CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Financial Statements

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The management of The Toronto-Dominion Bank and its subsidiaries (the "Bank") is responsible for the integrity, consistency, objectivity, and reliability of the Consolidated Financial Statements of the Bank and related financial information as presented. International Financial Reporting Standards as issued by the International Accounting Standards Board, as well as the requirements of the *Bank Act (Canada)*, and related regulations have been applied and management has exercised its judgment and made best estimates where appropriate.

The Bank's accounting system and related internal controls are designed, and supporting procedures maintained, to provide reasonable assurance that financial records are complete and accurate, and that assets are safeguarded against loss from unauthorized use or disposition. These supporting procedures include the careful selection and training of qualified staff, the establishment of organizational structures providing a well-defined division of responsibilities and accountability for performance, and the communication of policies and guidelines of business conduct throughout the Bank.

Management has assessed the effectiveness of the Bank's internal control over financial reporting as at October 31, 2025, using the framework found in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission 2013 Framework. Based upon this assessment, management has concluded that as at October 31, 2025, the Bank's internal control over financial reporting is effective.

The Bank's Board of Directors, acting through the Audit Committee, which is composed entirely of independent directors, oversees management's responsibilities for financial reporting. The Audit Committee reviews the Consolidated Financial Statements and recommends them to the Board for approval. Other responsibilities of the Audit Committee include monitoring the Bank's system of internal control over the financial reporting process and making recommendations to the Board and shareholders regarding the appointment of the external auditor.

The Bank's Chief Auditor, who has full and free access to the Audit Committee, conducts an extensive program of audits. This program supports the system of internal control and is carried out by a professional staff of auditors.

The Office of the Superintendent of Financial Institutions Canada, makes such examination and enquiry into the affairs of the Bank as deemed necessary to ensure that the provisions of the *Bank Act (Canada)*, having reference to the safety of the depositors, are being duly observed and that the Bank is in sound financial condition.

Ernst & Young LLP, the independent auditors appointed by the shareholders of the Bank, have audited the effectiveness of the Bank's internal control over financial reporting as of October 31, 2025, in addition to auditing the Bank's Consolidated Financial Statements as of the same date. Their reports, which expressed unqualified opinions, can be found on the following pages. Ernst & Young LLP have full and free access to, and meet periodically with, the Audit Committee to discuss their audit and matters arising therefrom, such as, comments they may have on the fairness of financial reporting and the adequacy of internal controls.

Raymond Chun	**Kelvin Tran**
Group President and	Group Head and
Chief Executive Officer	Chief Financial Officer

Toronto, Canada
December 3, 2025

INDEPENDENT AUDITOR'S REPORT

To the Shareholders and the Board of Directors of The Toronto-Dominion Bank

Opinion

We have audited the consolidated financial statements of The Toronto-Dominion Bank and its subsidiaries (TD), which comprise the Consolidated Balance Sheets as at October 31, 2025 and 2024, and the Consolidated Statements of Income, Consolidated Statements of Comprehensive Income, Consolidated Statements of Changes in Equity, and Consolidated Statements of Cash Flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of TD as at October 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended, in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of TD in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the year ended October 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Allowance for credit losses

Key audit matter

TD describes its significant accounting judgments, estimates, and assumptions in relation to the allowance for credit losses in Note 3 of the consolidated financial statements. As disclosed in Note 8 to the consolidated financial statements, TD recognized $9,745 million in allowances for credit losses on its consolidated balance sheet using an expected credit loss model (ECL). The ECL is an unbiased and probability-weighted estimate of credit losses expected to occur in the future, which is based on the probability of default (PD), loss given default (LGD) and exposure at default (EAD) or the expected cash shortfall relating to the underlying financial asset. The ECL is determined by evaluating a range of possible outcomes incorporating the time value of money and reasonable and supportable information about past events, current conditions, and future economic forecasts. ECL allowances are measured at amounts equal to either (i) 12-month ECL; or (ii) lifetime ECL for those financial instruments that have experienced a significant increase in credit risk (SICR) since initial recognition or when there is objective evidence of impairment.

Auditing the allowance for credit losses was complex and required the application of significant judgment and involvement of specialists because of the sophistication of the models, the forward-looking nature of the key assumptions, and the inherent interrelationship of the critical variables used in measuring the ECL. Key areas of judgment include evaluating: (i) the models and methodologies used for measuring both the 12-month and lifetime expected credit losses; (ii) the assumptions used in the ECL scenarios including forward-looking information (FLI) and assigning probability weighting; (iii) the determination of SICR; and (iv) the assessment of the qualitative component applied to the modelled ECL based on management's expert credit judgment.

How our audit addressed the key audit matter

We obtained an understanding, evaluated the design, and tested the operating effectiveness of management's controls over the allowance for credit losses. The controls we tested included, amongst others, the development and validation of models and selection of appropriate inputs including economic forecasting, determination of non-retail borrower risk ratings, the integrity of the data used including the associated controls over relevant information technology (IT) systems, and the governance and oversight over the modelled results and the use of expert credit judgment.

To test the allowance for credit losses, our audit procedures included, amongst others, involving our credit risk specialists to assess whether the methodology and assumptions, including management's SICR triggers, used in significant models that estimate the ECL across various portfolios are consistent with the requirements of IFRS. This included reperforming the model validation procedures for a sample of models to evaluate whether management's conclusions were appropriate. With the assistance of our economic specialists, we evaluated the models, methodology and process used by management to develop the FLI variable forecasts for each scenario and the scenario probability weights. For a sample of FLI variables, we compared management's FLI to independently derived forecasts and publicly available information. On a sample basis, we recalculated the ECL to test the mathematical accuracy of management's models. We tested the completeness and accuracy of data used in measuring the ECL by agreeing to source documents and systems and evaluated a sample of management's non-retail borrower risk ratings against TD's risk rating policy. With the assistance of our credit risk specialists, we also evaluated management's methodology and governance over the application of expert credit judgment by evaluating that the amounts recorded were reflective of underlying credit quality and macroeconomic trends. We also assessed the adequacy of disclosures related to the allowance for credit losses.

Fair value measurement of derivatives

Key audit matter

TD describes its significant accounting judgments, estimates, and assumptions in relation to the fair value measurement of derivatives in Note 3 of the consolidated financial statements. As disclosed in Note 5 of the consolidated financial statements, TD has derivative assets of $82,972 million and derivative liabilities of $79,356 million recorded at fair value. Certain of these derivatives are complex and illiquid and require valuation techniques that may include complex models and non-observable inputs, requiring management's estimation and judgment.

Auditing the valuation of certain derivatives required the application of significant auditor judgment and involvement of valuation specialists in assessing the complex models and non-observable inputs used. Certain valuation inputs used to determine fair value that may be non-observable include volatilities, correlations, and credit spreads. The valuation of certain derivatives is sensitive to these inputs as they are forward-looking and could be affected by future economic and market conditions.

How our audit addressed the key audit matter

We obtained an understanding, evaluated the design, and tested the operating effectiveness of management's controls, including the associated controls over relevant IT systems, over the valuation of TD's derivative portfolio. The controls we tested included, amongst others, the controls over the suitability and mechanical accuracy of models used in the valuation of derivatives, and controls over management's independent assessment of fair values, including the integrity of data used in the valuation such as the significant inputs noted above.

To test the valuation of these derivatives, our audit procedures included, amongst others, an evaluation of the methodologies and significant inputs used by TD. With the assistance of our valuation specialists, we performed an independent valuation for a sample of derivatives to assess the modelling assumptions and significant inputs used to estimate the fair value, which involved obtaining significant inputs from independent external sources, where available. We also assessed the adequacy of the disclosures related to the fair value measurement of derivatives.

Measurement of provision for uncertain tax positions

Key audit matter

TD describes its significant accounting judgments, estimates, and assumptions in relation to income taxes in Note 3 and Note 23 of the consolidated financial statements. As a financial institution operating in multiple jurisdictions, TD is subject to complex and constantly evolving tax legislation. Uncertainty in a tax position may arise as tax laws are subject to interpretation. TD uses significant judgment in i) determining whether it is probable that TD will have to make a payment to tax authorities upon their examination of certain uncertain tax positions and ii) measuring the amount of the provision.

Auditing TD's provision for uncertain tax positions involved the application of judgment and is based on interpretation of tax legislation and jurisprudence.

How our audit addressed the key audit matter

We obtained an understanding, evaluated the design, and tested the operating effectiveness of management's controls over TD's provision for uncertain tax positions. The controls we tested included, amongst others, the controls over the assessment of the technical merits of tax positions and management's process to measure the provision for uncertain tax positions.

With the assistance of our tax professionals, we assessed the technical merits and the amount recorded for uncertain tax positions. Our audit procedures included, amongst others, using our knowledge of, and experience with, the application of tax laws by the relevant income tax authorities to evaluate TD's interpretations and assessment of tax laws with respect to uncertain tax positions. We assessed the implications of correspondence received by TD from the relevant tax authorities and evaluated income tax opinions or other third-party advice obtained. We also assessed the adequacy of the disclosures related to uncertain tax positions.

Valuation of Goodwill in the U.S. Personal and Commercial Banking group of Cash Generating Units

Key audit matter

TD describes its significant accounting judgments, estimates, and assumptions in relation to the recoverable amount of its cash generating units ('CGU") or group of CGUs to which goodwill has been allocated in Note 3 of the consolidated financial statements. As disclosed in Note 13 of the consolidated financial statements, TD has $14,776 million of goodwill in the U.S. Retail segment, which predominantly relates to the U.S. Personal and Commercial Banking group of cash generating units ("US P&C CGUs"). Goodwill is assessed for impairment annually, or more frequently if impairment indicators are present.

Auditing the recoverable amount for the U.S. P&C CGUs was complex and required the application of significant auditor judgment and involvement of valuation specialists in assessing certain significant assumptions in the impairment test. Significant assumptions in the estimate of the recoverable amount included the discount rate and certain forward-looking assumptions, such as the terminal growth rate, and forecasted earnings, which are affected by expectations about future market or economic conditions.

How our audit addressed the key audit matter	We obtained an understanding, evaluated the design, and tested the operating effectiveness of management's controls over the recoverable amount of TD's U.S. P&C CGUs. The controls we tested included, amongst others, the controls over management's review of TD's forecast as well as controls over management's review of the model and methodology over significant assumptions such as the discount rate and the terminal growth rate. We also tested controls over management's review of the integrity of the data used and the mathematical accuracy of their valuation model. To test the estimated recoverable amount of the U.S. P&C CGUs, our audit procedures included, amongst others, with the assistance of our valuation specialists, assessing the methodology and testing the significant assumptions and underlying data used by TD in its assessment. We considered the selection and application of the discount rate by evaluating the inputs and mathematical accuracy of the calculation, while also developing an independent estimate and comparing it to the discount rate selected by management. We considered the selection and application of the terminal growth rate by evaluating the selected rate against relevant market and economic forecast data. We evaluated the reasonability of the forecasted earnings by comparing to historical results and considering our current understanding of the business as well as current economic trends. We assessed the historical accuracy of management's prior year estimates by performing a comparison of management's prior year projections to actual results. We performed sensitivity analysis on the significant assumptions to consider the impact of changes in the recoverable amount that would result from changes in the assumptions. We also assessed the adequacy of the disclosures related to the valuation of goodwill.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis; and
- The information, other than the consolidated financial statements and our auditor's report thereon, in the 2025 Annual Report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis and the 2025 Annual Report prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing TD's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate TD or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing TD's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of TD's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on TD's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause TD to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within TD as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor’s report is Helen Mitchell.

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
December 3, 2025

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of The Toronto-Dominion Bank

Opinion on the Consolidated Financial Statements

We have audited the accompanying Consolidated Balance Sheets of The Toronto-Dominion Bank (TD) as of October 31, 2025 and 2024, the related Consolidated Statements of Income, Comprehensive Income, Changes in Equity, and Cash Flows for the years then ended, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of TD at October 31, 2025 and 2024, its consolidated financial performance and its consolidated cash flows for the years then ended, in conformity with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), TD's internal control over financial reporting as of October 31, 2025, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated December 3, 2025, expressed an unqualified opinion thereon.

Basis for Opinion

These consolidated financial statements are the responsibility of TD's management. Our responsibility is to express an opinion on TD's consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to TD in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements, and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Allowance for credit losses

Description of the Matter

TD describes its significant accounting judgments, estimates, and assumptions in relation to the allowance for credit losses in Note 3 of the consolidated financial statements. As disclosed in Note 8 to the consolidated financial statements, TD recognized $9,745 million in allowances for credit losses on its consolidated balance sheet using an expected credit loss model (ECL). The ECL is an unbiased and probability-weighted estimate of credit losses expected to occur in the future, which is based on the probability of default (PD), loss given default (LGD) and exposure at default (EAD) or the expected cash shortfall relating to the underlying financial asset. The ECL is determined by evaluating a range of possible outcomes incorporating the time value of money and reasonable and supportable information about past events, current conditions, and future economic forecasts. ECL allowances are measured at amounts equal to either (i) 12-month ECL; or (ii) lifetime ECL for those financial instruments that have experienced a significant increase in credit risk (SICR) since initial recognition or when there is objective evidence of impairment.

Auditing the allowance for credit losses was complex and required the application of significant judgment and involvement of specialists because of the sophistication of the models, the forward-looking nature of the key assumptions, and the inherent interrelationship of the critical variables used in measuring the ECL. Key areas of judgment include evaluating: (i) the models and methodologies used for measuring both the 12-month and lifetime expected credit losses; (ii) the assumptions used in the ECL scenarios including forward-looking information (FLI) and assigning probability weighting; (iii) the determination of SICR; and (iv) the assessment of the qualitative component applied to the modelled ECL based on management's expert credit judgment.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design, and tested the operating effectiveness of management's controls over the allowance for credit losses. The controls we tested included, amongst others, the development and validation of models and selection of appropriate inputs including economic forecasting, determination of non-retail borrower risk ratings, the integrity of the data used including the associated controls over relevant information technology (IT) systems, and the governance and oversight over the modelled results and the use of expert credit judgment.

To test the allowance for credit losses, our audit procedures included, amongst others, involving our credit risk specialists to assess whether the methodology and assumptions, including management's SICR triggers, used in significant models that estimate the ECL across various portfolios are consistent with the requirements of IFRS. This included reperforming the model validation procedures for a sample of models to evaluate whether management's conclusions were appropriate. With the assistance of our economic specialists, we evaluated the models, methodology and process used by management to develop the FLI variable forecasts for each scenario and the scenario probability weights. For a sample of FLI variables, we compared management's FLI to independently derived forecasts and publicly available information. On a sample basis, we recalculated the ECL to test the mathematical accuracy of management's models. We tested the completeness and accuracy of data used in measuring the ECL by agreeing to source documents and systems and evaluated a sample of management's non-retail borrower risk ratings against TD's risk rating policy. With the assistance of our credit risk specialists, we also evaluated management's methodology and governance over the application of expert credit judgment by evaluating that the amounts recorded were reflective of underlying credit quality and macroeconomic trends. We also assessed the adequacy of disclosures related to the allowance for credit losses.

Fair value measurement of derivatives

Description of the Matter

TD describes its significant accounting judgments, estimates, and assumptions in relation to the fair value measurement of derivatives in Note 3 of the consolidated financial statements. As disclosed in Note 5 of the consolidated financial statements, TD has derivative assets of $82,972 million and derivative liabilities of $79,356 million recorded at fair value. Certain of these derivatives are complex and illiquid and require valuation techniques that may include complex models and non-observable inputs, requiring management's estimation and judgment.

Auditing the valuation of certain derivatives required the application of significant auditor judgment and involvement of valuation specialists in assessing the complex models and non-observable inputs used. Certain valuation inputs used to determine fair value that may be non-observable include volatilities, correlations, and credit spreads. The valuation of certain derivatives is sensitive to these inputs as they are forward-looking and could be affected by future economic and market conditions.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design, and tested the operating effectiveness of management's controls, including the associated controls over relevant IT systems, over the valuation of TD's derivative portfolio. The controls we tested included, amongst others, the controls over the suitability and mechanical accuracy of models used in the valuation of derivatives, and controls over management's independent assessment of fair values, including the integrity of data used in the valuation such as the significant inputs noted above.

To test the valuation of these derivatives, our audit procedures included, amongst others, an evaluation of the methodologies and significant inputs used by TD. With the assistance of our valuation specialists, we performed an independent valuation for a sample of derivatives to assess the modelling assumptions and significant inputs used to estimate the fair value, which involved obtaining significant inputs from independent external sources, where available. We also assessed the adequacy of the disclosures related to the fair value measurement of derivatives.

Measurement of provision for uncertain tax positions

Description of the Matter

TD describes its significant accounting judgments, estimates, and assumptions in relation to income taxes in Note 3 and Note 23 of the consolidated financial statements. As a financial institution operating in multiple jurisdictions, TD is subject to complex and constantly evolving tax legislation. Uncertainty in a tax position may arise as tax laws are subject to interpretation. TD uses significant judgment in i) determining whether it is probable that TD will have to make a payment to tax authorities upon their examination of certain uncertain tax positions and ii) measuring the amount of the provision.

Auditing TD's provision for uncertain tax positions involved the application of judgment and is based on interpretation of tax legislation and jurisprudence.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design, and tested the operating effectiveness of management's controls over TD's provision for uncertain tax positions. The controls we tested included, amongst others, the controls over the assessment of the technical merits of tax positions and management's process to measure the provision for uncertain tax positions.

With the assistance of our tax professionals, we assessed the technical merits and the amount recorded for uncertain tax positions. Our audit procedures included, amongst others, using our knowledge of, and experience with, the application of tax laws by the relevant income tax authorities to evaluate TD's interpretations and assessment of tax laws with respect to uncertain tax positions. We assessed the implications of correspondence received by TD from the relevant tax authorities and evaluated income tax opinions or other third-party advice obtained. We also assessed the adequacy of the disclosures related to uncertain tax positions.

Valuation of Goodwill in the U.S. Personal and Commercial Banking group of Cash Generating Units

Description of the Matter

TD describes its significant accounting judgments, estimates, and assumptions in relation to the recoverable amount of its cash generating units ("CGU") or group of CGUs to which goodwill has been allocated in Note 3 of the consolidated financial statements. As disclosed in Note 13 of the consolidated financial statements, TD has $14,776 million of goodwill in the U.S. Retail segment, which predominantly relates to the U.S. Personal and Commercial Banking group of cash generating units ("US P&C CGUs"). Goodwill is assessed for impairment annually, or more frequently if impairment indicators are present.

Auditing the recoverable amount for the U.S. P&C CGUs was complex and required the application of significant auditor judgment and involvement of valuation specialists in assessing certain significant assumptions in the impairment test. Significant assumptions in the estimate of the recoverable amount included the discount rate and certain forward-looking assumptions, such as the terminal growth rate, and forecasted earnings, which are affected by expectations about future market or economic conditions.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design, and tested the operating effectiveness of management's controls over the recoverable amount of TD's U.S. P&C CGUs. The controls we tested included, amongst others, the controls over management's review of TD's forecast as well as controls over management's review of the model and methodology over significant assumptions such as the discount rate and the terminal growth rate. We also tested controls over management's review of the integrity of the data used and the mathematical accuracy of their valuation model.

