCL<sup>1</sup>: \$MM and Ratios<sup>2</sup>



## Highlights

- PCL increased \$229MM quarter-over-quarter reflecting:
  - The U.S. Credit Card and Auto Portfolios, largely due to seasonal trends
  - The Canadian Retail and Wholesale segments, primarily due to credit migration

PCL Ratio <sup>1</sup>	Q4/18	Q1/19	Q2/19	Q3/19	Q4/19
Canadian Retail	25	29	27	29	37
U.S. Retail (net) <sup>3</sup>	50	60	46	50	56
U.S. Retail & Corporate (gross) <sup>4</sup>	81	104	72	66	85
Wholesale	6	5	(4)	1	29
<b>Total Bank</b>	<b>41</b>	<b>50</b>	<b>39</b>	<b>38</b>	<b>51</b>

- Canadian Retail
- U.S. Retail
- Corporate
- Wholesale

1. PCL excludes the impact of acquired credit-impaired loans.

2. PCL Ratio – Provision for Credit Losses on a quarterly annualized basis/Average Net Loans & Acceptances.

3. Net U.S. Retail PCL ratio excludes credit losses associated with the retailer program partners' share of the U.S. Strategic Cards Portfolio, which is recorded in the Corporate Segment.

4. Gross U.S. Retail & Corporate PCL ratio includes the retailer program partners' share of the U.S. Strategic Cards Portfolio, which is recorded in the Corporate Segment.

# Provision for Credit Losses (PCL)<sup>1,2</sup>

## Impaired and Performing



### Highlights

- Impaired PCL increase quarter-over-quarter driven by:
  - The U.S. Credit Card and Auto portfolios, reflecting seasonal trends
  - Credit migration in the Canadian Commercial and Auto portfolios
- Performing PCL increase quarter-over-quarter reflects:
  - Credit migration in the Canadian Commercial, Canadian Credit Card and Wholesale lending portfolios
  - Seasonal trends in the U.S. Credit Card and Auto portfolios
  - Partially offset by the impact of prior quarter parameter updates in the consumer lending portfolios

PCL (C\$MM)	Q4/18	Q3/19	Q4/19
<b>Total Bank</b>	<b>\$ 675</b>	<b>\$ 664</b>	<b>\$ 893</b>
Impaired	564	590	741
Performing	111	74	152
<b>Canadian Retail</b>	<b>\$ 263</b>	<b>\$ 316</b>	<b>\$ 400</b>
Impaired	245	282	324
Performing	18	34	76
<b>U.S. Retail</b>	<b>\$ 249</b>	<b>\$ 264</b>	<b>\$ 297</b>
Impaired	210	193	270
Performing	39	71	27
<b>Wholesale</b>	<b>\$ 8</b>	<b>\$ 1</b>	<b>\$ 41</b>
Impaired	-	12	8
Performing	8	(11)	33
<b>Corporate</b> U.S. strategic cards partners' share	<b>\$ 155</b>	<b>\$ 83</b>	<b>\$ 155</b>
Impaired	109	103	139
Performing	46	(20)	16

1. PCL excludes the impact of acquired credit-impaired loans.

2. PCL – impaired represents Stage 3 PCL under IFRS 9, performing represents Stage 1 and Stage 2 on financial assets, loan commitments, and financial guarantees.



# Appendix

# Q4 2019: Items of Note



	\$MM	EPS (\$)			
Items of Note	Pre Tax	After Tax	EPS	Segment	Revenue/Expense Line Item <sup>4</sup>
<b>Reported net income and EPS (diluted)</b>	<b>2,856</b>		<b>1.54</b>		
Amortization of intangibles <sup>1</sup>	74	62	0.03	Corporate	page 8, line 14
Charges associated with the Greystone Acquisition <sup>2</sup>	30	28	0.02	Canadian Retail	page 4, line 12
<b>Excluding Items of Note above</b>					
<b>Adjusted<sup>3</sup> net income and EPS (diluted)</b>		<b>2,946</b>	<b>1.59</b>		

1. Includes amortization of intangibles expense of \$24MM in Q4 2019, net of tax, for TD Ameritrade Holding Corporation (TD Ameritrade). Amortization of intangibles relates to intangibles acquired as a result of asset acquisitions and business combinations. Although the amortization of software and asset servicing rights is recorded in amortization of intangibles, they are not included for purposes of the items of note. For additional information on the impact of adjustments in comparative periods, please refer to page 3 of the Bank's Q4 2019 Supplementary Financial Information package, which is available on our website at [www.td.com/investor](http://www.td.com/investor).

2. On November 1, 2018, the Bank acquired Greystone Capital Management Inc., the parent company of Greystone Managed Investments Inc. ("Greystone"). The Bank incurred acquisition-related charges including employee shareholders compensation in respect of the purchase price, direct transaction costs, and certain other acquisition-related costs. These amounts have been recorded as an adjustment to net income and were reported in the Canadian Retail segment. For additional information on the impact of adjustments in comparative periods, please refer to page 3 of the Bank's Q4 2019 Supplementary Financial Information package.