To test the estimated recoverable amount of the U.S. P&C CGUs, our audit procedures included, amongst others, with the assistance of our valuation specialists, assessing the methodology and testing the significant assumptions and underlying data used by TD in its assessment. We considered the selection and application of the discount rate by evaluating the inputs and mathematical accuracy of the calculation, while also developing an independent estimate and comparing it to the discount rate selected by management. We considered the selection and application of the terminal growth rate by evaluating the selected rate against relevant market and economic forecast data. We evaluated the reasonability of the forecasted earnings by comparing to historical results and considering our current understanding of the business as well as current economic trends. We assessed the historical accuracy of management's prior year estimates by performing a comparison of management's prior year projections to actual results. We performed sensitivity analysis on the significant assumptions to consider the impact of changes in the recoverable amount that would result from changes in the assumptions. We also assessed the adequacy of the disclosures related to the valuation of goodwill.

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

We have served as TD's sole auditor since 2006. Prior to 2006, we or our predecessor firm have served as joint auditor with various other firms since 1955.

Toronto, Canada
December 3, 2025

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of The Toronto-Dominion Bank

Opinion on Internal Control over Financial Reporting

We have audited The Toronto-Dominion Bank's (TD) internal control over financial reporting as of October 31, 2025, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, TD maintained, in all material respects, effective internal control over financial reporting as of October 31, 2025, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Consolidated Balance Sheets of TD as of October 31, 2025 and 2024, the related Consolidated Statements of Income, Comprehensive Income, Changes in Equity and Cash Flows for the years then ended, and the related notes, and our report dated December 3, 2025, expressed an unqualified opinion thereon.

Basis for Opinion

TD's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting contained in the accompanying Management's Discussion and Analysis. Our responsibility is to express an opinion on TD's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to TD in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
December 3, 2025

Consolidated Financial Statements

CONSOLIDATED BALANCE SHEET

(As at and in millions of Canadian dollars)	**October 31, 2025**	October 31, 2024
ASSETS		
Cash and due from banks	**$ 7,512**	$ 6,437
Interest-bearing deposits with banks	**109,417**	169,930
	116,929	176,367
Trading loans, securities, and other **(Note 5)**	**220,136**	175,770
Non-trading financial assets at fair value through profit or loss **(Note 5)**	**7,395**	5,869
Derivatives **(Notes 5, 11)**	**82,972**	78,061
Financial assets designated at fair value through profit or loss **(Notes 5, 7)**	**6,986**	6,417
Financial assets at fair value through other comprehensive income **(Note 5)**	**126,369**	93,897
	443,858	360,014
Debt securities at amortized cost, net of allowance for credit losses (Notes 5, 7)	**240,439**	271,615
Securities purchased under reverse repurchase agreements (Note 6)	**247,078**	208,217
Loans (Notes 5, 8)		
Residential mortgages	**315,063**	331,649
Consumer instalment and other personal	**259,033**	228,382
Credit card	**41,662**	40,639
Business and government	**345,943**	356,973
	961,701	957,643
Allowance for loan losses **(Note 8)**	**(8,689)**	(8,094)
Loans, net of allowance for loan losses	**953,012**	949,549
Other		
Investment in Schwab **(Note 12)**	**–**	9,024
Goodwill **(Note 13)**	**18,980**	18,851
Other intangibles **(Note 13)**	**3,409**	3,044
Land, buildings, equipment, other depreciable assets, and right-of-use assets **(Note 14)**	**10,132**	9,837
Deferred tax assets **(Note 23)**	**5,388**	4,937
Amounts receivable from brokers, dealers, and clients	**27,345**	22,115
Other assets **(Note 15)**	**27,988**	28,181
	93,242	95,989
Total assets	**$ 2,094,558**	$ 2,061,751
LIABILITIES		
Trading deposits **(Notes 5, 16)**	**$ 37,882**	$ 30,412
Derivatives **(Notes 5, 11)**	**79,356**	68,368
Securitization liabilities at fair value **(Notes 5, 9)**	**25,283**	20,319
Financial liabilities designated at fair value through profit or loss **(Notes 5, 16)**	**197,635**	207,914
	340,156	327,013
Deposits (Notes 5, 16)		
Personal	**650,396**	641,667
Banks	**27,233**	57,698
Business and government	**589,475**	569,315
	1,267,104	1,268,680
Other		
Obligations related to securities sold short **(Note 5)**	**43,795**	39,515
Obligations related to securities sold under repurchase agreements **(Note 6)**	**221,150**	201,900
Securitization liabilities at amortized cost **(Notes 5, 9)**	**14,841**	12,365
Amounts payable to brokers, dealers, and clients	**27,434**	26,598
Insurance contract liabilities **(Note 20)**	**7,278**	7,169
Other liabilities **(Note 17)**	**34,240**	51,878
	348,738	339,425
Subordinated notes and debentures (Notes 5, 18)	**10,733**	11,473
Total liabilities	**1,966,731**	1,946,591
EQUITY		
Shareholders' Equity		
Common shares **(Note 19)**	**24,727**	25,373
Preferred shares and other equity instruments **(Note 19)**	**11,625**	10,888
Treasury – common shares **(Note 19)**	**–**	(17)
Treasury – preferred shares and other equity instruments **(Note 19)**	**(4)**	(18)
Contributed surplus	**285**	204
Retained earnings	**78,320**	70,826
Accumulated other comprehensive income (loss)	**12,874**	7,904
Total equity	**127,827**	115,160
Total liabilities and equity	**$ 2,094,558**	$ 2,061,751

The accompanying Notes are an integral part of these Consolidated Financial Statements.

Raymond Chun
Group President and Chief Executive Officer

Nancy G. Tower
Chair, Audit Committee

CONSOLIDATED STATEMENT OF INCOME

(millions of Canadian dollars, except as noted)	*For the years ended October 31*	
	2025	2024
Interest income[1] (Note 28)		
Loans	**$ 51,730**	$ 53,676
Reverse repurchase agreements	**9,859**	11,621
Securities		
Interest	**18,209**	20,295
Dividends	**2,648**	2,371
Deposits with banks	**5,175**	5,426
	87,621	93,389
Interest expense (Note 28)		
Deposits	**40,039**	46,860
Securitization liabilities	**886**	1,002
Subordinated notes and debentures	**519**	436
Repurchase agreements and short sales	**11,602**	13,322
Other	**1,513**	1,297
	54,559	62,917
Net interest income	**33,062**	30,472
Non-interest income		
Investment and securities services	**8,522**	7,400
Credit fees	**1,650**	1,898
Trading income (loss)	**4,602**	3,628
Service charges	**2,788**	2,626
Card services	**2,905**	2,947
Insurance revenue **(Note 20)**	**7,737**	6,952
Other income (loss) **(Notes 7, 8, 12)**	**6,511**	1,300
	34,715	26,751
Total revenue	**67,777**	57,223
Provision for (recovery of) credit losses (Note 8)	**4,506**	4,253
Insurance service expenses (Note 20)	**6,089**	6,647
Non-interest expenses		
Salaries and employee benefits	**18,227**	16,733
Occupancy, including depreciation	**1,961**	1,958
Technology and equipment, including depreciation	**2,872**	2,656
Amortization of other intangibles	**780**	702
Communication and marketing	**1,643**	1,516
Restructuring charges **(Note 25)**	**686**	566
Brokerage-related and sub-advisory fees	**528**	498
Professional, advisory and outside services	**4,288**	3,064
Other	**2,554**	7,800
	33,539	35,493
Income before income taxes and share of net income from investment in Schwab	**23,643**	10,830
Provision for (recovery of) income taxes (Note 23)	**3,410**	2,691
Share of net income from investment in Schwab (Note 12)	**305**	703
Net income	**20,538**	8,842
Preferred dividends and distributions on other equity instruments	**565**	526
Net income available to common shareholders	**$ 19,973**	$ 8,316
Earnings per share (Canadian dollars) **(Note 24)**		
Basic	**$ 11.57**	$ 4.73
Diluted	**11.56**	4.72
Dividends per common share (Canadian dollars)	**4.20**	4.08

[1] Includes $79,001 million for the year ended October 31, 2025 (October 31, 2024 – $84,324 million), which has been calculated based on the effective interest rate method (EIRM).

The accompanying Notes are an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(millions of Canadian dollars)	*For the years ended October 31*	
	2025	2024
Net income	**$ 20,538**	$ 8,842
Other comprehensive income (loss)		
Items that will be subsequently reclassified to net income		
Net change in unrealized gain/(loss) on financial assets at fair value through other comprehensive income		
Change in unrealized gain/(loss)	**579**	285
Reclassification to earnings of net loss/(gain)	**71**	(23)
Changes in allowance for credit losses recognized in earnings	**1**	(1)
Income taxes relating to:		
Change in unrealized gain/(loss)	**(159)**	(68)
Reclassification to earnings of net loss/(gain)	**(1)**	12
	491	205
Net change in unrealized foreign currency translation gain/(loss) on investments in foreign operations, net of hedging activities		
Change in unrealized gain/(loss)	**1,094**	540
Reclassification to earnings of net loss/(gain)	**(534)**	(19)
Net gain/(loss) on hedges	**(1,088)**	(457)
Reclassification to earnings of net loss/(gain) on hedges	**799**	41
Income taxes relating to:		
Net gain/(loss) on hedges	**298**	122
Reclassification to earnings of net loss/(gain) on hedges	**(220)**	(11)
	349	216
Net change in gain/(loss) on derivatives designated as cash flow hedges		
Change in gain/(loss)	**7,840**	3,354
Reclassification to earnings of loss/(gain)	**(4,858)**	173
Income taxes relating to:		
Change in gain/(loss)	**(2,164)**	(929)
Reclassification to earnings of loss/(gain)	**1,337**	(50)
	2,155	2,548
Share of other comprehensive income (loss) from investment in Schwab	**1,870**	2,007
Items that will not be subsequently reclassified to net income		
Remeasurement gain/(loss) on employee benefit plans		
Gain/(loss)	**22**	(151)
Income taxes	**(5)**	40
	17	(111)
Change in net unrealized gain/(loss) on equity securities designated at fair value through other comprehensive income		
Change in net unrealized gain/(loss)	**150**	222
Income taxes	**(39)**	(60)
	111	162
Gain/(loss) from changes in fair value due to own credit risk on financial liabilities designated at fair value through profit or loss		
Gain/(loss)	**(8)**	22
Income taxes	**2**	(6)
	(6)	16
Total other comprehensive income (loss)	**4,987**	5,043
Total comprehensive income (loss)	**$ 25,525**	$ 13,885
Attributable to:		
Common shareholders	**$ 24,960**	$ 13,359
Preferred shareholders and other equity instrument holders	**565**	526

The accompanying Notes are an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(millions of Canadian dollars)	For the years ended October 31	
	2025	2024
Common shares (Note 19)		
Balance at beginning of year	**$ 25,373**	$ 25,434
Proceeds from shares issued on exercise of stock options	**165**	112
Shares issued as a result of dividend reinvestment plan	**130**	529
Purchase of shares for cancellation and other	**(941)**	(702)
Balance at end of year	**24,727**	25,373
Preferred shares and other equity instruments (Note 19)		
Balance at beginning of year	**10,888**	10,853
Issuance of shares and other equity instruments	**1,787**	1,335
Redemption of shares and other equity instruments	**(1,050)**	(1,300)
Balance at end of year	**11,625**	10,888
Treasury – common shares (Note 19)		
Balance at beginning of year	**(17)**	(64)
Purchase of shares	**(13,094)**	(11,209)
Sale of shares	**13,111**	11,256
Balance at end of year	**–**	(17)
Treasury – preferred shares and other equity instruments (Note 19)		
Balance at beginning of year	**(18)**	(65)
Purchase of shares and other equity instruments	**(1,535)**	(625)
Sale of shares and other equity instruments	**1,549**	672
Balance at end of year	**(4)**	(18)
Contributed surplus		
Balance at beginning of year	**204**	155
Net premium (discount) on sale of treasury instruments	**32**	20
Issuance of stock options, net of options exercised	**12**	22
Other	**37**	7
Balance at end of year	**285**	204
Retained earnings		
Balance at beginning of year	**70,826**	73,008
Impact of reclassification of securities supporting insurance operations related to the adoption of IFRS 17	**–**	(10)
Net income attributable to equity instrument holders	**20,538**	8,842
Common dividends	**(7,228)**	(7,163)
Preferred dividends and distributions on other equity instruments	**(565)**	(526)
Share and other equity instrument issue expenses	**(7)**	(7)
Net premium on repurchase of common shares and redemption of preferred shares and other equity instruments **(Note 19)**	**(5,265)**	(3,295)
Remeasurement gain/(loss) on employee benefit plans	**17**	(111)
Realized gain/(loss) on equity securities designated at fair value through other comprehensive income	**4**	88
Balance at end of year	**78,320**	70,826
Accumulated other comprehensive income (loss)		
Net unrealized gain/(loss) on financial assets at fair value through other comprehensive income:		
Balance at beginning of year	**(208)**	(413)
Impact of reclassification of securities supporting insurance operations related to the adoption of IFRS 17	**–**	10
Other comprehensive income (loss)	**490**	196
Allowance for credit losses	**1**	(1)
Balance at end of year	**283**	(208)
Net unrealized gain/(loss) on equity securities designated at fair value through other comprehensive income:		
Balance at beginning of year	**35**	(127)
Other comprehensive income (loss)	**115**	250
Reclassification of loss/(gain) to retained earnings	**(4)**	(88)
Balance at end of year	**146**	35
Gain/(loss) from changes in fair value due to own credit risk on financial liabilities designated at fair value through profit or loss:		
Balance at beginning of year	**(22)**	(38)
Other comprehensive income (loss)	**(6)**	16
Balance at end of year	**(28)**	(22)
Net unrealized foreign currency translation gain/(loss) on investments in foreign operations, net of hedging activities:		
Balance at beginning of year	**12,893**	12,677
Other comprehensive income (loss)	**349**	216
Balance at end of year	**13,242**	12,893
Net gain/(loss) on derivatives designated as cash flow hedges:		
Balance at beginning of year	**(2,924)**	(5,472)
Other comprehensive income (loss)	**2,155**	2,548
Balance at end of year	**(769)**	(2,924)
Share of accumulated other comprehensive income (loss) from Investment in Schwab	**–**	(1,870)
Total accumulated other comprehensive income	**12,874**	7,904
Total equity	**$ 127,827**	$ 115,160

The accompanying Notes are an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

(millions of Canadian dollars)	*For the years ended October 31*	
	2025	2024
Cash flows from (used in) operating activities		
Net income	**$ 20,538**	$ 8,842
Adjustments to determine net cash flows from (used in) operating activities		
Provision for (recovery of) credit losses **(Note 8)**	**4,506**	4,253
Depreciation **(Note 14)**	**1,386**	1,325
Amortization of other intangibles **(Note 13)**	**780**	702
Net securities loss/(gain) **(Note 7)**	**1,951**	358
Share of net income from investment in Schwab **(Note 12)**	**(305)**	(703)
Gain on sale of Schwab shares **(Note 12)**	**(9,159)**	(1,022)
Deferred taxes **(Note 23)**	**(764)**	(1,061)
Changes in operating assets and liabilities		
Interest receivable and payable **(Notes 15, 17)**	**(1,072)**	1,133
Securities sold under repurchase agreements	**19,250**	35,046
Securities purchased under reverse repurchase agreements	**(38,861)**	(3,884)
Obligations related to securities sold short	**4,280**	(5,146)
Trading loans, securities, and other	**(44,366)**	(23,680)
Loans net of securitization and sales	**(8,024)**	(57,908)
Deposits	**5,894**	69,922
Derivatives	**6,077**	6,049
Non-trading financial assets at fair value through profit or loss	**(1,526)**	1,471
Financial assets and liabilities designated at fair value through profit or loss	**(10,848)**	15,185
Securitization liabilities	**7,440**	5,552
Current income taxes	**441**	658
Amounts receivable and payable from brokers, dealers, and clients	**(4,394)**	4,027
Other, including unrealized foreign currency translation loss/(gain)	**(22,870)**	(6,182)
Net cash from (used in) operating activities	**(69,646)**	54,937
Cash flows from (used in) financing activities		
Issuance of subordinated notes and debentures **(Note 18)**	**2,283**	3,324
Redemption or repurchase of subordinated notes and debentures **(Note 18)**	**(3,175)**	(1,544)
Common shares issued, net of issuance costs **(Note 19)**	**150**	100
Repurchase of common shares, including tax on net value of share repurchases **(Note 19)**	**(6,206)**	(3,997)
Preferred shares and other equity instruments issued, net of issuance costs **(Note 19)**	**1,780**	1,328
Redemption of preferred shares and other equity instruments **(Note 19)**	**(1,050)**	(1,300)
Sale of treasury shares and other equity instruments **(Note 19)**	**14,692**	11,948
Purchase of treasury shares and other equity instruments **(Note 19)**	**(14,629)**	(11,834)
Dividends paid on shares and distributions paid on other equity instruments	**(7,663)**	(7,160)
Repayment of lease liabilities	**(1,683)**	(678)
Net cash from (used in) financing activities	**(15,501)**	(9,813)
Cash flows from (used in) investing activities		
Interest-bearing deposits with banks	**61,591**	(71,153)
Activities in financial assets at fair value through other comprehensive income		
Purchases	**(77,185)**	(42,542)
Proceeds from maturities	**33,481**	18,825
Proceeds from sales	**14,425**	4,130
Activities in debt securities at amortized cost		
Purchases	**(53,435)**	(11,306)
Proceeds from maturities	**49,646**	49,606
Proceeds from sales	**39,026**	5,772
Net purchases of land, buildings, equipment, other depreciable assets, and other intangibles **(Note 14)**	**(2,145)**	(2,177)
Net cash acquired from divestitures **(Note 12)**	**20,784**	3,423
Net cash from (used in) investing activities	**86,188**	(45,422)
Effect of exchange rate changes on cash and due from banks	**34**	14
Net increase (decrease) in cash and due from banks	**1,075**	(284)
Cash and due from banks at beginning of year	**6,437**	6,721
Cash and due from banks at end of year	**$ 7,512**	$ 6,437
Supplementary disclosure of cash flows from operating activities		
Amount of income taxes paid (refunded) during the year	**$ 4,332**	$ 3,812
Amount of interest paid during the year	**55,466**	61,779
Amount of interest received during the year	**84,808**	91,013
Amount of dividends received during the year	**2,687**	2,694

The accompanying Notes are an integral part of these Consolidated Financial Statements.

Notes to Consolidated Financial Statements

NOTE 1: NATURE OF OPERATIONS

CORPORATE INFORMATION
The Toronto-Dominion Bank is a bank chartered under the *Bank Act (Canada)*. The shareholders of a bank are not, as shareholders, liable for any liability, act, or default of the bank except as otherwise provided under the *Bank Act (Canada)*. The Toronto-Dominion Bank and its subsidiaries are collectively known as TD Bank Group ("TD" or the "Bank"). The Bank was formed through the amalgamation on February 1, 1955, of The Bank of Toronto (chartered in 1855) and The Dominion Bank (chartered in 1869). The Bank is incorporated and domiciled in Canada with its registered and principal business offices located at 66 Wellington Street West, Toronto, Ontario. TD serves customers in four business segments operating in a number of locations in key financial centres around the globe: Canadian Personal and Commercial Banking, U.S. Retail, Wealth Management and Insurance, and Wholesale Banking.

BASIS OF PREPARATION
The accompanying Consolidated Financial Statements and accounting principles followed by the Bank have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), including the accounting requirements of the Office of the Superintendent of Financial Institutions Canada (OSFI). The Consolidated Financial Statements are presented in Canadian dollars, unless otherwise indicated.

These Consolidated Financial Statements were prepared using the accounting policies as described in Note 2. Certain comparative amounts have been revised to conform with the presentation adopted in the current period.

The preparation of the Consolidated Financial Statements requires that management make judgments, estimates, and assumptions regarding the reported amount of assets, liabilities, revenue and expenses, and disclosure of contingent assets and liabilities, as further described in Note 3. Accordingly, actual results may differ from estimated amounts as future confirming events occur.

The accompanying Consolidated Financial Statements of the Bank were approved and authorized for issue by the Bank's Board of Directors, in accordance with a recommendation of the Audit Committee, on December 3, 2025.

The risk management policies and procedures of the Bank are provided in the Management's Discussion and Analysis (MD&A). The shaded sections of the "Managing Risk" section of the 2025 MD&A, relating to market, liquidity, and insurance risks, are an integral part of these Consolidated Financial Statements, as permitted by IFRS.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES

BASIS OF CONSOLIDATION
The Consolidated Financial Statements include the assets, liabilities, results of operations, and cash flows of the Bank and its subsidiaries including certain structured entities which it controls.

The Bank's Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and events in similar circumstances. All intercompany transactions, balances, and unrealized gains and losses on transactions are eliminated on consolidation.

Subsidiaries
Subsidiaries are corporations or other legal entities controlled by the Bank, generally through directly holding more than half of the voting power of the entity. Control of subsidiaries is determined based on the power exercisable through ownership of voting rights and is generally aligned with the risks and/or returns (collectively referred to as "variable returns") absorbed from subsidiaries through those voting rights. As a result, the Bank controls and consolidates subsidiaries when it holds the majority of the voting rights of the subsidiary, unless there is evidence that another investor has control over the subsidiary. The existence and effect of potential voting rights that are currently exercisable or convertible are considered in assessing whether the Bank controls an entity. Subsidiaries are consolidated from the date the Bank obtains control and continue to be consolidated until the date when control ceases to exist.

The Bank may consolidate certain subsidiaries where it owns 50% or less of the voting rights. Most of those subsidiaries are structured entities as described in the following section.

Structured Entities
Structured entities are entities created to accomplish a narrow and well-defined objective. Structured entities may take the form of a corporation, trust, partnership, or unincorporated entity. They are often created with legal arrangements that impose limits on the decision-making powers of their governing board, trustee, or management. Structured entities are consolidated when the substance of the relationship between the Bank and the structured entity indicates that the Bank controls the entity. When assessing whether the Bank has to consolidate a structured entity, the Bank evaluates three primary criteria in order to conclude whether, in substance:
- The Bank has the power to direct the activities of the structured entity that have the most significant impact on the entity's variable returns;
- The Bank is exposed to significant variable returns arising from the entity; and
- The Bank has the ability to use its power to affect the variable returns to which it is exposed.

Consolidation conclusions are reassessed at the end of each financial reporting period. The Bank's policy is to consider the impact on consolidation of all significant changes in circumstances, focusing on the following:
- Substantive changes in ownership, such as the purchase or disposal of more than an insignificant interest in an entity;
- Changes in contractual or governance arrangements of an entity;
- Additional activities undertaken, such as providing a liquidity facility beyond the original terms or entering into a transaction not originally contemplated;
- Changes in the financing structure of an entity; and
- Changes in the rights to exercise power over an entity.

INVESTMENTS IN ASSOCIATES AND JOINT VENTURES
Entities over which the Bank has significant influence are associates and entities over which the Bank has joint control are joint ventures. Significant influence is the power to participate in the financial and operating policy decisions of an investee, but is not control or joint control over these entities. Significant influence is presumed to exist where the Bank holds between 20% and 50% of the voting rights of an entity. Significant influence may also exist where the Bank holds less than 20% of the voting rights and has influence over financial and operating policy-making processes, through board representation and significant commercial arrangements. Associates and joint ventures are accounted for using the equity method of accounting. Investments in associates and joint ventures are carried on the Consolidated Balance Sheet initially at cost and increased or decreased to recognize the Bank's share of the profit or loss of the associate or joint venture, capital transactions, including the receipt of any dividends, and write-downs to reflect any impairment in the value of such entities. These increases or decreases, together with any gains and losses realized on disposition, are reported on the Consolidated Statement of Income. The carrying amount of the investments also includes the Bank's share of the investee's other comprehensive income or loss, which is reported in the relevant section of the Consolidated Statement of Comprehensive Income.

At each balance sheet date, the Bank assesses whether there is any objective evidence that the investment in an associate or joint venture is impaired. The Bank calculates the amount of impairment as the difference between the higher of fair value or value-in-use and its carrying value.

CASH AND DUE FROM BANKS
Cash and due from banks consist of cash and amounts due from banks which are issued by investment grade financial institutions. These amounts are due on demand or have an original maturity of three months or less.

REVENUE RECOGNITION
Revenue is recognized at an amount that reflects the consideration the Bank expects to be entitled to in exchange for transferring services to a customer, excluding amounts collected on behalf of third parties. The Bank recognizes revenue when it transfers control of a good or a service to a customer at a point in time or over time. The determination of when performance obligations are satisfied requires the use of judgment. Refer to Note 3 for further details.

The Bank identifies contracts with customers subject to IFRS 15, *Revenue from Contracts with Customers*, which create enforceable rights and obligations. The Bank determines the performance obligations based on distinct services promised to the customers in the contracts. The Bank's contracts generally have a term of one year or less, consist of a single performance obligation, and the performance obligations generally reflect services.

For each contract, the Bank determines the transaction price, which includes estimating variable consideration and assessing whether the price is constrained. Variable consideration is included in the transaction price to the extent that it is highly probable that a significant reversal of the amount will not occur when the uncertainty associated with the amount of variable consideration is subsequently resolved. As such, the estimate of the variable consideration is constrained until the end of the invoicing period. The uncertainty is generally resolved at the end of the reporting period and as such, no significant judgment is required when recognizing variable consideration in revenues.

The Bank's receipt of payment from customers generally occurs subsequent to the satisfaction of performance obligations or a short time thereafter. As such, the Bank has not recognized any material contract assets (unbilled receivables) or contract liabilities (deferred revenues) and there is no significant financing component associated with the consideration due to the Bank.

When another party is involved in the transfer of services to a customer, an assessment is made to evaluate whether the Bank is the principal such that revenues are reported on a gross basis or the agent such that revenues are reported on a net basis. The Bank is the principal when it controls the services in the contract promised to the customer before they are transferred. Control is demonstrated by the Bank being primarily responsible for fulfilling the transfer of the services to the customer, having discretion in establishing pricing of the services, or both.

Investment and securities services
Investment and securities services income includes asset management fees, administration and commission fees, and investment banking fees. The Bank recognizes asset management and administration fees based on time elapsed, which depicts the rendering of investment management and related services over time. The fees are primarily calculated based on average daily or point in time assets under management (AUM) or assets under administration (AUA) depending on the investment mandate.

Commission fees include sales, trailer and brokerage commissions. Sales and brokerage commissions are generally recognized at a point in time when the transaction is executed. Trailer commissions are recognized over time and are generally calculated based on the average daily net asset value of the fund during the period.

Investment banking fees include advisory fees and underwriting fees and are generally recognized at a point in time upon successful completion of the engagement.

Credit fees
Credit fees include liquidity fees, restructuring fees, letter of credit fees, and loan syndication fees. Liquidity, restructuring, and letter of credit fees are recognized in income over the period in which the service is provided. Loan syndication fees are generally recognized at a point in time upon completion of the financing placement.

Service charges
Service charges income is earned on personal and commercial deposit accounts and consists of account fees and transaction-based service charges. Account fees relate to account maintenance activities and are recognized in income over the period in which the service is provided. Transaction-based service charges are recognized as earned at a point in time when the transaction is complete.

Card services
Card services income includes interchange income as well as card fees such as annual and transactional fees. Interchange income is recognized at a point in time when the transaction is authorized and funded. Card fees are recognized as earned at the transaction date with the exception of annual fees, which are recognized over a twelve-month period.

FINANCIAL INSTRUMENTS

Classification and Measurement of Financial Assets

The Bank classifies its financial assets into the following categories:

- Amortized cost;
- Fair value through other comprehensive income (FVOCI);
- Held-for-trading;
- Non-trading fair value through profit or loss (FVTPL); and
- Designated as measured at FVTPL.

The Bank recognizes financial assets on a settlement date basis, except for derivatives and securities, which are recognized on a trade date basis.

Debt Instruments

The classification and measurement for debt instruments is based on the Bank's business models for managing its financial assets and whether the contractual cash flows represent solely payments of principal and interest (SPPI). Refer to Note 3 for judgment with respect to the determination of the Bank's business models and whether contractual cash flows represent SPPI.

The Bank has determined its business models as follows:

- Held-to-collect: the objective is to collect contractual cash flows;
- Held-to-collect-and-sell: the objective is both to collect contractual cash flows and sell the financial assets; and
- Held-for-sale and other business models: the objective is neither of the above.

The Bank performs the SPPI test for financial assets held within the held-to-collect and held-to-collect-and-sell business models. If these financial assets have contractual cash flows which are inconsistent with a basic lending arrangement that do not pass the SPPI test, they are classified as non-trading financial assets measured at FVTPL. In a basic lending arrangement, interest includes consideration for time value of money, credit risk, other basic lending risks, and a reasonable profit margin.

Debt Securities and Loans Measured at Amortized Cost

Debt securities and loans held within a held-to-collect business model where their contractual cash flows pass the SPPI test are measured at amortized cost. The carrying amount of these financial assets is adjusted by an allowance for credit losses recognized and measured as described in the Impairment – Expected Credit Loss Model section of this Note, as well as any write-offs and unearned income which includes prepaid interest, loan origination fees and costs, commitment fees, loan syndication fees, and unamortized discounts or premiums. Interest income is recognized using EIRM. The effective interest rate (EIR) is the rate that discounts expected future cash flows for the expected life of the financial instrument to its carrying value. The calculation takes into account the contractual interest rate, along with any fees or incremental costs that are directly attributable to the instrument and all other premiums or discounts. Loan origination fees and costs are considered to be adjustments to the loan yield and are recognized in interest income over the term of the loan. Commitment fees are recognized in credit fees over the commitment period when it is unlikely that the commitment will be called upon; otherwise, they are recognized in interest income over the term of the resulting loan. Loan syndication fees are recognized in credit fees upon completion of the financing placement unless the yield on any loan retained by the Bank is less than that of other comparable lenders involved in the financing syndicate. In such cases, an appropriate portion of the fee is recognized as a yield adjustment in interest income over the term of the loan.

Debt Securities and Loans Measured at Fair Value through Other Comprehensive Income

Debt securities and loans held within a held-to-collect-and-sell business model where their contractual cash flows pass the SPPI test are measured at FVOCI. Fair value changes are recognized in other comprehensive income, except for impairment gains or losses, interest income and foreign exchange gains and losses on the instrument's amortized cost, which are recognized in the Consolidated Statement of Income. Interest income is recognized using EIRM. The expected credit loss (ECL) allowance is recognized and measured as described in the Impairment – Expected Credit Loss Model section of this Note. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to income and recognized in other income (loss).

Financial Assets Held-for-Trading

The held-for-sale business model includes financial assets held within a trading portfolio, which have been originated, acquired, or incurred principally for the purpose of selling in the near term, or if they form part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short-term profit-taking. Financial assets held within this business model consist of trading securities, trading loans, as well as certain securities purchased under reverse repurchase agreements.

Trading portfolio assets are accounted for at fair value with changes in fair value recognized in trading income (loss). Transaction costs are expensed as incurred. Dividends are recognized on the ex-dividend date and interest is recognized on an accrual basis. Both dividends and interest are included in interest income.

Non-Trading Financial Assets Measured at Fair Value through Profit or Loss

Non-trading financial assets measured at FVTPL include financial assets held within the held-for-sale and other business models, for example debt securities and loans managed on a fair value basis. Financial assets held within the held-to-collect or held-to-collect-and-sell business models that do not pass the SPPI test are also classified as non-trading financial assets measured at FVTPL. Changes in fair value as well as any gains or losses realized on disposal are recognized in other income (loss). Interest income from debt instruments is included in interest income on an accrual basis.

Financial Assets Designated at Fair Value through Profit or Loss

Debt instruments in a held-to-collect or held-to-collect-and-sell business model can be designated at initial recognition as measured at FVTPL, provided the designation can eliminate or significantly reduce an accounting mismatch that would otherwise arise from measuring these financial assets on a different basis. The FVTPL designation is available only for those financial instruments for which a reliable estimate of fair value can be obtained. Once financial assets are designated at FVTPL, the designation is irrevocable. Changes in fair value as well as any gains or losses realized on disposal are recognized in other income (loss). Interest income from these financial assets is included in interest income on an accrual basis.

Equity Instruments
Equity investments are required to be measured at FVTPL, except where the Bank has elected at initial recognition to irrevocably designate an equity investment, held for purposes other than trading, at FVOCI. If such an election is made, the fair value changes, including any associated foreign exchange gains or losses, are recognized in other comprehensive income and are not subsequently reclassified to net income, including upon disposal. Realized gains and losses are transferred directly to retained earnings upon disposal. Consequently, there is no review required for impairment. Dividends will normally be recognized in interest income unless the dividends represent a recovery of part of the cost of the investment. Gains and losses on trading and non-trading equity investments measured at FVTPL are included in trading income (loss) and other income (loss), respectively.

Classification and Measurement for Financial Liabilities
The Bank classifies its financial liabilities into the following categories:
- Held-for-trading;
- Designated at FVTPL; and
- Other liabilities.

Financial Liabilities Held-for-Trading
Financial liabilities are held within a trading portfolio if they have been incurred principally for the purpose of repurchasing in the near term, or form part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Financial liabilities held-for-trading are primarily trading deposits, securitization liabilities at fair value, obligations related to securities sold short and certain obligations related to securities sold under repurchase agreements.

Trading portfolio liabilities are accounted for at fair value, with changes in fair value as well as any gains or losses realized on disposal recognized in trading income (loss). Transaction costs are expensed as incurred. Interest is recognized on an accrual basis in interest expense.

Financial Liabilities Designated at Fair Value through Profit or Loss
Certain financial liabilities may be designated at FVTPL at initial recognition. To be designated at FVTPL, financial liabilities must meet one of the following criteria: (1) the designation eliminates or significantly reduces a measurement or recognition inconsistency; (2) the financial liabilities or a group of financial assets and financial liabilities are managed, and their performance is evaluated, on a fair value basis in accordance with a documented risk management or investment strategy; or (3) the instrument contains one or more embedded derivatives unless a) the embedded derivative does not significantly modify the cash flows that otherwise would be required by the contract, or b) it is clear with little or no analysis that separation of the embedded derivative from the financial instrument is prohibited. In addition, the FVTPL designation is available only for those financial instruments for which a reliable estimate of fair value can be obtained. Once financial liabilities are designated at FVTPL, the designation is irrevocable.

Financial liabilities designated at FVTPL are carried at fair value on the Consolidated Balance Sheet, with changes in fair value as well as any gains or losses realized on disposal recognized in other income (loss), except for the amount of change in fair value attributable to changes in the Bank's own credit risk, which is presented in other comprehensive income. Amounts recognized in other comprehensive income are not subsequently reclassified to net income upon derecognition of the financial liability; instead, they are transferred directly to retained earnings.

Changes in fair value attributable to changes in the Bank's own credit risk are measured as the difference between: (i) the period-over-period change in the present value of the expected cash flows using an all-in discount curve reflecting both the interest rate benchmark curve and the Bank's own credit curve; and (ii) the period-over-period change in the present value of the same expected cash flows using a discount curve based solely on the interest rate benchmark curve.

For loan commitments and financial guarantee contracts that are designated at FVTPL, the full change in fair value of the liability is recognized in other income (loss).

Interest is recognized on an accrual basis in interest expense.

Other Financial Liabilities
Deposits
Deposits, other than deposits included in a trading portfolio and deposits designated at FVTPL, are accounted for at amortized cost. Accrued interest on deposits is included in Other liabilities on the Consolidated Balance Sheet. Interest, including capitalized transaction costs, is recognized on an accrual basis using EIRM as Interest expense on the Consolidated Statement of Income.

Subordinated Notes and Debentures
Subordinated notes and debentures are accounted for at amortized cost. Accrued interest on subordinated notes and debentures is included in Other liabilities on the Consolidated Balance Sheet. Interest, including capitalized transaction costs, is recognized on an accrual basis using EIRM as Interest expense on the Consolidated Statement of Income.

Reclassification of Financial Assets and Financial Liabilities
Financial assets and financial liabilities are not reclassified subsequent to their initial recognition, except for financial assets for which the Bank changes its business model for managing financial assets. Such reclassifications of financial assets are expected to be rare in practice.

Impairment – Expected Credit Loss Model
The ECL model applies to financial assets, including loans and debt securities measured at amortized cost, loans and debt securities measured at FVOCI, loan commitments, and financial guarantees that are not measured at FVTPL.

The ECL model consists of three stages: Stage 1 – Twelve-month ECLs for performing financial assets, Stage 2 – Lifetime ECLs for financial assets that have experienced a significant increase in credit risk since initial recognition, and Stage 3 – Lifetime ECLs for financial assets that are credit-impaired. ECLs are the difference between all the contractual cash flows that are due to the Bank in accordance with the contract and all the cash flows the Bank expects to receive, discounted at the original EIR. If a significant increase in credit risk has occurred since initial recognition, impairment is measured as lifetime ECLs. Otherwise, impairment is measured as twelve-month ECLs which represent the portion of lifetime ECLs that are expected to occur based on default events that are possible within twelve months after the reporting date. If credit quality improves in a subsequent period such that the increase in credit risk since initial recognition is no longer considered significant, the loss allowance reverts to being measured based on twelve-month ECLs.

Significant Increase in Credit Risk
For retail exposures, significant increase in credit risk is assessed based on changes in the twelve-month probability of default (PD) since initial recognition, using a combination of individual and collective information that incorporates borrower and account specific attributes and relevant forward-looking macroeconomic variables.

For non-retail exposures, significant increase in credit risk is assessed based on changes in the internal risk rating (borrower risk ratings (BRR)) since initial recognition. Refer to the shaded areas of the “Managing Risk” section of the 2025 MD&A for further details on the Bank’s 21-point BRR scale to risk levels.

For both retail and non-retail exposures, delinquency backstop when contractual payments are more than 30 days past due is also used in assessing significant increase in credit risk.

The Bank defines default as delinquency of 90 days or more for most retail products and BRR of 9 for non-retail exposures. Exposures are considered credit-impaired and migrate to Stage 3 when the definition of default is met or when there is objective evidence that there has been a deterioration of credit quality to the extent the Bank no longer has reasonable assurance as to the timely collection of the full amount of principal and interest.

When assessing whether there has been a significant increase in credit risk since the initial recognition of a financial asset, the Bank considers all reasonable and supportable information that is available without undue cost or effort about past events, current conditions, and forecast of future economic conditions. Refer to Note 3 for additional details.

Measurement of Expected Credit Losses

ECLs are measured as the probability-weighted present value of expected cash shortfalls over the remaining expected life of the financial instrument and consider reasonable and supportable information about past events, current conditions, and forecasts of future events and economic conditions that impact the Bank’s credit risk assessment. Expected life is the maximum contractual period the Bank is exposed to credit risk, including extension options for which the borrower has the unilateral right to exercise. For certain financial instruments that include both a loan and an undrawn commitment, and the Bank’s contractual ability to demand repayment and cancel the undrawn commitment does not limit the Bank’s exposure to credit losses to the contractual notice period, ECLs are measured over the period the Bank is exposed to credit risk. For example, ECLs for credit cards are measured over the borrowers’ expected behavioural life, incorporating survivorship assumptions and borrower-specific attributes.

The Bank leverages its Advanced Internal Ratings-Based models used for regulatory capital purposes and incorporates adjustments where appropriate to calculate ECLs.

Forward-Looking Information and Expert Credit Judgment

Forward-looking information is considered when determining significant increase in credit risk and measuring ECLs. Forward-looking macroeconomic factors are incorporated in the risk parameters as relevant.