3. Adjusted results are defined in footnote 1 on slide 4.

4. This column refers to specific pages of the Bank's Q4 2019 Supplementary Financial Information package.

# Fiscal 2019: Items of Note



		\$MM	EPS (\$)			
<b>Reported net income and EPS (diluted)</b>		<b>11,686</b>	<b>6.25</b>			
Items of note	Pre Tax	After Tax	EPS	Segment	Revenue/ Expense Line Item <sup>5</sup>	
Amortization of intangibles <sup>1</sup>	307	259	0.14	Corporate	page 8, line 14	
Charges related to the agreement with Air Canada <sup>2</sup>	607	446	0.24	Canadian Retail	page 4, line 12	
Charges associated with the Greystone Acquisition <sup>3</sup>	117	112	0.06	Canadian Retail	page 4, line 12	
<b>Excluding Items of Note above</b>						
<b>Adjusted<sup>4</sup> net income and EPS (diluted)</b>		<b>12,503</b>	<b>6.69</b>			

1. Amortization of intangibles relates to intangibles acquired as a result of asset acquisitions and business combinations, including the after tax amounts for amortization of intangibles relating to the Equity in net income of the investment in TD Ameritrade. Although the amortization of software and asset servicing rights are recorded in amortization of intangibles, they are not included for purposes of the items of note. For additional information on the impact of adjustments in comparative periods, please refer to page 3 of the Bank's Q4 2019 Supplementary Financial Information package, which is available on our website at [www.td.com/investor](http://www.td.com/investor).

2. On January 10, 2019, the Bank's long-term loyalty program agreement with Air Canada became effective in conjunction with Air Canada completing its acquisition of Aimia Canada Inc., which operates the Aeroplan loyalty business (the "Transaction"). In connection with the Transaction, the Bank recognized an expense of \$607 million (\$446 million after-tax) in the Canadian Retail segment. For additional information on the impact of adjustments in comparative periods, please refer to page 3 of the Bank's Q4 2019 Supplementary Financial Information package.

3. On November 1, 2018, the Bank acquired Greystone Capital Management Inc., the parent company of Greystone Managed Investments Inc. ("Greystone"). The Bank incurred acquisition-related charges including employee shareholders compensation in respect of the purchase price, direct transaction costs, and certain other acquisition-related costs. These amounts have been recorded as an adjustment to net income and were reported in the Canadian Retail segment. For additional information on the impact of adjustments in comparative periods, please refer to page 3 of the Bank's Q4 2019 Supplementary Financial Information package.

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# Canadian Retail



## Net Interest Margin

2.94% 2.94% 2.99% 2.96% 2.96%

Q4/18 Q1/19 Q2/19 Q3/19 Q4/19

## Average Deposits \$B

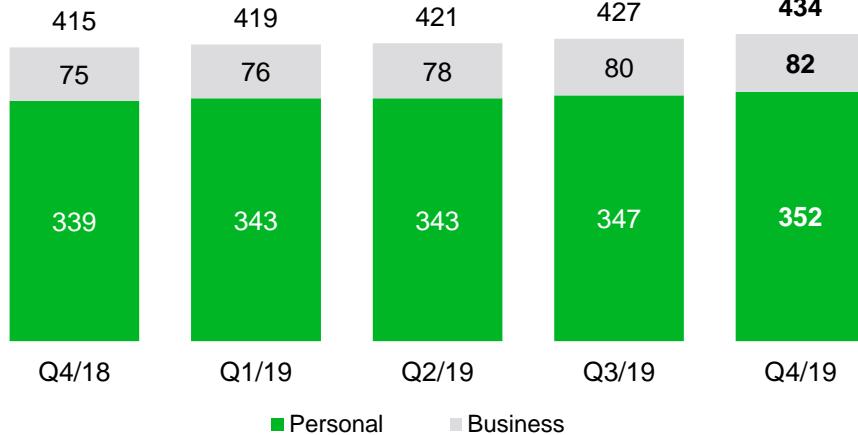


## Efficiency Ratio

43.2% 51.5% 41.6% 41.2%<sup>1</sup> 43.0%

Q4/18 Q1/19 Q2/19 Q3/19 Q4/19

## Average Loans \$B

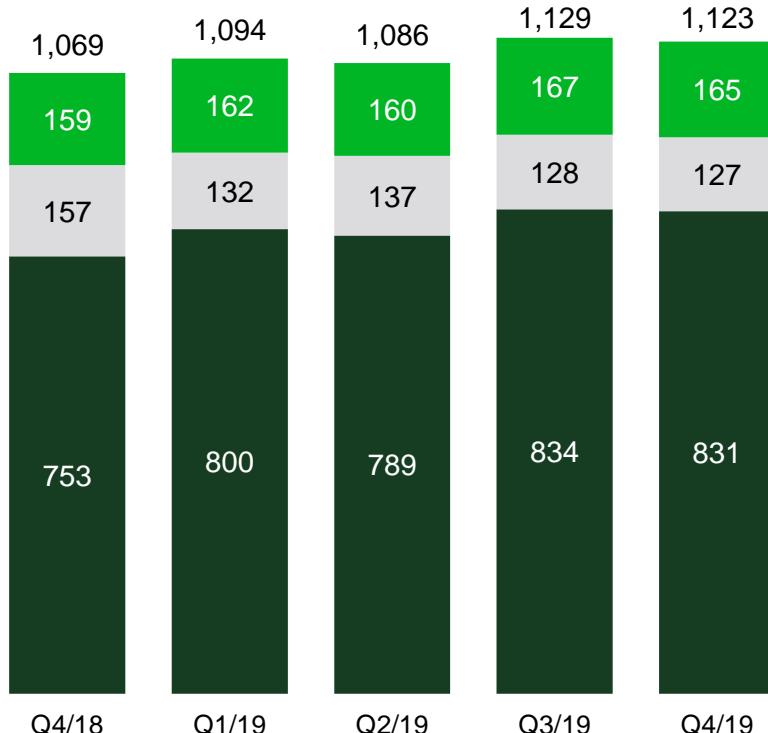


<sup>1</sup> The Canadian Retail efficiency ratio is shown on a reported basis. The adjusted efficiency ratio for Q1/19 was 40.8% (excluding the Air Canada and Greystone charges.)

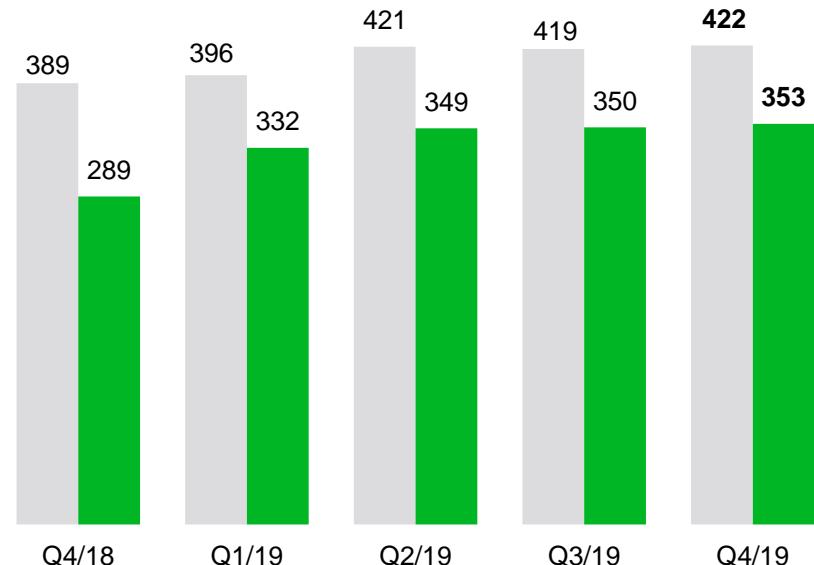
# Canadian Retail: Wealth



## Wealth Revenue \$MM



## Wealth Assets \$B<sup>1</sup>



■ Fee & Other

■ Transaction

■ NII

■ AUA

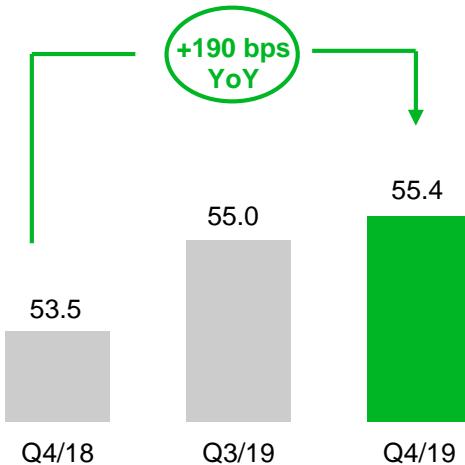
■ AUM

# Canadian Retail Digital Metrics<sup>1</sup>

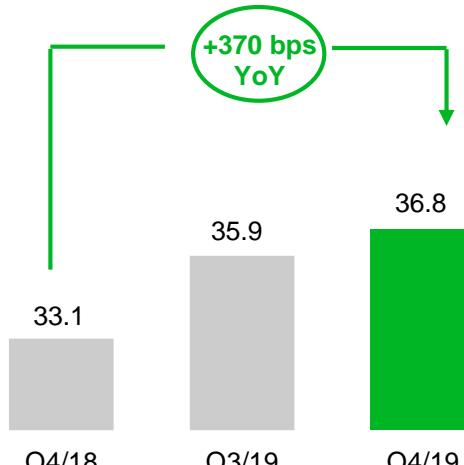


- #1 average digital reach of any bank in Canada and as compared to major developed markets globally, amongst the leaders in domestic digital reach, according to Comscore.<sup>2,3</sup>
- According to App Annie, TD (Canada) is ranked #1 in consumer demand, customer engagement, and customer sentiment among top retail banking apps in Canada. Over the course of the last 12 months, the TD mobile app achieved the top ranking with: largest number of app downloads; largest average smartphone monthly active user base (MAU); largest average sessions per user; most time spent; and highest average reviews scores.<sup>4</sup>

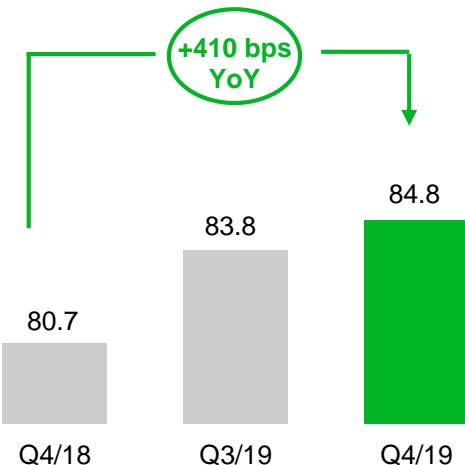
## Digital Adoption %<sup>5</sup>



## Mobile Adoption %<sup>5</sup>



## Self-Serve Share of Trans. %<sup>6</sup>



1. Based on Canadian Personal and Commercial Banking only.

2. Digital reach as defined by Comscore to include anyone accessing content on desktop or a mobile device (Smartphone, Tablet). % reach is always calculated as a percentage of all Canadians who were online in that particular month. The average is for three months ended September 2019.