Qualitative factors that are not already considered in the quantitative models are incorporated by applying expert credit judgment in determining the final ECLs. Refer to Note 3 for additional details.

Modified Loans

In cases where a borrower experiences financial difficulties, the Bank may grant certain modifications to the terms and conditions of a loan. Modifications may include payment deferrals, extension of amortization periods, rate reductions, principal forgiveness, debt consolidation, forbearance and other modifications intended to minimize the economic loss and to avoid foreclosure or repossession of collateral. The Bank has policies in place to determine the appropriate remediation strategy based on the individual borrower.

If the Bank determines that a modification results in expiry of cash flows, the original asset is derecognized and a new asset is recognized based on the new contractual terms. Significant increase in credit risk is assessed relative to the risk of default on the date of modification.

If the Bank determines that a modification does not result in derecognition, significant increase in credit risk is assessed based on the risk of default at initial recognition of the original asset. Expected cash flows arising from the modified contractual terms are considered when calculating ECLs for the modified asset. For loans that were modified while having lifetime ECLs, the loans can revert to having twelve-month ECLs after a period of performance and improvement in the borrower’s financial condition.

Allowance for Loan Losses

The allowance for loan losses represents management’s calculation of probability-weighted ECLs in the lending portfolios, including any off-balance sheet exposures, at the balance sheet date. The allowance for loan losses for lending portfolios reported on the Consolidated Balance Sheet, which includes credit-related allowances for residential mortgages, consumer instalment and other personal, credit card, business and government loans, is deducted from Loans on the Consolidated Balance Sheet. The allowance for loan losses for loans measured at FVOCI is included in the Consolidated Statement of Changes in Equity. The allowance for loan losses for off-balance sheet instruments, which relates to certain guarantees, letters of credit, and undrawn lines of credit, is recognized in Other liabilities on the Consolidated Balance Sheet. Allowances for lending portfolios reported on the balance sheet and off-balance sheet exposures are calculated using the same methodology. The allowance is increased by the provision for credit losses and decreased by write-offs net of recoveries and disposals. Each quarter, allowances are reassessed and adjusted based on any changes in management’s estimate of ECLs. Loan losses on impaired loans in Stage 3 continue to be recognized by means of an allowance for loan losses until a loan is written off.

A loan is written off against the related allowance for loan losses when there is no realistic prospect of recovery. Non-retail loans are generally written off when all reasonable collection efforts have been exhausted, such as when a loan is sold, when all security has been realized, or when all security has been resolved with the receiver or bankruptcy court. Non-real estate retail loans are generally written off when contractual payments are 180 days past due, or when a loan is sold. Real estate secured retail loans are generally written off when the security is realized. The time period over which the Bank performs collection activities on the contractual amount outstanding of financial assets that are written off varies from one jurisdiction to another and generally spans between less than one year to five years.

Allowance for Credit Losses on Debt Securities

The allowance for credit losses on debt securities represents management’s calculation of probability-weighted ECLs. Debt securities measured at amortized cost are presented net of the allowance for credit losses on the Consolidated Balance Sheet. The allowance for credit losses on debt securities measured at FVOCI are included in the Consolidated Statement of Changes in Equity. The allowance for credit losses is increased by the provision for credit losses and decreased by write-offs net of recoveries and disposals.

Acquired Performing Loans

Acquired performing loans are initially measured at fair value, which considers incurred and expected future credit losses estimated at the acquisition date and also reflects adjustments based on the acquired loan’s interest rate in comparison to current market rates. On acquisition, twelve-month ECLs are recognized on the acquired performing loans, resulting in the carrying amount being lower than fair value. Acquired performing loans are subsequently accounted for at amortized cost based on their contractual cash flows and any acquisition related discount or premium, including credit-related discounts, is considered to be an adjustment to the loan yield and is recognized in interest income using EIRM over the term of the loan, or the expected life of the loan for acquired performing loans with revolving terms.

SHARE CAPITAL AND OTHER EQUITY INSTRUMENTS

The Bank classifies financial instruments that it issues as either financial liabilities, equity instruments, or compound instruments.

Issued instruments that are mandatorily redeemable or convertible into a variable number of the Bank's common shares at the holder's option are classified as liabilities on the Consolidated Balance Sheet. Dividend or interest payments on these instruments are recognized in Interest expense on the Consolidated Statement of Income.

Issued instruments are classified as equity when there is no contractual obligation to transfer cash or other financial assets to redeem or convert these instruments. Such instruments, if not mandatorily redeemable or convertible into a variable number of the Bank's common shares at the holder's option, are classified as equity on the Consolidated Balance Sheet. Incremental costs directly attributable to the issue of equity instruments are included in equity as a deduction from the proceeds, net of tax. Dividends and distributions on these instruments are recognized as a reduction in equity.

Compound instruments are comprised of both liability and equity components in accordance with the substance of the contractual arrangement. The liability component is initially measured at fair value with any residual amount assigned to the equity component. Issuance costs are allocated proportionately to the liability and equity components.

Common shares, preferred shares, and other equity instruments issued and held by the Bank are classified as treasury instruments in equity, and the cost of these instruments is recorded as a reduction in equity. Upon the sale of treasury instruments, the difference between the sale proceeds and the cost of the instruments is recorded in or against contributed surplus.

GUARANTEES

The Bank issues guarantee contracts that require payments to be made to guaranteed parties based on: (1) changes in the underlying economic characteristics relating to an asset or liability of the guaranteed party; (2) failure of another party to perform under an obligating agreement; or (3) failure of another third party to pay its indebtedness when due. Guarantees are initially measured and recorded at their fair value. The fair value of a guarantee liability at initial recognition is normally equal to the present value of the guarantee fees received over the life of the contract. The Bank's release from risk is recognized over the term of the guarantee using a systematic and rational amortization method.

If a guarantee meets the definition of a derivative, it is carried at fair value on the Consolidated Balance Sheet and reported as a derivative asset or derivative liability at fair value. Guarantees that are considered derivatives are over-the-counter (OTC) credit derivative contracts designed to transfer the credit risk in an underlying financial instrument from one counterparty to another.

DERIVATIVES

Derivatives are instruments that derive their value from changes in underlying interest rates, foreign exchange rates, credit spreads, commodity prices, equities, or other financial or non-financial measures. Such instruments include interest rate, foreign exchange, equity, commodity, and credit derivative contracts. The Bank uses these instruments for trading and non-trading purposes. Derivatives are carried at their fair value on the Consolidated Balance Sheet.

Derivatives Held for Trading Purposes

The Bank enters into trading derivative contracts to meet the needs of its customers, to provide liquidity and market-making related activities, and in certain cases, to manage risks related to its trading portfolios. The realized and unrealized gains or losses on trading derivatives are recognized in trading income (loss).

Derivatives Held for Non-trading Purposes

Non-trading derivatives are primarily used to manage interest rate, foreign exchange, and other market risks of the Bank's traditional banking activities. When derivatives are held for non-trading purposes and when the transactions meet the hedge accounting requirements of IAS 39, *Financial Instruments: Recognition and Measurement* (IAS 39), they are presented as non-trading derivatives and receive hedge accounting treatment, as appropriate. Certain derivative instruments that are held for economic hedging purposes, and do not meet the hedge accounting requirements of IAS 39, are also presented as non-trading derivatives with the change in fair value of these derivatives recognized in Non-interest income.

Hedging Relationships

Hedge Accounting

The Bank has an accounting policy choice to apply the hedge accounting requirements of IFRS 9, *Financial Instruments* (IFRS 9), or IAS 39. The Bank has made the decision to continue applying the IAS 39 hedge accounting requirements and complies with the revised annual hedge accounting disclosures as required by the related amendments to IFRS 7, *Financial Instruments: Disclosures* (IFRS 7).

At the inception of a hedging relationship, there is formal documentation of the relationship between the hedging instrument and the hedged item, its risk management objective, and strategy for undertaking the hedge. The Bank also requires a documented assessment, both at hedge inception and on an ongoing basis, of whether or not the derivatives that are used in hedging relationships are highly effective in offsetting the changes attributable to the hedged risks in the fair values or cash flows of the hedged items. In order to be considered highly effective, the hedging instrument and the hedged item must be highly and inversely correlated such that the changes in the fair value of the hedging instrument will substantially offset the effects of the hedged exposure throughout the term of the hedging relationship. If a hedging relationship becomes ineffective, it no longer qualifies for hedge accounting and any subsequent change in the fair value of the hedging instrument is recognized in Non-interest income on the Consolidated Statement of Income.

Changes in fair value relating to the derivative component excluded from the assessment of hedge effectiveness are recognized in Net interest income or Non-interest income, as applicable, on the Consolidated Statement of Income.

When derivatives are designated in hedge accounting relationships, the Bank classifies them either as: (1) hedges of the changes in fair value of recognized assets, liabilities or firm commitments (fair value hedges); (2) hedges of the variability in highly probable future cash flows attributable to recognized assets, liabilities or forecast transactions (cash flow hedges); or (3) hedges of net investments in foreign operations (net investment hedges).

Fair Value Hedges

The Bank's fair value hedges principally consist of interest rate swaps that are used to protect against changes in the fair value of fixed-rate financial instruments due to movements in market interest rates.

The change in the fair value of the derivative that is designated and qualifies as a fair value hedge, as well as the change in the fair value of the hedged item attributable to the hedged risk, is recognized in Net interest income to the extent that the hedging relationship is effective. Any change in fair value relating to the ineffective portion of the hedging relationship is recognized immediately in Non-interest income.

The cumulative adjustment to the carrying amount of the hedged item (the basis adjustment) is amortized to Net interest income on the Consolidated Statement of Income based on a recalculated EIR over the remaining expected life of the hedged item, with amortization beginning no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the hedged risk. Where the hedged item has been derecognized, the basis adjustment is immediately released to Net interest income or Non-interest income, as applicable, on the Consolidated Statement of Income.

Cash Flow Hedges
The Bank is exposed to variability in future cash flows attributable to interest rate, foreign exchange rate, and equity price risks. The amounts and timing of future cash flows are projected for each hedged exposure on the basis of their contractual terms and other relevant factors, including estimates of prepayments and defaults.

The effective portion of the change in the fair value of the derivative that is designated and qualifies as a cash flow hedge is initially recognized in other comprehensive income. The change in fair value of the derivative relating to the ineffective portion is recognized immediately in Non-interest income. Amounts in accumulated other comprehensive income (AOCI) are reclassified to Net interest income or Non-interest income, as applicable, on the Consolidated Statement of Income in the same period during which the hedged item affects income.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in AOCI at that time remains in AOCI until the forecast transaction impacts the Consolidated Statement of Income. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in AOCI is immediately reclassified to Net interest income or Non-interest income, as applicable, on the Consolidated Statement of Income.

Net Investment Hedges
Hedges of net investments in foreign operations are accounted for similar to cash flow hedges. The change in fair value on the hedging instrument relating to the effective portion is recognized in other comprehensive income. The change in fair value of the hedging instrument relating to the ineffective portion is recognized immediately in Non-interest income. Gains and losses in AOCI are reclassified as Non-interest income in the Consolidated Statement of Income upon the disposal or partial disposal of the investment in the foreign operation. The Bank designates derivatives and non-derivatives (such as foreign currency deposit liabilities) as hedging instruments in net investment hedges of spot or forward exchange risk.

Embedded Derivatives
Derivatives may be embedded in financial liabilities or other host contracts. Embedded derivatives are treated as separate derivatives when their economic characteristics and risks are not closely related to those of the host instrument, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined contract is not measured at fair value with changes in fair value recognized in income, such as held-for-trading or designated at FVTPL. These embedded derivatives, which are bifurcated from the host contract, are recognized as Derivatives on the Consolidated Balance Sheet and measured at fair value with subsequent changes in fair value recognized in Non-interest income on the Consolidated Statement of Income.

TRANSLATION AND PRESENTATION OF FOREIGN CURRENCIES
The Bank's Consolidated Financial Statements are presented in Canadian dollars. Items included in the financial statements of each of the Bank's entities are measured using their functional currency, which is the currency of the primary economic environment in which they operate.

Monetary assets and liabilities denominated in a currency that differs from an entity's functional currency are translated into the functional currency of the entity at exchange rates prevailing at the balance sheet date. Non-monetary assets and liabilities carried at cost are translated at historical exchange rates. Non-monetary assets and liabilities carried at fair value are translated at the exchange rate in effect at the balance sheet date. Revenue and expenses are translated into an entity's functional currency at average exchange rates for the period, except for depreciation and amortization. Depreciation and amortization are translated at historical exchange rates. Translation gains and losses are included in Non-interest income except for equity investments designated at FVOCI where unrealized translation gains and losses are recorded in other comprehensive income.

Foreign operations are those with a functional currency other than Canadian dollars. For the purpose of translation into the Bank's presentation currency, all assets and liabilities are first measured in the functional currency of the foreign operation and subsequently, translated at exchange rates prevailing at the balance sheet date. Income and expenses are translated at average exchange rates for the period. Unrealized translation gains and losses relating to these foreign operations, net of gains or losses arising from net investment hedges and applicable income taxes, are included in other comprehensive income. Translation gains and losses in AOCI are recognized on the Consolidated Statement of Income upon the disposal or partial disposal of the foreign operation. The investment balance of foreign entities accounted for by the equity method, including the Bank's investment in The Charles Schwab Corporation ("Schwab") prior to the sale, is translated into Canadian dollars using exchange rates prevailing at the balance sheet date with exchange gains or losses recognized in other comprehensive income.

OFFSETTING OF FINANCIAL INSTRUMENTS
Financial assets and liabilities are offset, with the net amount presented on the Consolidated Balance Sheet, only if the Bank currently has a legally enforceable right to set off the recognized amounts, and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. In all other situations, assets and liabilities are presented on a gross basis.

DETERMINATION OF FAIR VALUE
The fair value of a financial instrument on initial recognition is normally the transaction price, as evidenced by the fair value of the consideration given or received. The best evidence of fair value is quoted prices in active markets. When there is no active market for the instrument, the fair value may be based on other observable current market transactions involving the same or similar instruments, without modification or repackaging, or based on a valuation technique which maximizes the use of observable market inputs.

When financial assets and liabilities have offsetting market risks or credit risks, the Bank applies a measurement exception, as described in Note 5 under *Portfolio Exception*. The value determined from application of the portfolio exception must be allocated to the individual financial instruments within the group to arrive at the fair value of an individual financial instrument. Balance sheet offsetting presentation requirements, as described above under the Offsetting of Financial Instruments section of this Note, are then applied, if applicable.

Valuation adjustments reflect the Bank's assessment of factors that market participants would use in pricing the asset or liability. The Bank recognizes various types of valuation adjustments including, but not limited to, adjustments for bid-offer spreads, adjustments for the unobservability of inputs used in pricing models, and adjustments for assumptions about risk, such as the creditworthiness of either counterparty and market implied unsecured funding costs and benefits for OTC derivatives.

If there is a difference between the initial transaction price and the value based on a valuation technique, the difference is referred to as inception profit or loss. Inception profit or loss is recognized upon initial recognition of the instrument only if the fair value is based on observable inputs. When an instrument is measured using a valuation technique that utilizes significant non-observable inputs, it is initially valued at the transaction price, which is considered the best estimate of fair value. Subsequent to initial recognition, any difference between the transaction price and the value determined by the valuation technique at initial recognition is recognized as non-observable inputs become observable.

If the fair value of a financial asset measured at fair value becomes negative, it is recognized as a financial liability until either its fair value becomes positive, at which time it is recognized as a financial asset, or until it is extinguished.

DERECOGNITION OF FINANCIAL INSTRUMENTS

Financial Assets

The Bank derecognizes a financial asset when the contractual rights to that asset have expired. Derecognition may also be appropriate where the contractual right to receive future cash flows from the asset have been transferred, or where the Bank retains the rights to future cash flows from the asset, but assumes an obligation to pay those cash flows to a third party subject to certain criteria.

When the Bank transfers a financial asset, it is necessary to assess the extent to which the Bank has retained the risks and rewards of ownership of the transferred asset. If substantially all the risks and rewards of ownership of the financial asset have been retained, the Bank continues to recognize the financial asset and also recognizes a financial liability for the consideration received. Certain transaction costs incurred are also capitalized and amortized using EIRM. If substantially all the risks and rewards of ownership of the financial asset have been transferred, the Bank will derecognize the financial asset and recognize separately as assets or liabilities any rights and obligations created or retained in the transfer. The Bank determines whether substantially all the risks and rewards have been transferred by quantitatively comparing the variability in cash flows before and after the transfer. If the variability in cash flows does not change significantly as a result of the transfer, the Bank has retained substantially all of the risks and rewards of ownership.

If the Bank neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, the Bank derecognizes the financial asset where it has relinquished control of the financial asset. The Bank is considered to have relinquished control of the financial asset where the transferee has the practical ability to sell the transferred financial asset. Where the Bank has retained control of the financial asset, it continues to recognize the financial asset to the extent of its continuing involvement in the financial asset. Under these circumstances, the Bank usually retains the rights to future cash flows relating to the asset through a residual interest and is exposed to some degree of risk associated with the financial asset.

The derecognition criteria are also applied to the transfer of part of an asset, rather than the asset as a whole, or to a group of similar financial assets in their entirety, when applicable. If transferring a part of an asset, it must be a specifically identified cash flow, a fully proportionate share of the asset, or a fully proportionate share of a specifically identified cash flow.

Securitization

Securitization is the process by which financial assets are transformed into securities. The Bank securitizes financial assets by transferring those financial assets to a third party and as part of the securitization, certain financial assets may be retained and may consist of an interest-only strip and, in some cases, a cash reserve account (collectively referred to as "retained interests"). If the transfer qualifies for derecognition, a gain or loss on sale of the financial assets is recognized immediately in other income (loss) after considering the effect of hedge accounting on the assets sold, if applicable. The amount of the gain or loss is calculated as the difference between the carrying amount of the asset transferred and the sum of any cash proceeds received, the fair value of any financial asset received or financial liability assumed, and any cumulative gain or loss allocated to the transferred asset that had been recognized in AOCI. To determine the value of the retained interest initially recorded, the previous carrying value of the transferred asset is allocated between the amount derecognized from the balance sheet and the retained interest recorded, in proportion to their relative fair values on the date of transfer. Subsequent to initial recognition, as market prices are generally not available for retained interests, fair value is determined by estimating the present value of future expected cash flows using management's best estimates of key assumptions that market participants would use in determining such fair value. Refer to Note 3 for assumptions used by management in determining the fair value of retained interests. Retained interest is classified as trading securities with subsequent changes in fair value recorded in trading income (loss).

Where the Bank retains the servicing rights, the benefits of servicing are assessed against market expectations. When the benefits of servicing are more than adequate, a servicing asset is recognized. Similarly, when the benefits of servicing are less than adequate, a servicing liability is recognized. Servicing assets and servicing liabilities are initially recognized at fair value and subsequently carried at amortized cost.

Financial Liabilities

The Bank derecognizes a financial liability when the obligation under the liability is discharged, cancelled, or expires. If an existing financial liability is replaced by another financial liability from the same lender on substantially different terms or where the terms of the existing liability are substantially modified, the original liability is derecognized and a new liability is recognized with the difference in the respective carrying amounts recognized on the Consolidated Statement of Income.

Securities Purchased Under Reverse Repurchase Agreements, Securities Sold Under Repurchase Agreements, and Securities Borrowing and Lending

Securities purchased under reverse repurchase agreements involve the purchase of securities by the Bank under agreements to resell the securities at a future date. These agreements are treated as collateralized lending transactions whereby the Bank takes possession of the purchased securities, but does not acquire the risks and rewards of ownership. The Bank monitors the market value of the purchased securities relative to the amounts due under the reverse repurchase agreements, and when necessary, requires transfer of additional collateral. In the event of counterparty default, the agreements provide the Bank with the right to liquidate the collateral held and offset the proceeds against the amount owing from the counterparty.