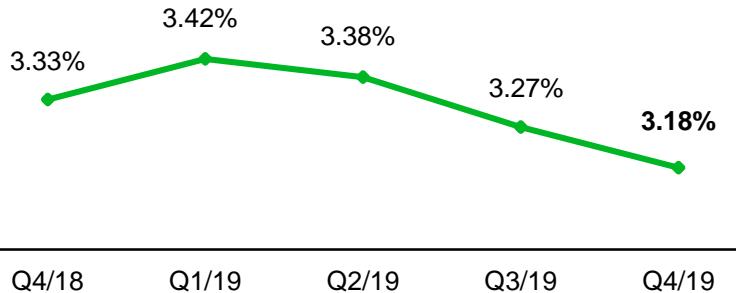
3. Source: Comscore MMX® Multi-Platform, Financial Services – Banking, Total audience, 3-month average ending September 2019, Canada, U.S., Spain, U.K. and France.

4. Last twelve months for the period ending September 2019; average sessions per user and time spent on Android phones; reviews are iOS only among top 10 Canadian retail banking apps by average smartphone MAUs.

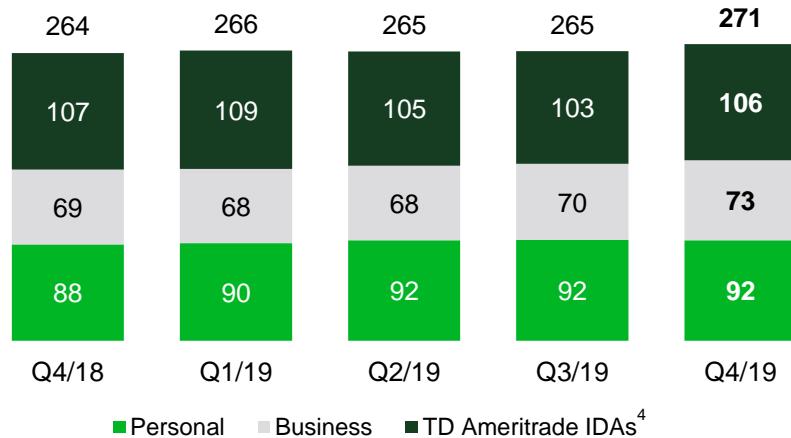
5. Adoption rates are calculated based on 90-day active users. Digital includes online and mobile users.

6. Self-serve share of transactions represents all financial transactions that are processed through unassisted channels (Online, Mobile, ATM, and Phone IVR).

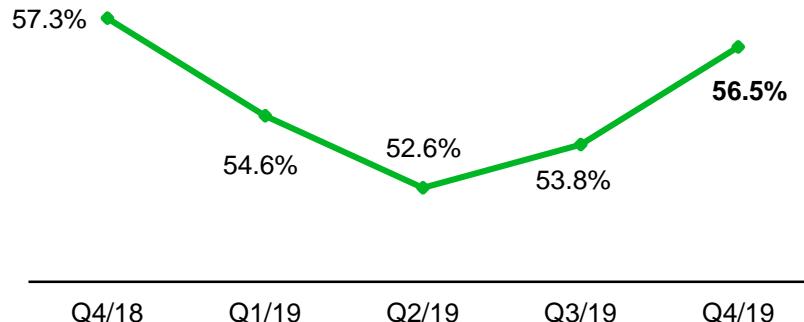
## Net Interest Margin<sup>1,2</sup>



## Average Deposits US\$B



## Efficiency Ratio<sup>3</sup>



## Average Loans US\$B



1. Net interest margin excludes the impact related to the TD Ameritrade insured deposit accounts and the impact of intercompany deposits and cash collateral. In addition, the value of tax-exempt interest income is adjusted to its equivalent before-tax value.

2. The impact from certain treasury and balance sheet management activities relating to the U.S. Retail segment is recorded in the Corporate segment.

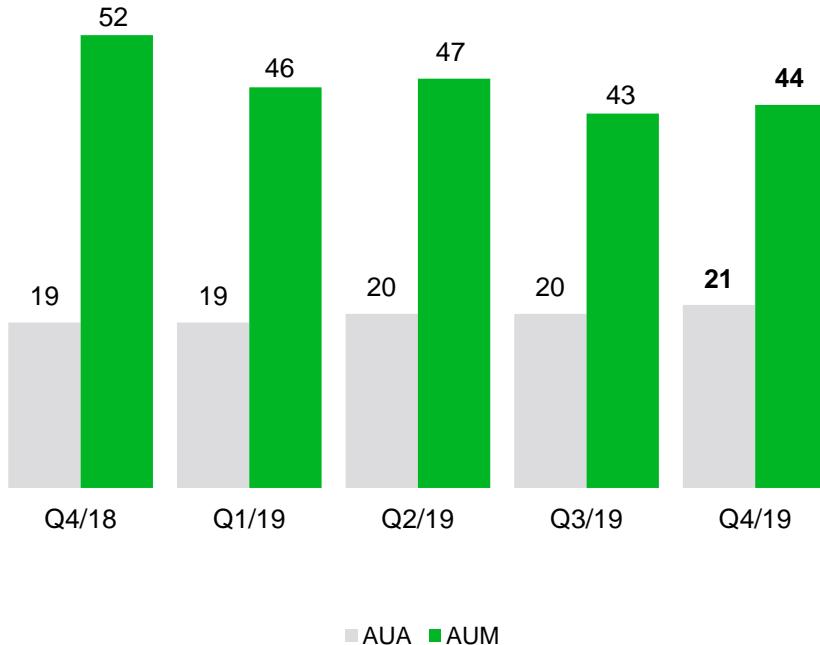
3. U.S. Retail Bank efficiency ratio in USD.

4. Insured deposit accounts.

# U.S. Retail: Wealth and TD Ameritrade



## TD Wealth Assets US\$B<sup>1</sup>



## TD Ameritrade<sup>2</sup> – Q4 2019

**TD's share of TD Ameritrade's net income was US\$219MM, up 25% YoY (13% on an adjusted<sup>3</sup> basis) reflecting:**

- Higher asset-based revenue and charges associated with Scottrade in the same quarter last year, partially offset by higher operating expenses

### TD Ameritrade Q4 2019 results:

- Reported net income was US\$551MM, up 21% YoY
- Adjusted<sup>4</sup> net income was US\$575MM, up 10% YoY
- Average trades per day were ~837,000, up 5% YoY
- Total clients assets were ~US\$1.3 trillion, up 2% YoY

1. TD Wealth assets includes assets under management (AUM) and assets under administration (AUA).

2. TD's share of net income in US\$ is the corresponding C\$ net income contribution of TD Ameritrade to the U.S. Retail segment included in the Bank's Report to Shareholders ([www.td.com/investor](http://www.td.com/investor)) for the relevant quarters, divided by the average FX rate. For additional information, please see TD Ameritrade's press release available at [www.amtd.com/newsroom/default.aspx](http://www.amtd.com/newsroom/default.aspx).

3. Adjusted results are defined in footnote 1 on slide 4.

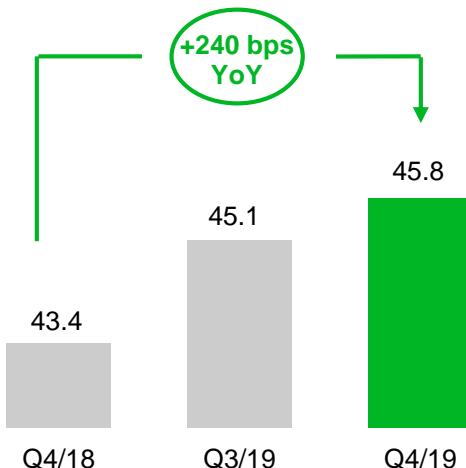
4. Non-GAAP net income is a non-GAAP financial measure as defined by SEC Regulation G. TD Ameritrade defines non-GAAP net income as net income adjusted to remove the after-tax effect of amortization of acquired intangible assets and acquisition-related expenses. TD Ameritrade considers non-GAAP net income as an important measure of TD Ameritrade's financial performance because it excludes certain items that may not be indicative of TD Ameritrade's core operating results and business outlook and may be useful in evaluating the operating performance of the business and facilitating a meaningful comparison of TD Ameritrade's results in the current period to those in prior and future periods. Amortization of acquired intangible assets is excluded because management does not believe it is indicative of TD Ameritrade's underlying business performance. Acquisition-related expenses are excluded as these costs are directly related to TD Ameritrade's acquisition of Scottrade Financial Services, Inc. and are not representative of the costs of running TD Ameritrade's ongoing business. Non-GAAP net income should be considered in addition to, rather than as a substitute for, GAAP net income.

# U.S. Retail Digital Metrics<sup>1</sup>

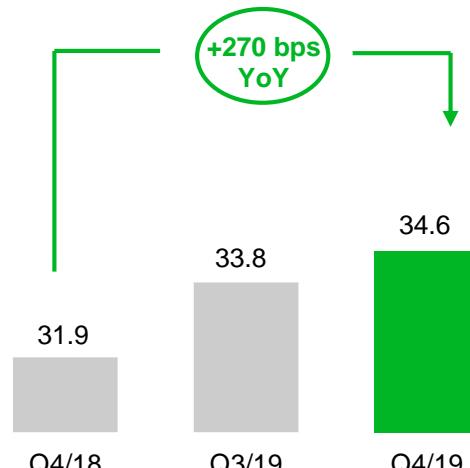


- The TD Bank U.S. mobile app is highly rated for customer engagement metrics, including average open rate and average sessions per user, as well as customer satisfaction – as indicated by strong average rating scores among U.S. large cap /regional banks according to App Annie.<sup>2</sup>