Obligations related to securities sold under repurchase agreements involve the sale of securities by the Bank to counterparties under agreements to repurchase the securities at a future date. These agreements do not result in the risks and rewards of ownership being relinquished and are treated as collateralized borrowing transactions. The Bank monitors the market value of the securities sold relative to the amounts due under the repurchase agreements, and when necessary, transfers additional collateral or may require counterparties to return the collateral pledged. Certain transactions that do not meet derecognition criteria are also included in obligations related to securities sold under repurchase agreements. Refer to Note 9 for further details.

Securities purchased under reverse repurchase agreements and obligations related to securities sold under repurchase agreements are initially recorded on the Consolidated Balance Sheet at the respective prices at which the securities were originally acquired or sold, plus accrued interest. Subsequently, the agreements are measured at amortized cost on the Consolidated Balance Sheet, plus accrued interest, except when they are held-for-trading or are designated at FVTPL. Interest earned on reverse repurchase agreements and interest incurred on repurchase agreements is determined using EIRM for agreements measured at amortized cost and recognized on an accrual basis for agreements measured at fair value, and is included in Interest income and Interest expense, respectively, on the Consolidated Statement of Income. Changes in fair value on reverse repurchase agreements and repurchase agreements that are held-for-trading or are designated at FVTPL are included in Trading income (loss) or in Other income (loss) on the Consolidated Statement of Income.

In securities lending transactions, the Bank lends securities to a counterparty and receives collateral in the form of cash or securities. If cash collateral is received, the Bank records the cash along with an obligation to return the cash as Obligations related to securities sold under repurchase agreements on the Consolidated Balance Sheet. Where securities are received as collateral, the Bank does not record the collateral on the Consolidated Balance Sheet.

In securities borrowing transactions, the Bank borrows securities from a counterparty and pledges either cash or securities as collateral. If cash is pledged as collateral, the Bank records the transaction as Securities purchased under reverse repurchase agreements on the Consolidated Balance Sheet. If securities are pledged as collateral, the securities remain on the Bank's Consolidated Balance Sheet.

Where securities are received or pledged as collateral, securities lending income and securities borrowing fees are recorded in Non-interest income and Non-interest expenses, respectively, on the Consolidated Statement of Income over the term of the transaction. Where cash is pledged or received as collateral, interest received or incurred is included in Interest income and Interest expense, respectively, on the Consolidated Statement of Income.

Physical commodities purchased or sold with an agreement to sell or repurchase the physical commodities at a later date at a fixed price, are also included in securities purchased under reverse repurchase agreements and obligations related to securities sold under repurchase agreements, respectively, if the derecognition criteria are not met. These instruments are measured at fair value.

GOODWILL

Goodwill represents the excess purchase price paid over the net fair value of identifiable assets and liabilities acquired in a business combination. Goodwill is carried at its initial cost less accumulated impairment losses.

Goodwill is allocated to a cash-generating unit (CGU) or a group of CGUs that is expected to benefit from the synergies of the business combination, regardless of whether any assets acquired and liabilities assumed are assigned to the CGU or group of CGUs. A CGU is the smallest identifiable group of assets that generates cash flows largely independent of the cash inflows from other assets or groups of assets. Each CGU or group of CGUs, to which goodwill is allocated, represents the lowest level within the Bank at which the goodwill is monitored for internal management purposes and is not larger than an operating segment. If the composition of a CGU or group of CGUs to which goodwill has been allocated changes as a result of the sale of a business, restructuring or other changes, the goodwill is reallocated to the units affected using a relative value approach, unless the Bank can demonstrate that some other method better reflects the goodwill associated with the units affected.

Goodwill is assessed for impairment at least annually and when an event or change in circumstances indicates that the carrying amount may be impaired. When impairment indicators are present, the recoverable amount of the CGU or group of CGUs, which is the higher of its estimated fair value less costs of disposal and its value-in-use, is determined. If the carrying amount of the CGU or group of CGUs is higher than its recoverable amount, an impairment loss exists. The impairment loss is recognized on the Consolidated Statement of Income and cannot be reversed in future periods.

INTANGIBLE ASSETS

Intangible assets represent identifiable non-monetary assets and are acquired either separately or through a business combination, or internally generated software. The Bank's intangible assets consist primarily of credit card related intangibles, software intangibles, and other intangibles. Intangible assets are initially recognized at cost, or at fair value if acquired through a business combination, and are amortized over their estimated useful lives (4 to 15 years) proportionate to their expected economic benefits, except for software which is amortized over its estimated useful life (3 to 7 years) on a straight-line basis. In respect of internally generated software, development costs are capitalized only if the costs can be measured reliably, the asset is technically feasible, future economic benefits are probable, and the Bank intends to and has sufficient resources to complete development of the asset. Research costs are expensed as incurred.

The Bank assesses its intangible assets for impairment indicators on a quarterly basis. When impairment indicators are present, the recoverable amount of the asset, which is the higher of its estimated fair value less costs of disposal and its value-in-use, is determined. If the carrying amount of the asset is higher than its recoverable amount, the asset is written down to its recoverable amount. Where it is not possible to estimate the recoverable amount of an individual asset, the Bank estimates the recoverable amount of the CGU to which the asset belongs. If the CGU is not impaired, the useful life of the intangible asset is assessed with any changes applied on a prospective basis. An impairment loss is recognized on the Consolidated Statement of Income in the period in which the impairment is identified. Impairment losses recognized previously are assessed and reversed if the circumstances leading to the impairment are no longer present. Reversal of any impairment loss will not exceed the carrying amount of the intangible asset that would have been determined had no impairment loss been recognized for the asset in prior periods.

LAND, BUILDINGS, EQUIPMENT, AND OTHER DEPRECIABLE ASSETS

Land is recognized at cost. Buildings, computer equipment, furniture and fixtures, other equipment, and leasehold improvements are recognized at cost less accumulated depreciation and provisions for impairment, if any. Gains or losses on disposal are included in Non-interest income on the Consolidated Statement of Income.

The Bank records the obligation associated with the retirement of a long-lived asset at fair value in the period in which it is incurred and can be reasonably estimated, and records a corresponding increase to the carrying amount of the asset. The asset is depreciated on a straight-line basis over its remaining useful life while the liability is accreted to reflect the passage of time until the eventual settlement of the obligation.

Depreciation is recognized on a straight-line basis over the useful lives of the assets estimated by asset category, as follows:

Asset	Useful Life
Buildings	15 to 40 years
Computer equipment	2 to 8 years
Furniture and fixtures	3 to 15 years
Other equipment	5 to 15 years
Leasehold improvements	Lesser of the remaining lease term and the remaining useful life of the asset

The Bank assesses its depreciable assets for changes in useful life or impairment on a quarterly basis. Where an impairment indicator exists and the depreciable asset does not generate separate cash flows on a stand-alone basis, impairment is assessed based on the recoverable amount of the CGU to which the depreciable asset belongs. If the CGU is not impaired, the useful life of the depreciable asset is assessed with any changes applied on a prospective basis. Any impairment loss is recognized on the Consolidated Statement of Income in the period in which the impairment is identified. Impairment losses previously recognized are assessed and reversed if the circumstances leading to their impairment are no longer present. Reversal of any impairment loss will not exceed the carrying amount of the depreciable asset that would have been determined had no impairment loss been recognized for the asset in prior periods.

NON-CURRENT ASSETS HELD-FOR-SALE

Individual non-current assets or disposal groups are classified as held-for-sale if they are available for immediate sale in their present condition subject only to terms that are usual and customary for sales of such assets or disposal groups, and their sale must be highly probable to occur within one year. For a sale to be highly probable, management must be committed to a sales plan and initiate an active program to market the sale of the non-current assets or disposal groups. Non-current assets or disposal groups classified as held-for-sale are measured at the lower of their carrying amount and fair value less costs to sell on the Consolidated Balance Sheet. Write-downs on premises related non-current assets and write-downs on equipment on initial classification as held-for-sale are included in Non-interest expenses on the Consolidated Statement of Income. Subsequently, a non-current asset or disposal group that is held-for-sale is no longer depreciated or amortized, and any subsequent write-downs in fair value less costs to sell or such increases not in excess of cumulative write-downs, are recognized in Other income on the Consolidated Statement of Income.

SHARE-BASED COMPENSATION

The Bank grants share options to certain key employees as compensation for services provided to the Bank. The Bank uses a binomial tree-based valuation option pricing model to estimate fair value for all share option compensation awards. The cost of the share options is based on the fair value estimated at the grant date and is recognized as compensation expense and contributed surplus over the service period required for employees to become fully entitled to the awards. This period is generally equal to the vesting period in addition to a period prior to the grant date. For the Bank's share options, this period is generally equal to five years. When options are exercised, the amount initially recognized in the contributed surplus balance is reduced, with a corresponding increase in common shares.

The Bank has various other share-based compensation plans where certain employees of the Bank are awarded share units equivalent to the Bank's common shares as compensation for services provided to the Bank. The obligation related to share units is included in other liabilities on the Consolidated Balance Sheet. Compensation expense is recognized based on the fair value of the share units at the grant date adjusted for changes in fair value between the grant date and the vesting date, net of hedging activities, over the service period required for employees to become fully entitled to the awards. This period is generally equal to the vesting period, in addition to a period prior to the grant date. For the Bank's share units, this period is generally equal to four years.

EMPLOYEE BENEFITS

Defined Benefit Plans

Actuarial valuations are prepared at least every three years to determine the present value of the projected benefit obligation related to the Bank's defined benefit plans. In periods between actuarial valuations, an extrapolation is performed based on the most recent valuation completed. All remeasurement gains and losses are recognized immediately in other comprehensive income, with cumulative gains and losses reclassified to retained earnings. Pension and post-retirement defined benefit plan expenses are determined based upon separate actuarial valuations using the projected benefit method pro-rated on service and management's best estimates of discount rate, compensation increases, health care cost trend rate, and mortality rates, which are reviewed annually with the Bank's actuaries. The discount rate used to value liabilities is determined by reference to market yields on high-quality corporate bonds with terms matching the plans' specific cash flows. The expense recognized includes the cost of benefits for employee service provided in the current year, net interest expense or income on the net defined benefit liability or asset, past service costs related to plan amendments, curtailments or settlements, and administrative costs. Plan amendment costs are recognized in the period of a plan amendment, irrespective of its vested status. Curtailments and settlements are recognized by the Bank when the curtailment or settlement occurs. A curtailment occurs when there is a significant reduction in the number of employees covered by the plan. A settlement occurs when the Bank enters into a transaction that eliminates all further legal or constructive obligation for part or all of the benefits provided under a defined benefit plan.

The fair value of plan assets and the present value of the projected benefit obligation are measured as at October 31. The net defined benefit asset or liability represents the difference between the cumulative remeasurement gains and losses, expenses, and recognized contributions and is reported in other assets or other liabilities.

Net defined benefit assets recognized by the Bank are subject to a ceiling which limits the asset recognized on the Consolidated Balance Sheet to the amount that is recoverable through refunds of contributions or future contribution holidays. In addition, where a regulatory funding deficit exists related to a defined benefit plan, the Bank is required to record a liability equal to the present value of all future cash payments required to eliminate that deficit.

Defined Contribution Plans

For defined contribution plans, annual pension expense is equal to the Bank's contributions to those plans.

INSURANCE

Insurance contracts are aggregated into groups which are measured at the risk-adjusted present value of cash flows in fulfilling the contracts. Insurance revenue is recognized on the Consolidated Statement of Income as insurance services are provided over the coverage period of the contracts within the groups. Insurance service expenses are reported on the Consolidated Statement of Income as insurance claims and related expenses are recognized and when contract groups are expected to be onerous. Contract groups are onerous if their fulfilment cash flows are expected to result in a net outflow. The liabilities from insurance groups are comprised of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC) and are reported as Insurance contract liabilities on the Consolidated Balance Sheet. The LRC is the obligation to investigate and pay claims that have not yet occurred and includes a loss component related to onerous contract groups. The LIC is the estimate of claims incurred, including claims that have occurred but have not been reported, and related insurance costs.

The Bank measures its insurance contract groups using one of two measurement models, the premium allocation approach (PAA) or the general measurement model (GMM). The majority of insurance contract groups are measured using the PAA, which includes the Bank's property and casualty insurance contracts and short-term life and health insurance contracts. The PAA is a simplified model applied to insurance contracts that are either one year or less or where the PAA approximates the GMM. Contracts using the GMM are longer-term life and health contracts.

The LRC for insurance contract groups using the PAA is measured as the premiums received less insurance acquisition cash flows paid. The LRC is adjusted for the recognition of insurance revenue and amortization of acquisition cash flows reported in insurance service expenses on a straight-line basis over the contractual terms of the underlying insurance contracts, usually twelve months. The LRC for longer term contracts using the GMM model is measured using estimates and assumptions that reflect the timing and uncertainty of insurance cash flows. Under both the PAA and GMM, when a group of contracts is expected to be onerous, a loss component (expected loss related to fulfilling the group's insurance contracts) is established which increases the LRC and insurance service expenses. The loss component of the LRC is subsequently recognized as a reduction to insurance service expenses over the contractual term of the underlying insurance contracts to offset claims incurred and related expenses.

The Bank measures the LIC at the present value of current estimates of claims and related costs for insurable events occurring at or before the Consolidated Balance Sheet date. The LIC includes a risk adjustment, which represents the compensation the Bank requires for bearing the uncertainty related to non-financial risks in its fulfilment of insurance contracts. Expenses related to claims incurred, including claims arising from catastrophes, and related costs are reported in insurance service expenses while changes related to discounting the liability are recorded as insurance finance income or expenses in other income (loss).

Estimates used in the measurement of insurance contract liabilities are determined in accordance with accepted actuarial practices. Current estimates of claims and related expenses are determined on a case-by-case basis and consider such variables as past loss experience, current claims trends and changes in the prevailing social, economic, and legal environment. These estimates are continually reviewed, and as experience develops and new information becomes known, the estimates are adjusted as necessary. In addition to reported claims information, the Bank's insurance contract liabilities include a provision to account for the future development of insurance claims, including insurance claims incurred but not reported by policyholders (IBNR). IBNR liabilities are evaluated based on historical development trends and actuarial methodologies for groups of claims with similar attributes.

Reinsurance contracts held are recognized and measured using the same principles as insurance contracts. Reinsurance contract assets are presented in Other assets on the Consolidated Balance Sheet and the net results from reinsurance contracts held are presented in Other income (loss) on the Consolidated Statement of Income. Refer to Note 20 for further detail on the balances and results of insurance and reinsurance contracts.

PROVISIONS & CONTINGENT LIABILITIES
Provisions are recognized when the Bank has a present obligation (legal or constructive) as a result of a past event, the amount of which can be reliably estimated, and it is probable that an outflow of resources will be required to settle the obligation.

Provisions are measured based on management's best estimate of the consideration required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of the time value of money is material, provisions are measured at the present value of the expenditure expected to be required to settle the obligation, using a discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation.

Contingent liabilities exist when there is a possible obligation which is yet to be confirmed or a present obligation which has been confirmed but the outflow of future resources is not probable or is not reliably measurable. Contingent liabilities are not recorded in the Bank's Consolidated Financial Statements and are disclosed if material unless there is a remote chance that it will result in a future outflow of resources to settle.

INCOME TAXES
Income tax is comprised of current and deferred tax. Income tax is recognized in the Provision for (recovery of) income taxes on the Consolidated Statement of Income, except to the extent that it relates to items recognized in other comprehensive income or directly in equity, in which case the related taxes are also recognized in other comprehensive income or directly in equity, respectively.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities on the Consolidated Balance Sheet and the amounts attributed to such assets and liabilities for tax purposes. Deferred tax assets and liabilities are determined based on the tax rates that are expected to apply when the assets or liabilities are reported for tax purposes. Deferred tax assets are recognized only when it is probable that sufficient taxable profit will be available in future periods against which deductible temporary differences may be utilized. Deferred tax liabilities are not recognized on temporary differences arising on investments in subsidiaries, branches, and associates, and interests in joint ventures if the Bank controls the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The Bank records a provision for uncertain tax positions if it is probable that the Bank will have to make a payment to tax authorities upon their examination of a tax position. This provision is measured at the Bank's best estimate of the amount expected to be paid. Provisions are reversed in provision for (recovery of) income taxes in the period in which management determines they are no longer required or as determined by statute.

LEASES
An arrangement contains a lease if there is an identified asset and the Bank has a right to control that asset for a period of time in exchange for consideration. A right-of-use (ROU) asset and lease liability is recognized for all leases except for short-term leases and low value leases, as described below. At the lease commencement date, the lease liability is initially recognized at the present value of the future lease payments over the remaining lease term and is discounted using the Bank's incremental borrowing rate. The right-of-use asset is recognized at cost, comprising an amount equal to the lease liability, subject to certain adjustments. Subsequently, the right-of-use asset is measured at cost less accumulated depreciation and impairment and adjusted for any remeasurement of lease liabilities, while the lease liability is accreted using the Bank's incremental borrowing rate. The lease liability is remeasured when there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or changes in the Bank's assumptions or strategies relating to the exercise of purchase, extension, or termination options.

The Bank's leases consist primarily of real estate, equipment and other asset leases. Right-of-use assets are recorded in Land, buildings, equipment, other depreciable assets and right-of-use assets on the Consolidated Balance Sheet and lease liabilities are included in Other liabilities on the Consolidated Balance Sheet. Interest expense on lease liabilities is included in Net interest income and depreciation expense on the right-of-use assets is recognized in Non-interest expenses on the Consolidated Statement of Income.

Short-term leases, which have a lease term of twelve months or less, and leases of low-value assets are exempt, and their payments are recognized in Non-interest expenses on a straight-line basis within the Bank's Consolidated Statement of Income.

NOTE 3: SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES, AND ASSUMPTIONS

The estimates used in the Bank's accounting policies are essential to understanding its results of operations and financial condition. Some of the Bank's policies require subjective, complex judgments and estimates as they relate to matters that are inherently uncertain. Changes in these judgments or estimates and changes to accounting standards and policies could have a materially adverse impact on the Bank's Consolidated Financial Statements. The Bank has established procedures to ensure that accounting policies are applied consistently and that the processes for changing methodologies, determining estimates, and adopting new accounting standards are well-controlled and occur in an appropriate and systematic manner.

CLASSIFICATION AND MEASUREMENT OF FINANCIAL ASSETS

Business Model Assessment
The Bank determines its business models based on the objective under which its portfolios of financial assets are managed. Refer to Note 2 for details on the Bank's business models. In determining its business models, the Bank considers the following:
- Management's intent and strategic objectives and the operation of the stated policies in practice;
- The primary risks that affect the performance of the portfolio of assets and how these risks are managed;
- How the performance of the portfolio is evaluated and reported to management; and
- The frequency and significance of financial asset sales in prior periods, the reasons for such sales and the expected future sales activities.

Sales in themselves do not determine the business model and are not considered in isolation. Instead, sales provide evidence about how cash flows are realized. A held-to-collect business model will be reassessed by the Bank to determine whether any sales are consistent with an objective of collecting contractual cash flows if the sales are more than insignificant in value or more than infrequent.

Solely Payments of Principal and Interest Test

In assessing whether contractual cash flows represent SPPI, the Bank considers the contractual terms of the instrument. This includes assessing whether the financial asset contains contractual terms that could change the timing or amount of contractual cash flows such that they would not be consistent with a basic lending arrangement. In making the assessment, the Bank considers the primary terms as follows and assesses if the contractual cash flows of the instrument continue to meet the SPPI test:

- Performance-linked features;
- Terms that limit the Bank's claim to cash flows from specified assets (non-recourse terms);
- Prepayment and extension terms;
- Leverage features;
- Features that modify elements of the time value of money; and
- Sustainability-linked features.

IMPAIRMENT OF FINANCIAL ASSETS

Significant Increase in Credit Risk

For retail exposures, criteria for assessing significant increase in credit risk are defined at the appropriate product or portfolio level and vary based on the exposure's credit risk at origination. The criteria include relative changes in PD, absolute PD backstop, and delinquency backstop when contractual payments are more than 30 days past due. Significant increase in credit risk since initial recognition has occurred when one of the criteria is met.

For non-retail exposures, BRR is determined on an individual borrower basis using industry and sector specific credit risk models that are based on historical data. Current and forward-looking information that is specific to the borrower, industry, and sector is considered based on expert credit judgment. Criteria for assessing significant increase in credit risk are defined at the appropriate segmentation level and vary based on the BRR of the exposure at origination. Criteria include relative changes in BRR, absolute BRR backstop, and delinquency backstop when contractual payments are more than 30 days past due. Significant increase in credit risk since initial recognition has occurred when one of the criteria is met.

Measurement of Expected Credit Loss

ECLs are recognized on the initial recognition of financial assets. Allowance for credit losses represents management's unbiased estimate of the risk of default and ECLs on the financial assets, including any off-balance sheet exposures, at the balance sheet date.

For retail exposures, ECLs are calculated as the product of PD, loss given default (LGD), and exposure at default (EAD) at each time step over the remaining expected life of the financial asset and discounted to the reporting date based on the EIR. PD estimates represent the forward-looking PD, updated quarterly based on the Bank's historical experience, current conditions, and relevant forward-looking expectations over the expected life of the exposure to determine the lifetime PD curve. LGD estimates are determined based on historical charge-off events and recovery payments, current information about attributes specific to the borrower, and direct costs. Expected cash flows from collateral, guarantees, and other credit enhancements are incorporated in LGD if integral to the contractual terms. Relevant macroeconomic variables are incorporated in determining expected LGD. EAD represents the expected balance at default across the remaining expected life of the exposure. EAD incorporates forward-looking expectations about repayments of drawn balances and future draws where applicable.

For non-retail exposures, ECLs are calculated based on the present value of cash shortfalls determined as the difference between contractual cash flows and expected cash flows over the remaining expected life of the financial instrument. Lifetime PD is determined by mapping the exposure's BRR to forward-looking PD over the expected life. LGD estimates are determined by mapping the exposure's facility risk rating (FRR) to expected LGD which takes into account facility-specific characteristics such as collateral, seniority ranking of debt, and loan structure. Relevant macroeconomic variables are incorporated in determining expected PD and LGD. Expected cash flows are determined by applying the PD and LGD estimates to the contractual cash flows to calculate cash shortfalls over the expected life of the exposure.

Forward-Looking Information

In calculating ECLs, the Bank employs internally developed models that utilize parameters for PD, LGD, and EAD. Forward-looking macroeconomic factors including at the regional level are incorporated in the risk parameters as relevant. Additional risk factors that are industry or segment specific are also incorporated, where relevant. Forward-looking macroeconomic forecasts are generated by TD Economics as part of the ECL process: A base economic forecast is accompanied with upside and downside estimates of realistically possible economic conditions by considering the sources of uncertainty around the base forecast. All macroeconomic forecasts are updated quarterly for each variable on a regional basis where applicable and incorporated as relevant into the quarterly modelling of base, upside and downside risk parameters used in the calculation of ECL scenarios and probability-weighted ECLs. TD Economics will apply judgment to recommend probability weights to each forecast on a quarterly basis. The proposed macroeconomic forecasts and probability weightings are subject to a robust management review and challenge process by a cross-functional committee that includes representation from TD Economics, Risk, Finance, and Business. ECLs calculated under each of the three forecasts are applied against the respective probability weightings to determine the probability-weighted ECLs. Refer to Note 8 for further details on the macroeconomic variables and ECL sensitivity.

Expert Credit Judgment

Management's expert credit judgment is used to determine the best estimate for the qualitative component contributing to ECLs, based on an assessment of business and economic conditions, historical loss experience, loan portfolio composition, and other relevant indicators and forward-looking information that are not fully incorporated into the model calculation.

There remains elevated economic uncertainty, and management continues to exercise expert credit judgment in assessing if an exposure has experienced significant increase in credit risk since initial recognition and in determining the amount of ECLs at each reporting date. To the extent that certain effects are not fully incorporated into the model calculations, temporary quantitative and qualitative adjustments have been applied, including for risks related to elevated uncertainty associated with policy and trade, and such adjustments will be updated as appropriate in future periods.

LEASES

The Bank applies judgment in determining the appropriate lease term on a lease-by-lease basis. All facts and circumstances that create an economic incentive to exercise a renewal option or not to exercise a termination option including investments in major leaseholds, branch performance and past business practice are considered. The periods covered by renewal or termination options are only included in the lease term if it is reasonably certain that the Bank will exercise the options; management considers "reasonably certain" to be a high threshold. Changes in the economic environment or changes in the industry may impact the Bank's assessment of lease term, and any changes in the Bank's estimate of lease terms may have a material impact on the Bank's Consolidated Balance Sheet and Consolidated Statement of Income.

In determining the carrying amount of right-of-use (ROU) assets and lease liabilities, the Bank is required to estimate the incremental borrowing rate specific to each leased asset or portfolio of leased assets if the interest rate implicit in the lease is not readily determinable. The Bank determines the incremental borrowing rate of each leased asset or portfolio of leased assets by incorporating the Bank's creditworthiness, the security, term, and value of the ROU asset, and the economic environment in which the leased asset operates. The incremental borrowing rates are subject to change mainly due to changes in the macroeconomic environment.

FAIR VALUE MEASUREMENTS

The fair value of financial instruments traded in active markets at the balance sheet date is based on their quoted market prices. For all other financial instruments not traded in an active market, fair value may be based on other observable current market transactions involving the same or similar instruments, without modification or repackaging, or is based on a valuation technique which maximizes the use of observable market inputs. Observable market inputs may include interest rate yield curves, foreign exchange rates, and option volatilities. Valuation techniques include comparisons with similar instruments where observable market prices exist, discounted cash flow analysis, option pricing models, and other valuation techniques commonly used by market participants.

For certain complex or illiquid financial instruments, fair value is determined using valuation techniques in which current market transactions or observable market inputs are not available. Judgment is used when determining which valuation techniques to apply, liquidity considerations, and model inputs such as volatilities, correlations, spreads, discount rates, pre-payment rates, and prices of underlying instruments. Any imprecision in these estimates can affect the resulting fair value.

Judgment is also used in recording valuation adjustments to model fair values to account for system limitations or measurement uncertainty, such as when valuing complex and less actively traded financial instruments. If the market for a complex financial instrument develops, the pricing for this instrument may become more transparent, resulting in refinement of valuation models.

An analysis of the fair value of financial instruments and further details as to how they are measured are provided in Note 5.

DERECOGNITION OF FINANCIAL ASSETS

Certain financial assets transferred may qualify for derecognition from the Bank's Consolidated Balance Sheet. To qualify for derecognition, certain key determinations must be made, including whether the Bank's rights to receive cash flows from the financial asset have been retained or transferred and the extent to which the risks and rewards of ownership of the financial assets have been retained or transferred. If the Bank neither transfers nor retains substantially all of the risks and rewards of ownership of the financial asset, a decision must be made as to whether the Bank has retained control of the financial asset.

Upon derecognition, the Bank will record a gain or loss on sale of those assets which is calculated as the difference between the carrying amount of the asset transferred and the sum of any cash proceeds received, including any financial assets received or financial liabilities assumed, and any cumulative gains or losses allocated to the transferred asset that had been recognized in AOCI. In determining the fair value of any financial assets received, the Bank estimates future cash flows by relying on estimates of the amount of interest that will be collected on the securitized assets, the yield to be paid to investors, the portion of the securitized assets that will be prepaid before their scheduled maturity, ECLs, the cost of servicing the assets, and the rate at which to discount these expected future cash flows. Actual cash flows may differ significantly from those estimated by the Bank.

Retained interests are financial interests in transferred assets retained by the Bank. They are classified as trading securities and are initially recognized at relative fair value on the Bank's Consolidated Balance Sheet. Subsequently, the fair value of retained interests is determined by estimating the present value of future expected cash flows. Differences between the actual cash flows and the Bank's estimated future cash flows are recognized in trading income (loss). These assumptions are subject to periodic reviews and may change due to significant changes in the economic environment.

GOODWILL

The recoverable amount of the Bank's CGUs or groups of CGUs is determined from internally developed valuation models that consider various factors and assumptions such as forecasted earnings, growth rates, discount rates, and terminal growth rates. Management is required to use judgment in estimating the recoverable amount of the CGUs or groups of CGUs, and the use of different assumptions and estimates in the calculations could influence the determination of the existence of impairment and the valuation of goodwill. Management believes that the assumptions and estimates used are reasonable and supportable. Where possible, assumptions generated internally are compared to relevant market information. The carrying amounts of the Bank's CGUs or groups of CGUs are determined by management using risk-based capital models to adjust net assets and liabilities by CGU. These models consider various factors including market risk, credit risk, and operational risk, including investment capital (comprised of goodwill and other intangibles). Any capital not directly attributable to the CGUs is held within the Corporate segment. The Bank's capital oversight committees provide oversight to the Bank's capital allocation methodologies.

EMPLOYEE BENEFITS

The projected benefit obligation and expense related to the Bank's pension and post-retirement defined benefit plans are determined using multiple assumptions that may significantly influence the value of these amounts. Actuarial assumptions including discount rates, compensation increases, health care cost trend rates, and mortality rates are management's best estimates and are reviewed annually with the Bank's actuaries. The Bank develops each assumption using relevant historical experience of the Bank in conjunction with market-related data and considers if the market-related data indicates there is any prolonged or significant impact on the assumptions. The discount rate used to value the projected benefit obligation is determined by reference to market yields on high-quality corporate bonds with terms matching the plans' specific cash flows. The other assumptions are also long-term estimates. All assumptions are subject to a degree of uncertainty. Differences between actual experiences and the assumptions, as well as changes in the assumptions resulting from changes in future expectations, result in remeasurement gains and losses which are recognized in other comprehensive income (OCI) during the year and also impact expenses in future periods.

INCOME TAXES

The Bank is subject to taxation in numerous jurisdictions. There are many transactions and calculations in the ordinary course of business for which the ultimate tax determination is uncertain. The Bank maintains provisions for uncertain tax positions that it believes appropriately reflect the risk of tax positions under discussion, audit, dispute, or appeal with tax authorities, or which are otherwise considered to involve uncertainty. These provisions are made using the Bank's best estimate of the amount expected to be paid based on an assessment of all relevant factors, which are reviewed at the end of each reporting period. However, it is possible that at some future date, changes in these liabilities could result from audits by the relevant taxing authorities.

Deferred tax assets are recognized only when it is probable that sufficient taxable profit will be available in future periods against which deductible temporary differences may be utilized. The amount of the deferred tax asset recognized and considered realizable could, however, be reduced if projected income is not achieved due to various factors, such as unfavourable business conditions. If projected income is not expected to be achieved, the Bank would decrease its deferred tax assets to the amount that it believes can be realized. The magnitude of the decrease is significantly influenced by the Bank's forecast of future profit generation, which determines the extent to which it will be able to utilize the deferred tax assets.

PROVISIONS

Provisions arise when there is some uncertainty in the timing or amount of a loss in the future. Provisions are based on the Bank's best estimate of all expenditures required to settle its present obligations, considering all relevant risks and uncertainties, as well as, when material, the effect of the time value of money.

Many of the Bank's provisions relate to various legal and regulatory actions that the Bank is involved in during the ordinary course of business. Legal and regulatory provisions require the involvement of both the Bank's management and legal counsel when assessing the probability of a loss and estimating any monetary impact. Throughout the life of a provision, the Bank's management or legal counsel may learn of additional information that may impact its assessments about the probability of loss or about the estimates of amounts involved. Changes in these assessments may lead to changes in the amount recorded for provisions. In addition, the actual costs of resolving these claims may be substantially higher or lower than the amounts recognized. The Bank reviews its legal and regulatory provisions on a case-by-case basis after considering, among other factors, the progress of each case, the Bank's experience, the experience of others in similar cases, and the opinions and views of legal counsel.

Certain of the Bank's provisions relate to restructuring initiatives initiated by the Bank. Restructuring provisions require management's best estimate, including forecasts of economic conditions. Throughout the life of a provision, the Bank may become aware of additional information that may impact the assessment of amounts to be incurred. Changes in these assessments may lead to changes in the amount recorded for restructuring provisions.

INSURANCE

The assumptions used in establishing the Bank's insurance contract liabilities are based on best estimates of possible outcomes.

For property and casualty insurance contracts, the ultimate cost of LIC is estimated using a range of standard actuarial claims projection techniques by the appointed actuary in accordance with Canadian accepted actuarial practices. Additional qualitative judgment is used to assess the extent to which past trends may or may not apply in the future, in order to arrive at the estimated ultimate claims cost amounts that present the most likely outcome taking into account all the uncertainties involved.

For life and health insurance contracts, insurance contract liabilities consider all future policy cash flows, including premiums, claims, and expenses required to administer the policies. Critical assumptions used in the measurement of life and health insurance contract liabilities are determined by the appointed actuary.

Further information on insurance risk assumptions is provided in Note 20.

CONSOLIDATION OF STRUCTURED ENTITIES

Management judgment is required when assessing whether the Bank should consolidate an entity. For instance, it may not be feasible to determine if the Bank controls an entity solely through an assessment of voting rights for certain structured entities. In these cases, judgment is required to establish whether the Bank has decision-making power over the key relevant activities of the entity and whether the Bank has the ability to use that power to absorb significant variable returns from the entity. If it is determined that the Bank has both decision-making power and significant variable returns from the entity, judgment is also used to determine whether any such power is exercised by the Bank as principal, on its own behalf, or as agent, on behalf of another counterparty.

Assessing whether the Bank has decision-making power includes understanding the purpose and design of the entity in order to determine its key economic activities. In this context, an entity's key economic activities are those which predominantly impact the economic performance of the entity. When the Bank has the current ability to direct the entity's key economic activities, it is considered to have decision-making power over the entity.

The Bank also evaluates its exposure to the variable returns of a structured entity in order to determine if it absorbs a significant proportion of the variable returns the entity is designed to create. As part of this evaluation, the Bank considers the purpose and design of the entity in order to determine whether it absorbs variable returns from the structured entity through its contractual holdings, which may take the form of securities issued by the entity, derivatives with the entity, or other arrangements such as guarantees, liquidity facilities, or lending commitments.

If the Bank has decision-making power over the entity and absorbs significant variable returns from the entity, it then determines if it is acting as principal or agent when exercising its decision-making power. Key factors considered include the scope of its decision-making power; the rights of other parties involved with the entity, including any rights to remove the Bank as decision-maker or rights to participate in key decisions; whether the rights of other parties are exercisable in practice; and the variable returns absorbed by the Bank and by other parties involved with the entity. When assessing consolidation, a presumption exists that the Bank exercises decision-making power as principal if it is also exposed to significant variable returns, unless an analysis of the factors above indicates otherwise.

The decisions above are made with reference to the specific facts and circumstances relevant for the structured entity and related transaction(s) under consideration.

REVENUE FROM CONTRACTS WITH CUSTOMERS

The Bank applies judgment to determine the timing of satisfaction of performance obligations which affects the timing of revenue recognition, by evaluating the pattern in which the Bank transfers control of services promised to the customer. A performance obligation is satisfied over time when the customer simultaneously receives and consumes the benefits as the Bank performs the service. For performance obligations satisfied over time, revenue is generally recognized using the time-elapsed method which is based on time elapsed in proportion to the period over which the service is provided, for example, personal deposit account bundle fees. The time-elapsed method is a faithful depiction of the transfer of control for these services as control is transferred evenly to the customer when the Bank provides a stand-ready service or effort is expended evenly by the Bank to provide a service over the contract period. In contracts where the Bank has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the Bank's performance completed to date, the Bank recognizes revenue in the amount to which it has a right to invoice.

The Bank satisfies a performance obligation at a point in time if the customer obtains control of the promised services at that date. Determining when control is transferred requires the use of judgment. For transaction-based services, the Bank determines that control is transferred to the customer at a point in time when the customer obtains substantially all of the benefits from the service rendered and the Bank has a present right to payment, which generally coincides with the moment the transaction is executed.

The Bank exercises judgment in determining whether costs incurred in connection with acquiring new revenue contracts would meet the requirement to be capitalized as incremental costs to obtain or fulfil a contract with customers.

NOTE 4: CURRENT AND FUTURE CHANGES IN ACCOUNTING POLICIES

CURRENT CHANGES IN ACCOUNTING POLICIES

There were no new accounting policies adopted by the Bank for the fiscal year ended October 31, 2025.

FUTURE CHANGES IN ACCOUNTING POLICIES

The following standard and amendments have been issued but are not yet effective on the date of issuance of the Bank's Consolidated Financial Statements.

Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, *Presentation and Disclosure in Financial Statements* (IFRS 18), which replaces the guidance in IAS 1, *Presentation of Financial Statements* and sets out requirements for presentation and disclosure of information, focusing on providing relevant information to users of the financial statements. IFRS 18 introduces changes to the structure of the statement of profit or loss, aggregation and disaggregation of financial information, and management-defined performance measures to be disclosed in the notes to the financial statements. It will be effective for the Bank's annual period beginning November 1, 2027. Early application is permitted. The standard will be applied retrospectively with restatement of comparatives. The Bank is currently assessing the impact of adopting this standard.

Amendments to the Classification and Measurement of Financial Instruments

In May 2024, the IASB issued *Amendments to the Classification and Measurement of Financial Instruments,* which amended IFRS 9 and IFRS 7. The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9. The amendments clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social, and governance linked features and other similar contingent features. The amendments also clarify the treatment of non-recourse assets and contractually linked instruments. Furthermore, the amendments clarify that a financial liability is derecognized on the settlement date and provide an accounting policy choice to derecognize a financial liability settled using an electronic payment system before the settlement date if certain conditions are met. Finally, the amendments introduce additional disclosure requirements for financial instruments with contingent features and equity instruments classified at FVOCI.

The amendments will be effective for the Bank's annual period beginning November 1, 2026. Early adoption is permitted, with an option to early adopt the amendments related to the classification of financial assets and associated disclosures only. The Bank is required to apply the amendments retrospectively, but is not required to restate prior periods. The Bank is currently assessing the impact of adopting these amendments.

NOTE 5: FAIR VALUE MEASUREMENTS

Certain assets and liabilities, primarily financial instruments, are carried on the balance sheet at their fair value on a recurring basis. These financial instruments include trading loans and securities, non-trading financial assets at FVTPL, financial assets and liabilities designated at FVTPL, financial assets at FVOCI, derivatives, certain securities purchased under reverse repurchase agreements, trading deposits, securitization liabilities at fair value, obligations related to securities sold short, and certain obligations related to securities sold under repurchase agreements. All other financial assets and financial liabilities are carried at amortized cost.

(a) VALUATION GOVERNANCE

Valuation processes are guided by policies and procedures that are approved by senior management and subject matter experts. Senior Executive oversight over the valuation process is provided through various valuation committees. Further, the Bank has a number of additional controls in place, including an independent price verification process to ensure the accuracy of fair value measurements reported in the financial statements. The sources used for independent pricing comply with the standards set out in the approved valuation-related policies, which include consideration of the reliability, relevancy, and timeliness of data.