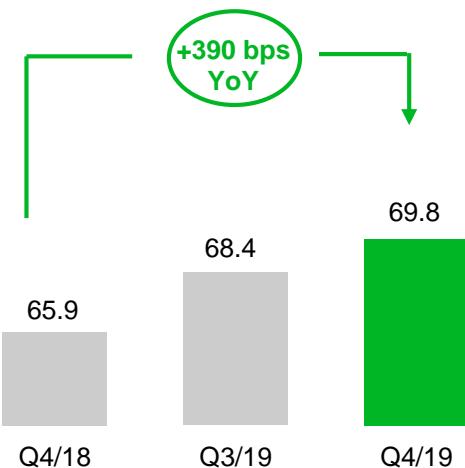
## Digital Adoption %<sup>3</sup>



## Mobile Adoption %<sup>3</sup>



## Self-Serve Share of Trans. %<sup>4</sup>



1. Based on U.S. Retail Bank only.

2. Aug - Oct 2019; U.S.; open rate and average sessions per user on Android phones; average rating scores on iPhones; among Chase Mobile, Capital One, Bank of America, Wells Fargo, Citi Mobile, USAA, U.S. Bank, PNC Mobile, U by BB&T.

3. Adoption rates are calculated based on 90-day active users. Digital includes online and mobile users.

4. Self-serve share of transactions represents all financial transactions that are processed through unassisted channels (Online, Mobile, ATM, and Phone IVR).

# Gross Lending Portfolio

## Includes B/As



### Balances (\$B unless otherwise noted)

	Q3/19	Q4/19
<b>Canadian Retail Portfolio</b>	<b>\$429.5</b>	<b>\$434.1</b>
<b>Personal</b>	<b>\$349.6</b>	<b>\$353.5</b>
Residential Mortgages	197.5	200.0
Home Equity Lines of Credit (HELOC)	90.0	91.0
Indirect Auto	25.2	25.7
Credit Cards	18.5	18.5
Other Personal	18.4	18.3
<i>Unsecured Lines of Credit</i>	10.5	10.7
<b>Commercial Banking (including Small Business Banking)</b>	<b>\$79.9</b>	<b>\$80.6</b>
<b>U.S. Retail Portfolio</b> (all amounts in US\$)	<b>US\$ 160.4</b>	<b>US\$ 161.6</b>
<b>Personal</b>	<b>US\$ 72.4</b>	<b>US\$ 74.2</b>
Residential Mortgages	25.0	26.2
Home Equity Lines of Credit (HELOC) <sup>1</sup>	8.9	8.8
Indirect Auto	23.9	24.6
Credit Cards	13.8	13.8
Other Personal	0.8	0.8
<b>Commercial Banking</b>	<b>US\$ 88.0</b>	<b>US\$ 87.4</b>
Non-residential Real Estate	17.8	17.6
Residential Real Estate	6.4	6.6
Commercial & Industrial (C&I)	63.8	63.2
<b>FX on U.S. Personal &amp; Commercial Portfolio</b>	<b>51.4</b>	<b>51.2</b>
<b>U.S. Retail Portfolio (\$)</b>	<b>\$211.8</b>	<b>\$212.8</b>
<b>Wholesale Portfolio<sup>2</sup></b>	<b>\$55.2</b>	<b>\$57.5</b>
<b>Other<sup>3</sup></b>	<b>\$0.3</b>	<b>\$0.3</b>
<b>Total<sup>4</sup></b>	<b>\$696.8</b>	<b>\$704.7</b>

1. U.S. HELOC includes Home Equity Lines of Credit and Home Equity Loans.

2. Wholesale portfolio includes corporate lending, other Wholesale gross loans and acceptances and loans booked in the corporate segment.

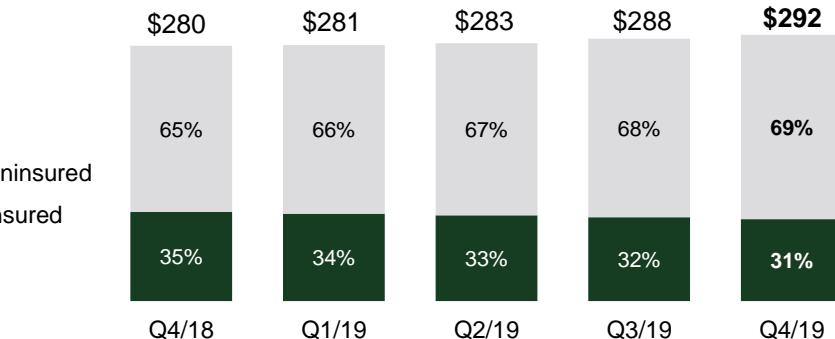
3. Other includes acquired credit impaired loans.