(b) METHODS AND ASSUMPTIONS

The Bank calculates fair value for measurement and disclosure purposes based on the following methods of valuation and assumptions:

Government and Government-Related Securities

The fair value of Canadian government debt securities is determined by quoted prices in active markets, reference to recent transaction prices, or third-party vendor prices. In cases where external and independent prices are not readily available, alternate techniques based on the risk metrics and unique characteristics of the security are utilized.

The fair value of Canadian residential mortgage-backed securities (MBS) is based on third-party vendor prices, reference to recent transaction prices, or valuation techniques that utilize observable inputs such as benchmark government bond prices, government bond yield curves, quoted yield spreads and prepayment rate assumptions related to the underlying collateral.

The fair value of U.S. government and agency debt securities is determined by reference to recent transaction prices, broker quotes, or third-party vendor prices. For U.S. agency MBS pricing, brokers or third-party vendors may use a pool-specific valuation model to value these securities, using observable market inputs.

The fair value of other Organisation for Economic Co-operation and Development (OECD) government-guaranteed debt is based on broker quotes and third-party vendor prices, or where external and independent prices are not readily available, alternate techniques based on the risk metrics and unique characteristics of the security are utilized.

Other Debt Securities

The fair value of corporate and other debt securities is based on broker quotes, third-party vendor prices, or alternate techniques utilizing the risk metrics and unique characteristics of the security. Asset-backed securities are primarily fair valued using third-party vendor prices, including those generated by issue-specific valuation models using observable market inputs.

Equity Securities
The fair value of equity securities is based on quoted prices in active markets, where available. Where quoted prices in active markets are not readily available, such as for private equity securities, or where there is a wide bid-ask spread, fair value is determined based on quoted market prices for similar securities or through valuation techniques, including discounted cash flow analysis, multiples of earnings before taxes, depreciation and amortization, and other relevant valuation techniques.

If there are trading restrictions on the equity security held, a valuation adjustment is recognized against available prices to reflect the nature of the restriction. However, restrictions that are not part of the security held and represent a separate contractual arrangement that has been entered into by the Bank and a third party do not impact the fair value of the original instrument.

The cost of Federal Reserve stock and Federal Home Loan Bank (FHLB) stock approximates fair value.

Retained Interests
Retained interests are classified as trading securities and are initially recognized at their relative fair market value. Subsequently, the fair value of retained interests recognized by the Bank is determined by estimating the present value of future expected cash flows. Differences between the actual cash flows and the Bank's estimate of future cash flows are recognized in income. These assumptions are subject to periodic review and may change due to significant changes in the economic environment.

Loans
The estimated fair value of loans carried at amortized cost reflects changes in market price that have occurred since the loans were originated or purchased. Estimated fair value is determined by discounting the expected future cash flows related to these loans at current market interest rates for loans with similar credit risks. Changes in interest rates have minimal impact on the fair value of floating-rate loans since they reprice to the market frequently, and therefore their carrying value approximates their fair value. The fair value of loans is not adjusted for the value of any credit protection the Bank has purchased to mitigate credit risk.

The fair value of loans carried at FVTPL, which includes trading loans and non-trading loans at FVTPL, is determined using observable market prices, where available. Where the Bank is a market maker for loans traded in the secondary market, fair value is determined using executed prices, or prices for comparable trades. For those loans where the Bank is not a market maker, the Bank obtains broker quotes from other reputable dealers, or uses valuation techniques to determine fair value.

The fair value of loans carried at FVOCI is assumed to approximate amortized cost as they are generally floating rate performing loans that are short term in nature.

Commodities
The fair value of commodities is based on quoted prices in active markets, where available. The Bank also transacts commodity derivative contracts which can be traded on an exchange or in OTC markets.

Derivative Financial Instruments
The fair value of exchange-traded derivative financial instruments is based on quoted market prices. The fair value of OTC derivative financial instruments is estimated using well established valuation techniques, such as discounted cash flow techniques, the Black-Scholes model, and Monte Carlo simulation. The valuation models incorporate inputs that are observable in the market or can be derived from observable market data.

Prices derived by using models are recognized net of valuation adjustments. The inputs used in the valuation models depend on the type of derivative and the nature of the underlying instrument and are specific to the instrument being valued. Inputs can include, but are not limited to, interest rate yield curves, foreign exchange rates, dividend yield projections, commodity spot and forward prices, recovery rates, volatilities, spot prices, and correlation.

A credit valuation adjustment (CVA) is recognized against the model value of OTC derivatives to account for the uncertainty that the counterparty in a derivative transaction may not be able to fulfil its obligations under the transaction to the Bank. In determining CVA, the Bank takes into account master netting agreements and collateral, and considers the creditworthiness of the counterparty, using market observed or proxy credit spreads, in assessing potential future amounts owed to the Bank.

The fair value of a derivative is partly a function of collateralization. The Bank uses relevant overnight borrowing curves to discount the cash flows for collateralized derivatives as most collateral is posted in cash and can be funded at the overnight rate.

A funding valuation adjustment (FVA) is recognized against the model value of OTC derivatives to recognize the market implied unsecured funding costs and benefits considered in the pricing and fair value determination. Some of the key drivers of FVA include the market implied funding spread and the expected average exposure by counterparty.

The Bank will continue to monitor industry practice on valuation adjustments and may refine the methodology as market practices evolve.

Deposits
The estimated fair value of term deposits is determined by discounting the expected future cash flows using interest rates currently offered for deposits with similar terms.

For deposits with no defined maturities, the Bank considers fair value to equal carrying value, which is equivalent to the amount payable on the balance sheet date.

For trading deposits and deposits designated at FVTPL, which is included in financial liabilities designated at FVTPL, fair value is determined using discounted cash flow valuation techniques which maximize the use of observable market inputs such as benchmark yield curves and foreign exchange rates. The Bank considers the impact of its own creditworthiness in the valuation of these deposits by reference to observable market inputs.

Securitization Liabilities
The fair value of securitization liabilities is based on quoted market prices or quoted market prices for similar financial instruments, where available. Where quoted prices are not available, fair value is determined using valuation techniques, which maximize the use of observable inputs, such as Canada Mortgage Bond (CMB) curves and MBS curves.

Obligations Related to Securities Sold Short
The fair value of these obligations is based on the fair value of the underlying securities, which can include equity or debt securities. As these obligations are fully collateralized, the method used to determine fair value would be the same as that of the relevant underlying equity or debt securities.

Securities Purchased Under Reverse Repurchase Agreements and Obligations Related to Securities Sold Under Repurchase Agreements
Commodities and certain bonds and equities purchased or sold with an agreement to sell or repurchase them at a later date at a fixed price are carried at fair value. The fair value of these agreements is based on valuation techniques such as discounted cash flow models which maximize the use of observable market inputs such as interest rate swap curves and commodity forward prices.

Subordinated Notes and Debentures
The fair value of subordinated notes and debentures are based on quoted market prices.

Portfolio Exception
IFRS 13, *Fair Value Measurement* provides a measurement exception that allows an entity to determine the fair value of a group of financial assets and liabilities with offsetting risks based on the sale or transfer of its net exposure to a particular risk or risks. The Bank manages certain financial assets and financial liabilities, such as derivative assets and derivative liabilities, on the basis of net exposure to a particular risk, or risks; and uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies the most representative price within the bid-ask spread to the net open position, as appropriate. Refer to Note 2 for further details on the use of the portfolio exception to establish fair value.

(c) FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES NOT CARRIED AT FAIR VALUE
The carrying value and fair value of financial assets and liabilities not carried at fair value are disclosed in the table below. For these instruments, fair values are calculated for disclosure purposes only, using the valuation techniques used by the Bank. In addition, the Bank has determined that the carrying value of certain financial assets and liabilities approximates their fair value, which include: cash and due from banks, interest-bearing deposits with banks, amounts receivable from brokers, dealers, and clients, other assets, amounts payable to brokers, dealers, and clients, and other liabilities. Substantially all securities purchased under reverse repurchase agreements and obligations related to securities sold under repurchase agreements are measured at amortized cost where the carrying value approximates their fair value.

Financial Assets and Liabilities not carried at Fair Value[1]

(millions of Canadian dollars)				*As at*
	October 31, 2025		October 31, 2024	
	Carrying value	**Fair value**	Carrying value	Fair value
FINANCIAL ASSETS				
Debt securities at amortized cost, net of allowance for credit losses				
Government and government-related securities	**$ 183,593**	**$ 182,478**	$ 206,815	$ 202,667
Other debt securities	**56,846**	**56,679**	64,800	63,509
Total debt securities at amortized cost, net of allowance for credit losses	**240,439**	**239,157**	271,615	266,176
Total loans, net of allowance for loan losses	**953,012**	**956,424**	949,549	949,227
Total financial assets not carried at fair value	**$ 1,193,451**	**$ 1,195,581**	$ 1,221,164	$ 1,215,403
FINANCIAL LIABILITIES				
Deposits	**$ 1,267,104**	**$ 1,267,466**	$ 1,268,680	$ 1,266,562
Securitization liabilities at amortized cost	**14,841**	**14,805**	12,365	12,123
Subordinated notes and debentures	**10,733**	**10,929**	11,473	11,628
Total financial liabilities not carried at fair value	**$ 1,292,678**	**$ 1,293,200**	$ 1,292,518	$ 1,290,313

[1] This table excludes financial assets and liabilities where the carrying value approximates their fair value.

(d) FAIR VALUE HIERARCHY
IFRS requires disclosure of a three-level hierarchy for fair value measurements based upon the observability of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

Level 1: Fair value is based on quoted market prices for identical assets or liabilities that are traded in an active exchange market or highly liquid and actively traded in OTC markets.

Level 2: Fair value is based on observable inputs other than Level 1 prices, such as quoted market prices for similar (but not identical) assets or liabilities in active markets, quoted market prices for identical assets or liabilities in markets that are not active, and other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets and liabilities include debt securities with quoted prices that are traded less frequently than exchange-traded instruments and derivative contracts whose value is determined using valuation techniques with inputs that are observable in the market or can be derived principally from or corroborated by observable market data.

Level 3: Fair value is based on non-observable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Financial instruments classified within Level 3 of the fair value hierarchy are initially recognized at their transaction price, which is considered the best estimate of fair value. After initial measurement, the fair value of Level 3 assets and liabilities is determined using valuation models, discounted cash flow methodologies, or similar techniques.

Fair Value Hierarchy for Assets and Liabilities not carried at Fair Value

The following table presents the levels within the fair value hierarchy for each of the financial assets and liabilities not carried at fair value as at October 31, 2025 and October 31, 2024, but for which fair value is disclosed.

Fair Value Hierarchy for Assets and Liabilities not carried at Fair Value[1]

(millions of Canadian dollars)								*As at*
	October 31, 2025				October 31, 2024			
	Level 1	**Level 2**	**Level 3**	**Total**	Level 1	Level 2	Level 3	Total
ASSETS								
Debt securities at amortized cost, net of allowance for credit losses								
Government and government-related securities	**$ –**	**$ 182,478**	**$ –**	**$ 182,478**	$ –	$ 202,667	$ –	$ 202,667
Other debt securities	**–**	**56,679**	**–**	**56,679**	–	63,509	–	63,509
Total debt securities at amortized cost, net of allowance for credit losses	**–**	**239,157**	**–**	**239,157**	–	266,176	–	266,176
Total loans, net of allowance for loan losses	**–**	**280,842**	**675,582**	**956,424**	–	285,070	664,157	949,227
Total assets with fair value disclosures	**$ –**	**$ 519,999**	**$ 675,582**	**$ 1,195,581**	$ –	$ 551,246	$ 664,157	$ 1,215,403
LIABILITIES								
Deposits	**$ –**	**$ 1,267,466**	**$ –**	**$ 1,267,466**	$ –	$ 1,266,562	$ –	$ 1,266,562
Securitization liabilities at amortized cost	**–**	**14,805**	**–**	**14,805**	–	12,123	–	12,123
Subordinated notes and debentures	**–**	**10,929**	**–**	**10,929**	–	11,628	–	11,628
Total liabilities with fair value disclosures	**$ –**	**$ 1,293,200**	**$ –**	**$ 1,293,200**	$ –	$ 1,290,313	$ –	$ 1,290,313

[1] This table excludes financial assets and liabilities where the carrying value approximates their fair value.

The following table presents the levels within the fair value hierarchy for each of the assets and liabilities measured at fair value on a recurring basis as at October 31, 2025 and October 31, 2024.

Fair Value Hierarchy for Assets and Liabilities Measured at Fair Value on a Recurring Basis

(millions of Canadian dollars)								*As at*
	October 31, 2025				October 31, 2024			
	Level 1	**Level 2**	**Level 3**	**Total**	Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS AND COMMODITIES								
Trading loans, securities, and other[1]								
Government and government-related securities								
Canadian government debt								
Federal	**$ 4,892**	**$ 3,875**	**$ –**	**$ 8,767**	$ 691	$ 9,551	$ –	$ 10,242
Provinces	**–**	**4,537**	**–**	**4,537**	–	6,398	–	6,398
U.S. federal, state, municipal governments, and agencies debt	**2,973**	**20,811**	**–**	**23,784**	–	18,861	–	18,861
Other OECD government-guaranteed debt	**283**	**5,818**	**–**	**6,101**	–	9,722	–	9,722
Mortgage-backed securities	**–**	**768**	**–**	**768**	–	1,352	–	1,352
Other debt securities								
Canadian issuers	**–**	**6,695**	**67**	**6,762**	–	6,611	12	6,623
Other issuers	**–**	**16,508**	**–**	**16,508**	–	15,845	14	15,859
Equity securities	**87,713**	**171**	**25**	**87,909**	68,682	34	12	68,728
Trading loans	**–**	**30,032**	**–**	**30,032**	–	23,518	–	23,518
Commodities	**33,446**	**1,521**	**–**	**34,967**	13,504	962	–	14,466
Retained interests	**–**	**1**	**–**	**1**	–	1	–	1
	129,307	**90,737**	**92**	**220,136**	82,877	92,855	38	175,770
Non-trading financial assets at fair value through profit or loss								
Securities	**465**	**5,019**	**1,567**	**7,051**	391	1,188	1,233	2,812
Loans	**–**	**344**	**–**	**344**	–	3,057	–	3,057
	465	**5,363**	**1,567**	**7,395**	391	4,245	1,233	5,869
Derivatives								
Interest rate contracts	**6**	**10,990**	**8**	**11,004**	2	15,440	–	15,442
Foreign exchange contracts	**30**	**53,576**	**3**	**53,609**	47	51,001	13	51,061
Credit contracts	**–**	**44**	**–**	**44**	–	6	–	6
Equity contracts	**162**	**12,534**	**–**	**12,696**	64	6,167	–	6,231
Commodity and other contracts	**752**	**4,867**	**–**	**5,619**	548	4,756	17	5,321
	950	**82,011**	**11**	**82,972**	661	77,370	30	78,061
Financial assets designated at fair value through profit or loss								
Securities[1]	**–**	**6,986**	**–**	**6,986**	–	6,417	–	6,417
	–	**6,986**	**–**	**6,986**	–	6,417	–	6,417
Financial assets at fair value through other comprehensive income								
Government and government-related securities								
Canadian government debt								
Federal	**100**	**15,791**	**–**	**15,891**	–	18,139	–	18,139
Provinces	**–**	**21,080**	**–**	**21,080**	–	21,270	–	21,270
U.S. federal, state, municipal governments, and agencies debt	**851**	**53,641**	**–**	**54,492**	–	35,197	–	35,197
Other OECD government-guaranteed debt	**–**	**7,875**	**–**	**7,875**	–	1,679	–	1,679
Mortgage-backed securities	**–**	**1,896**	**–**	**1,896**	–	2,137	–	2,137
Other debt securities								
Asset-backed securities	**–**	**8,709**	**–**	**8,709**	–	1,384	–	1,384
Corporate and other debt	**–**	**13,091**	**–**	**13,091**	–	9,439	7	9,446
Equity securities	**1,136**	**–**	**1,911**	**3,047**	1,058	2	3,355	4,415
Loans	**–**	**288**	**–**	**288**	–	230	–	230
	2,087	**122,371**	**1,911**	**126,369**	1,058	89,477	3,362	93,897
Securities purchased under reverse repurchase agreements	**–**	**7,574**	**–**	**7,574**	–	10,488	–	10,488
FINANCIAL LIABILITIES								
Trading deposits	**–**	**37,609**	**273**	**37,882**	–	29,907	505	30,412
Derivatives								
Interest rate contracts	**6**	**9,572**	**76**	**9,654**	3	13,283	158	13,444
Foreign exchange contracts	**24**	**42,496**	**5**	**42,525**	30	40,936	12	40,978
Credit contracts	**–**	**440**	**–**	**440**	–	403	–	403
Equity contracts	**–**	**19,528**	**155**	**19,683**	–	7,974	24	7,998
Commodity and other contracts	**806**	**6,193**	**55**	**7,054**	673	4,845	27	5,545
	836	**78,229**	**291**	**79,356**	706	67,441	221	68,368
Securitization liabilities at fair value	**–**	**25,283**	**–**	**25,283**	–	20,319	–	20,319
Financial liabilities designated at fair value through profit or loss	**–**	**197,633**	**2**	**197,635**	–	207,890	24	207,914
Obligations related to securities sold short[1]	**15,342**	**28,453**	**–**	**43,795**	1,783	37,732	–	39,515
Obligations related to securities sold under repurchase agreements	**–**	**11,557**	**–**	**11,557**	–	9,736	–	9,736

[1] Balances reflect the reduction of securities owned (long positions) by the amount of identical securities sold but not yet purchased (short positions).

(e) TRANSFERS BETWEEN FAIR VALUE HIERARCHY LEVELS FOR ASSETS AND LIABILITIES MEASURED AT FAIR VALUE ON A RECURRING BASIS

The Bank's policy is to record transfers of assets and liabilities between the different levels of the fair value hierarchy using the fair values as at the end of each reporting period. Assets and liabilities are transferred between Level 1 and Level 2 depending on whether there is sufficient frequency and volume in an active market.

During the year ended October 31, 2025, the Bank transferred $810 million of trading loans, securities, and other, and $561 million of obligations related to securities sold short from Level 2 to Level 1. During the year ended October 31, 2025, there were no significant transfers from Level 1 to Level 2. There were no significant transfers between Level 1 and Level 2 during the year ended October 31, 2024.

Movements of Level 3 instruments

Significant transfers into and out of Level 3 occur mainly due to the following reasons:

- Transfers from Level 3 to Level 2 occur when techniques used for valuing the instrument incorporate significant observable market inputs or broker-dealer quotes which were previously not observable.
- Transfers from Level 2 to Level 3 occur when an instrument's fair value, which was previously determined using valuation techniques with significant observable market inputs, is now determined using valuation techniques with significant unobservable inputs.

Due to the unobservable nature of the inputs used to value Level 3 financial instruments, there may be uncertainty about the valuation of these instruments. The fair value of Level 3 instruments may be drawn from a range of reasonably possible alternatives. In determining the appropriate levels for these unobservable inputs, parameters are chosen so that they are consistent with prevailing market evidence and management judgment.

There were no significant transfers between Level 2 and Level 3 during the years ended October 31, 2025 and October 31, 2024.

There were no other significant changes to the unobservable inputs and sensitivities for assets and liabilities classified as Level 3 during the years ended October 31, 2025 and October 31, 2024.

(f) RECONCILIATION OF CHANGES IN FAIR VALUE FOR LEVEL 3 ASSETS AND LIABILITIES

The following tables set out changes in fair value of all assets and liabilities measured at fair value using significant Level 3 unobservable inputs for the years ended October 31, 2025 and October 31, 2024.