4. Includes loans measured at fair value through other comprehensive income.

# Canadian Real Estate Secured Lending Portfolio



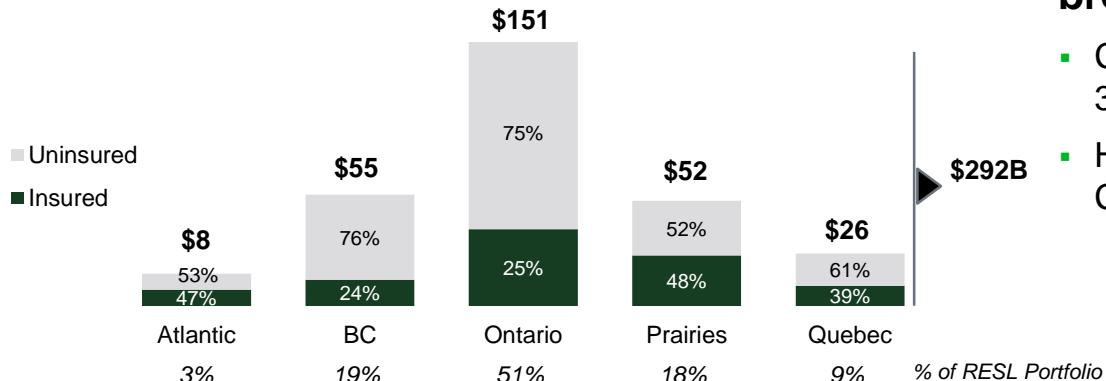
## Quarterly Portfolio Volumes \$B



### Canadian RESL Portfolio – Loan to Value<sup>1</sup>

	Q4/18	Q1/19	Q2/19	Q3/19	Q4/19
Uninsured	52%	53%	54%	54%	54%
Insured	51%	52%	53%	53%	52%

## Regional Breakdown<sup>2</sup> \$B



## Highlights

### Canadian RESL credit quality remained strong

- Uninsured and insured portfolio loan-to-value rates stable
- Less than 1% of uninsured mortgage portfolio has a Beacon score of 650 or lower and an LTV greater than 75%

### 88% of RESL portfolio is amortizing

- 62% of HELOC portfolio is amortizing

### Condo credit quality consistent with broader portfolio

- Condo borrower RESL outstanding of \$48B with 32% insured
- Hi-rise condo construction loans is ~1% of the Canadian Commercial portfolio

1. RESL Portfolio Loan to Value is calculated with the Teranet-National Bank House Price Index™ and weighted by the total exposure. The Teranet-National Bank House Price Index™ is a trademark of Teranet Enterprises Inc. and National Bank of Canada and has been licensed for internal use by The Toronto-Dominion Bank's Real Estate Secured Lending team only.

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

# Canadian Personal Banking



Canadian Personal Banking	Q4/19		
	Gross Loans (\$B)	GIL (\$MM)	GIL / Loans
Residential Mortgages	\$200.0	\$280	0.14%
Home Equity Lines of Credit (HELOC)	91.0	147	0.16%
Indirect Auto	25.7	82	0.32%
Credit Cards	18.5	136	0.74%
Other Personal	18.3	51	0.28%
<i>Unsecured Lines of Credit</i>	10.7	15	0.14%
<b>Total Canadian Personal Banking</b>	<b>\$353.5</b>	<b>\$696</b>	<b>0.20%</b>
Change vs. Q3/19	\$3.9	\$53	0.02%

## Canadian RESL Portfolio – Loan to Value by Region<sup>1,2</sup>

	Q3/19			Q4/19		
	Mortgage	HELOC	Total RESL	Mortgage	HELOC	Total RESL
<b>Atlantic</b>	63%	48%	59%	62%	48%	58%
<b>BC</b>	53%	44%	50%	54%	45%	51%
<b>Ontario</b>	54%	44%	50%	54%	44%	50%
<b>Prairies</b>	66%	54%	62%	65%	54%	61%
<b>Quebec</b>	63%	55%	60%	62%	55%	60%
<b>Canada</b>	<b>57%</b>	<b>46%</b>	<b>53%</b>	<b>57%</b>	<b>46%</b>	<b>53%</b>

## Highlights

- Good asset quality in the Canadian Personal Banking portfolio

1. RESL Portfolio Loan to Value is calculated with the Teranet-National Bank House Price Index™ and weighted by the total exposure. The Teranet-National Bank House Price Index™ is a trademark of Teranet Enterprises Inc. and National Bank of Canada and has been licensed for internal use by The Toronto-Dominion Bank's Real Estate Secured Lending team only.

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

# Canadian Commercial and Wholesale Banking



Canadian Commercial and Wholesale Banking	Gross Loans/BAs (\$B)	Q4/19 GIL (\$MM)	Q4/19 GIL/Loans
Commercial Banking <sup>1</sup>	\$80.6	376	0.47%
Wholesale <sup>2</sup>	57.5	27	0.05%
<b>Total Canadian Commercial and Wholesale</b>	<b>\$138.1</b>	<b>\$403</b>	<b>0.29%</b>
Change vs. Q3/19	\$3.0	\$5	(0.00%)

Industry Breakdown <sup>1</sup>	Gross Loans/BAs (\$B)	Gross Impaired Loans (\$MM)
Real Estate – Residential	\$19.8	\$8
Real Estate – Non-residential	16.8	2
Financial	22.9	1
Govt-PSE-Health & Social Services	12.8	12
Pipelines, Oil and Gas	8.8	37
Metals and Mining	2.0	16
Forestry	0.7	-
Consumer <sup>3</sup>	6.2	21
Industrial/Manufacturing <sup>4</sup>	8.0	206
Agriculture	8.4	15
Automotive	9.1	31
Other <sup>5</sup>	22.7	54
<b>Total</b>	<b>\$138.1</b>	<b>\$403</b>

## Highlights

- Canadian Commercial and Wholesale Banking GIL stable quarter-over-quarter

1. Includes Small Business Banking and Business Visa.

2. Wholesale portfolio includes corporate lending, other Wholesale gross loans and acceptances, and loans booked in the corporate segment.

3. Consumer includes: Food, Beverage and Tobacco; Retail Sector.

4. Industrial/Manufacturing includes: Industrial Construction and Trade Contractors; Sundry Manufacturing and Wholesale.

5. Other includes: Power and Utilities; Telecommunications, Cable and Media; Transportation; Professional and Other Services; Other.

# U.S. Personal Banking – U.S. Dollars



U.S. Personal Banking <sup>1</sup>	Gross Loans (\$B)	Q4/19 GIL (\$MM)	GIL / Loans
Residential Mortgages	\$26.2	\$337	1.29%
Home Equity Lines of Credit (HELOC) <sup>2</sup>	8.8	373	4.27%
Indirect Auto	24.6	196	0.79%
Credit Cards	13.8	260	1.89%
Other Personal	0.8	5	0.63%
<b>Total U.S. Personal Banking (USD)</b>	<b>\$74.2</b>	<b>\$1,171</b>	<b>1.58%</b>
Change vs. Q3/19 (USD)	\$1.8	\$59	0.05%
Foreign Exchange	23.5	372	n/a
<b>Total U.S. Personal Banking (CAD)</b>	<b>\$97.7</b>	<b>\$1,543</b>	<b>1.58%</b>

## Highlights

- Continued good asset quality in U.S. Personal

## U.S. Real Estate Secured Lending Portfolio<sup>1</sup>

Indexed Loan to Value (LTV) Distribution and Refreshed FICO Scores<sup>3</sup>

Current Estimated LTV	Residential Mortgages	1 <sup>st</sup> Lien HELOC	2 <sup>nd</sup> Lien HELOC	Total
>80%	4%	6%	13%	5%
61-80%	38%	30%	51%	39%
<=60%	58%	64%	36%	56%
<b>Current FICO Score &gt;700</b>	<b>90%</b>	<b>90%</b>	<b>87%</b>	<b>90%</b>

1. Excludes acquired credit-impaired loans.

2. HELOC includes Home Equity Lines of Credit and Home Equity Loans.

3. Loan To Value based on authorized credit limit and Loan Performance Home Price Index as of August 2019. FICO Scores updated September 2019.

# U.S. Commercial Banking – U.S. Dollars



U.S. Commercial Banking <sup>1</sup>	Gross Loans / BAs (\$B)	Q4/19	
		GIL (\$MM)	GIL/ Loans
<b>Commercial Real Estate (CRE)</b>	<b>\$24.2</b>	<b>\$74</b>	<b>0.31%</b>
Non-residential Real Estate	17.6	55	0.31%
Residential Real Estate	6.6	19	0.29%
<b>Commercial &amp; Industrial (C&amp;I)</b>	<b>63.2</b>	<b>223</b>	<b>0.35%</b>
<b>Total U.S. Commercial Banking (USD)</b>	<b>\$87.4</b>	<b>\$297</b>	<b>0.34%</b>
Change vs. Q3/19 (USD)	(\$0.6)	(\$34)	(0.04%)
Foreign Exchange	27.7	93	n/a
<b>Total U.S. Commercial Banking (CAD)</b>	<b>\$115.1</b>	<b>\$390</b>	<b>0.34%</b>

## Highlights

- Sustained good credit quality in U.S. Commercial Banking

Commercial Real Estate	Gross Loans/BAs (US \$B)	GIL (US \$MM)	Commercial & Industrial	Gross Loans/BAs (US \$B)	GIL (US \$MM)
Office	\$5.4	\$30	Health & Social Services	\$9.9	\$26
Retail	5.5	10	Professional & Other Services	8.0	57
Apartments	5.8	7	Consumer <sup>2</sup>	7.1	41
Residential for Sale	0.1	1	Industrial/Mfg <sup>3</sup>	7.2	28
Industrial	1.6	1	Government/PSE	9.5	8
Hotel	0.7	13	Financial	2.5	11
Commercial Land	0.1	8	Automotive	3.4	4
Other	5.0	4	Other <sup>4</sup>	15.6	48
<b>Total CRE</b>	<b>\$24.2</b>	<b>\$74</b>	<b>Total C&amp;I</b>	<b>\$63.2</b>	<b>\$223</b>

1. Excludes acquired credit-impaired loans.

2. Consumer includes: Food, beverage and tobacco; Retail sector.

3. Industrial/Manufacturing includes: Industrial construction and trade contractors; Sundry manufacturing and wholesale.

4. Other includes: Agriculture; Power and utilities; Telecommunications, cable and media; Transportation; Resources; Other.

# Investor Relations Contacts

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**Phone:**  
416-308-9030  
or 1-866-486-4826

**Email:**  
[tdir@td.com](mailto:tdir@td.com)

**Website:**  
[www.td.com/investor](http://www.td.com/investor)





# **TD Bank Group**

## **Q4 2019 Quarterly Results Presentation**

Thursday, December 5, 2019