Reconciliation of Changes in Fair Value for Level 3 Assets and Liabilities

(millions of Canadian dollars)	Fair value as at November 1 2024	Total realized and unrealized gains (losses) Included in income[2]	Included in OCI[3,4]	Movements[1] Purchases/ Issuances	Sales/ Settlements	Transfers Into Level 3	Out of Level 3	Fair value as at October 31 2025	Change in unrealized gains (losses) on instruments still held[5]
FINANCIAL ASSETS									
Trading loans, securities, and other									
Government and government-related securities	**$ –**	**$ –**	**$ –**	**$ –**	**$ –**	**$ –**	**$ –**	**$ –**	**$ –**
Other debt securities	**26**	**(1)**	**–**	**–**	**(26)**	**70**	**(2)**	**67**	**(2)**
Equity securities	**12**	**1**	**–**	**21**	**(9)**	**–**	**–**	**25**	**–**
	38	**–**	**–**	**21**	**(35)**	**70**	**(2)**	**92**	**(2)**
Non-trading financial assets at fair value through profit or loss									
Securities	**1,233**	**33**	**–**	**385**	**(74)**	**–**	**(10)**	**1,567**	**(5)**
	1,233	**33**	**–**	**385**	**(74)**	**–**	**(10)**	**1,567**	**(5)**
Financial assets at fair value through other comprehensive income									
Other debt securities	**7**	**–**	**–**	**–**	**(7)**	**–**	**–**	**–**	**–**
Equity securities	**3,355**	**3**	**15**	**13**	**(1,472)**	**–**	**(3)**	**1,911**	**13**
	$ 3,362	**$ 3**	**$ 15**	**$ 13**	**$ (1,479)**	**$ –**	**$ (3)**	**$ 1,911**	**$ 13**
FINANCIAL LIABILITIES									
Trading deposits[6]	**$ (505)**	**$ 33**	**$ –**	**$ (191)**	**$ 350**	**$ –**	**$ 40**	**$ (273)**	**$ 32**
Derivatives[7]									
Interest rate contracts	**(158)**	**80**	**–**	**–**	**10**	**–**	**–**	**(68)**	**83**
Foreign exchange contracts	**1**	**(18)**	**–**	**–**	**4**	**8**	**3**	**(2)**	**(3)**
Equity contracts	**(24)**	**(108)**	**–**	**–**	**(24)**	**(2)**	**3**	**(155)**	**(108)**
Commodity and other contracts	**(10)**	**(45)**	**–**	**–**	**–**	**–**	**–**	**(55)**	**(48)**
	(191)	**(91)**	**–**	**–**	**(10)**	**6**	**6**	**(280)**	**(76)**
Financial liabilities designated at fair value through profit or loss	**(24)**	**10**	**–**	**(24)**	**36**	**–**	**–**	**(2)**	**1**

	Fair value as at November 1 2023	Total realized and unrealized gains (losses) Included in income[2]	Included in OCI[3,4]	Movements[1] Purchases/ Issuances	Sales/ Settlements	Transfers Into Level 3	Out of Level 3	Fair value as at October 31 2024	Change in unrealized gains (losses) on instruments still held[5]
FINANCIAL ASSETS									
Trading loans, securities, and other									
Government and government-related securities	$ 67	$ –	$ –	$ –	$ (67)	$ –	$ –	$ –	$ –
Other debt securities	65	1	–	91	(88)	33	(76)	26	–
Equity securities	10	(1)	–	11	(8)	–	–	12	–
	142	–	–	102	(163)	33	(76)	38	–
Non-trading financial assets at fair value through profit or loss									
Securities	980	98	–	232	(76)	–	(1)	1,233	80
	980	98	–	232	(76)	–	(1)	1,233	80
Financial assets at fair value through other comprehensive income									
Other debt securities	27	–	(3)	3	(20)	–	–	7	–
Equity securities	2,377	–	(7)	1,171	(205)	19	–	3,355	3
	$ 2,404	$ –	$ (10)	$ 1,174	$ (225)	$ 19	$ –	$ 3,362	$ 3
FINANCIAL LIABILITIES									
Trading deposits[6]	$ (985)	$ (13)	$ –	$ (122)	$ 540	$ –	$ 75	$ (505)	$ (6)
Derivatives[7]									
Interest rate contracts	(126)	(70)	–	–	38	–	–	(158)	(34)
Foreign exchange contracts	(6)	14	–	–	2	(14)	5	1	4
Equity contracts	(21)	(5)	–	–	(2)	3	1	(24)	(6)
Commodity and other contracts	(1)	(5)	–	–	(4)	–	–	(10)	(9)
	(154)	(66)	–	–	34	(11)	6	(191)	(45)
Financial liabilities designated at fair value through profit or loss	(22)	127	–	(260)	131	–	–	(24)	127

[1] Includes foreign exchange.
[2] Gains/losses on financial assets and liabilities are recognized within Non-interest income on the Consolidated Statement of Income.
[3] Other comprehensive income.
[4] Includes realized gains/losses transferred to retained earnings on disposal of equities designated at FVOCI. Refer to Note 7 for further details.
[5] Changes in unrealized gains/losses on financial assets at FVOCI are recognized in AOCI.
[6] Issuances and repurchases of trading deposits are reported on a gross basis.
[7] Consists of derivative assets of $11 million (October 31, 2024/November 1, 2024 – $30 million; November 1, 2023 – $22 million) and derivative liabilities of $291 million (October 31, 2024/November 1, 2024 – $221 million; November 1, 2023 – $176 million), which have been netted in this table for presentation purposes only.

(g) VALUATION OF ASSETS AND LIABILITIES CLASSIFIED AS LEVEL 3

Significant unobservable inputs in Level 3 positions

The following section discusses the significant unobservable inputs for Level 3 positions and assesses the potential effect that a change in each unobservable input may have on the fair value measurement.

Price Equivalent

Certain financial instruments, mainly debt and equity securities, are valued using price equivalents when market prices are not available, with fair value measured by comparison with observable pricing data from instruments with similar characteristics. For debt securities, the price equivalent is expressed in ‘basis points’, and represents a percentage of the par amount. For equity securities, the price equivalent is based on a percentage of a proxy price. There may be wide ranges depending on the liquidity of the securities. New issuances of debt and equity securities are priced at 100% of the issue price.

Correlation

The movements of inputs are not necessarily independent from other inputs. Such relationships, where material to the fair value of a given instrument, are captured via correlation inputs into the pricing models. The Bank includes correlation between the asset class, as well as across asset classes. For example, price correlation is the relationship between prices of equity securities in equity basket derivatives, and quanto correlation is the relationship between instruments which settle in one currency and the underlying securities which are denominated in another currency.

Implied Volatility

Implied volatility is the value of the volatility of the underlying instrument which, when input in an option pricing model, such as Black-Scholes, will return a theoretical value equal to the current market price of the option. Implied volatility is a forward-looking and subjective measure, and differs from historical volatility because the latter is calculated from known past returns of a security.

Funding Ratio

The funding ratio is a significant unobservable input required to value loan commitments issued by the Bank. The funding ratio represents an estimate of the percentage of commitments that are ultimately funded by the Bank. The funding ratio is based on a number of factors such as observed historical funding percentages within the various lending channels and the future economic outlook, considering factors including, but not limited to, competitive pricing and fixed/variable mortgage rate gap. An increase/decrease in the funding ratio will increase/decrease loan commitment liability values in relationship to prevailing interest rates.

Earnings Multiple, Discount Rate, and Liquidity Discount

Earnings multiple, discount rate, and liquidity discount are significant inputs used when valuing certain equity securities. Earnings multiples are selected based on comparable entities and a higher multiple will result in a higher fair value. Discount rates are applied to cash flow forecasts to reflect time value of money and the risks associated with the cash flows. A higher discount rate will result in a lower fair value. Liquidity discounts may be applied as a result of the difference in liquidity between the comparable entity and the equity securities being valued.

Inflation Rate Swap Curve

Inflation rate swap contracts valuation reflects spread between interest rate curves and the inflation rates. The inflation rates are not observable and are determined using proxy inputs such as inflation indices (e.g., Consumer Price Index).

Net Asset Value

The fair value of certain private funds is based on the net asset value determined by the fund managers based on valuation methodologies, as there are no observable prices for these instruments.

Valuation techniques and inputs used in the fair value measurement of Level 3 assets and liabilities
The following table presents the Bank's assets and liabilities recognized at fair value and classified as Level 3, together with the valuation techniques used to measure fair value, the significant inputs used in the valuation technique that are considered unobservable, and a range of values for those unobservable inputs. The range of values represents the highest and lowest inputs used in calculating the fair value.

Valuation Techniques and Inputs Used in the Fair Value Measurement of Level 3 Assets and Liabilities

							As at
			October 31, 2025		October 31, 2024		
	Valuation technique	**Significant unobservable inputs (Level 3)**	**Lower range**	**Upper range**	Lower range	Upper range	**Unit**
Other debt securities	**Market comparable**	**Bond price equivalent**	**–**	**108**	–	102	**points**
Equity securities[1]	**Market comparable**	**New issue price**	**100**	**100**	100	100	**%**
Non-trading financial assets at fair value through profit or loss	**Market comparable**	**New issue price**	**100**	**100**	100	100	**%**
	Discounted cash flow	**Discount rates**	**11**	**11**	9	9	**%**
	EBITDA multiple	**Earnings multiple**	**n/a**[2]	**n/a**	–	20.0	**times**
	Price-based	**Net Asset Value**[3]	**n/a**	**n/a**	n/a	n/a	
Derivatives							
Interest rate contracts	**Discounted cash flow**	**Inflation rate swap curve**	**n/a**	**n/a**	2	2	**%**
	Option model	**Funding ratio**	**n/a**	**n/a**	75	75	**%**
	Swaption Model	**Currency-specific volatility**	**46**	**277**	56	319	**%**
Foreign exchange contracts	**Option model**	**Currency-specific volatility**	**3**	**26**	5	26	**%**
Equity contracts	**Option model**	**Price correlation**	**29**	**81**	16	67	**%**
		Dividend yield	**–**	**8**	2	7	**%**
		Equity volatility	**12**	**111**	13	27	**%**
Commodity and other contracts	**Option model**	**Quanto correlation**	**(67)**	**(47)**	(67)	(47)	**%**
	Market comparable	**Price equivalent**	**90**	**95**	n/a	n/a	**points**
Trading deposits	**Swaption model**	**Currency-specific volatility**	**46**	**277**	53	319	**%**
Financial liabilities designated at fair value through profit or loss	**Option model**	**Funding ratio**	**56**	**66**	2	70	**%**

[1] Equity securities exclude the fair value of Federal Reserve stock and FHLB stock of $1.7 billion (October 31, 2024 – $3.2 billion) which are redeemable by the issuer at cost which approximates fair value. These securities cannot be traded in the market, hence, these securities have not been subjected to the sensitivity analysis.
[2] Not applicable.
[3] Net asset value information for private funds has not been disclosed due to the wide range in prices for these instruments.

The following table summarizes the potential effect of using reasonably possible alternative assumptions for financial assets and financial liabilities held, that are classified in Level 3 of the fair value hierarchy as at October 31, 2025 and October 31, 2024. For trading securities, non-trading securities at FVTPL and equity securities at FVOCI, the sensitivity was calculated based on an upward and downward shock of the fair value reported. For interest rate derivatives, the Bank performed a sensitivity analysis on the mortgage spreads and unobservable inflation curve. For equity derivatives, the sensitivity was calculated based on an upward and downward shock of fair value. For financial liabilities designated at FVTPL, the sensitivity was calculated based on an upward and downward shock of the funding ratio.

Sensitivity Analysis of Level 3 Financial Assets and Liabilities

(millions of Canadian dollars)				*As at*
	October 31, 2025		October 31, 2024	
	Impact to net assets		Impact to net assets	
	Decrease in fair value	**Increase in fair value**	Decrease in fair value	Increase in fair value
FINANCIAL ASSETS				
Trading loans, securities, and other				
Securities	**$ 5**	**$ 1**	$ 3	$ 1
Non-trading financial assets at fair value through profit or loss				
Securities	**189**	**63**	155	39
Financial assets at fair value through other comprehensive income				
Equity securities	**31**	**11**	30	12
FINANCIAL LIABILITIES				
Trading deposits	**–**	**–**	–	–
Derivatives				
Interest rate contracts	**35**	**18**	28	17
Equity contracts	**2**	**1**	1	–
	37	**19**	29	17
Financial liabilities designated at fair value through profit or loss	**–**	**–**	2	4
Total	**$ 262**	**$ 94**	$ 219	$ 73

For the years ended October 31, 2025 and 2024, the aggregate difference yet to be recognized in net income due to the difference between the transaction price and the amount determined using valuation techniques with significant non-observable inputs at initial recognition were immaterial.

(h) FINANCIAL INSTRUMENTS DESIGNATED AT FAIR VALUE

Securities Designated at Fair Value through Profit or Loss

Certain securities supporting insurance contract liabilities within the Bank's insurance underwriting subsidiaries have been designated at FVTPL to eliminate or significantly reduce an accounting mismatch. Insurance contract liabilities are measured using a discount factor and changes in the discount factor are recognized on the Consolidated Statement of Income. The unrealized gains or losses on securities designated at FVTPL are recognized on the Consolidated Statement of Income in the same period as gains or losses resulting from changes to the discount rate used to value the insurance contract liabilities.

In addition, certain debt securities have been designated at FVTPL as they are economically hedged with derivatives and the designation eliminates or significantly reduces an accounting mismatch.

Financial Liabilities Designated at Fair Value through Profit or Loss

Certain deposits have been designated at FVTPL to reduce an accounting mismatch from related economic hedges, and are included in Financial liabilities designated at FVTPL on the Consolidated Balance Sheet. In addition, certain obligations related to securities sold under repurchase agreements have been designated at FVTPL as the instruments are part of a portfolio that is managed on a fair value basis and have been included in Obligations related to securities sold under repurchase agreements on the Consolidated Balance Sheet. The fair value of obligations related to securities sold under repurchase agreements designated at FVTPL was $8,738 million as at October 31, 2025 (October 31, 2024 – $9,736 million).

For financial liabilities designated at FVTPL, the estimated amount that the Bank would be contractually required to pay at maturity, which is based on notional amounts, was $1,708 million less than its fair value as at October 31, 2025 (October 31, 2024 – $2,744 million).

NOTE 6: OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Bank enters into netting agreements with counterparties (such as clearing houses) to manage the credit risks associated primarily with repurchase and reverse repurchase transactions, securities borrowing and lending transactions, and OTC and exchange-traded derivatives. These netting agreements and similar arrangements generally allow the counterparties to set-off liabilities against available assets received. The right to set-off is a legal right to settle or otherwise eliminate all or a portion of an amount due by applying against that amount an amount receivable from the other party. These agreements effectively reduce the Bank's credit exposure by what it would have been if those same counterparties were liable for the gross exposure on the same underlying contracts.

Netting arrangements are typically constituted by a master netting agreement which specifies the general terms of the agreement between the counterparties, including information on the basis of the netting calculation, types of collateral, and the definition of default and other termination events for transactions executed under the agreement. The master netting agreements contain the terms and conditions by which all (or as many as possible) relevant transactions between the counterparties are governed. Multiple individual transactions are subsumed under this general master netting agreement, forming a single legal contract under which the counterparties conduct their relevant mutual business. In addition to the mitigation of credit risk, placing individual transactions under a single master netting agreement that provides for netting of transactions in scope also helps to mitigate settlement risks associated with transacting in multiple jurisdictions or across multiple contracts. These arrangements include clearing agreements, global master repurchase agreements, and global master securities lending agreements.

In the normal course of business, the Bank enters into contracts to buy and sell goods and services from various suppliers. Some of these contracts may have netting provisions that allow for the offset of various trade payables and receivables in the event of default of one of the parties. While these are not disclosed in the following table, the gross amount of all payables and receivables to and from the Bank's vendors is disclosed in Note 15 in accounts receivable and other items, and in Note 17 in accounts payable, accrued expenses, and other items.

The Bank also enters into regular way purchases and sales of stocks and bonds. Some of these transactions may have netting provisions that allow for the offset of broker payables and broker receivables related to these purchases and sales. While these are not disclosed in the following table, the amount of receivables are presented in amounts receivable from brokers, dealers, and clients, and payables are disclosed in amounts payable to brokers, dealers, and clients.

The following table provides a summary of the financial assets and liabilities which are subject to enforceable master netting agreements and similar arrangements, including amounts not otherwise set-off on the Consolidated Balance Sheet, as well as financial collateral received to mitigate credit exposures for these financial assets and liabilities. The gross financial assets and liabilities are reconciled to net amounts and are presented within the associated line on the Consolidated Balance Sheet, after transactions with the same counterparties have been offset. Related amounts and collateral received that are not offset on the Consolidated Balance Sheet but are otherwise subject to the same enforceable netting agreements and similar arrangements, are then presented to arrive at a net amount.

Offsetting Financial Assets and Financial Liabilities

(millions of Canadian dollars)						*As at*
						October 31, 2025
				Amounts subject to an enforceable master netting agreement or similar arrangement that are not offset in the Consolidated Balance Sheet[1,2]		
	Gross amounts of recognized financial instruments before balance sheet netting	**Gross amounts of recognized financial instruments offset in the Consolidated Balance Sheet**	**Net amount of financial instruments presented in the Consolidated Balance Sheet**	**Amounts subject to an enforceable master netting agreement**	**Collateral**	**Net Amount**
Financial Assets						
Derivatives	$ **84,781**	$ **1,809**	$ **82,972**	$ **45,857**	$ **15,132**	$ **21,983**
Securities purchased under reverse repurchase agreements	**266,189**	**19,111**	**247,078**	**21,509**	**216,312**	**9,257**
Total	**350,970**	**20,920**	**330,050**	**67,366**	**231,444**	**31,240**
Financial Liabilities						
Derivatives	**81,165**	**1,809**	**79,356**	**45,857**	**28,537**	**4,962**
Obligations related to securities sold under repurchase agreements	**240,261**	**19,111**	**221,150**	**21,509**	**198,524**	**1,117**
Total	$ **321,426**	$ **20,920**	$ **300,506**	$ **67,366**	$ **227,061**	$ **6,079**
						October 31, 2024
Financial Assets						
Derivatives	$ 79,949	$ 1,888	$ 78,061	$ 42,849	$ 14,214	$ 20,998
Securities purchased under reverse repurchase agreements	225,475	17,258	208,217	20,904	184,116	3,197
Total	305,424	19,146	286,278	63,753	198,330	24,195
Financial Liabilities						
Derivatives	70,256	1,888	68,368	42,849	19,903	5,616
Obligations related to securities sold under repurchase agreements	219,158	17,258	201,900	20,904	179,318	1,678
Total	$ 289,414	$ 19,146	$ 270,268	$ 63,753	$ 199,221	$ 7,294

[1] Excess collateral as a result of overcollateralization has not been reflected in the table.
[2] Includes amounts where the contractual set-off rights are subject to uncertainty under the laws of the relevant jurisdiction.

NOTE 7: SECURITIES

Securities are held by the Bank for both trading and non-trading activities. Trading securities are included in Trading loans, securities, and other on the Consolidated Balance Sheet. Non-trading securities are included in Non-trading financial assets at FVTPL, Financial assets designated at FVTPL, Financial assets at FVOCI, or Debt securities at amortized cost, net of allowance for credit losses on the Consolidated Balance Sheet.

(a) REMAINING TERMS TO MATURITIES OF SECURITIES

The remaining terms to contractual maturities of the securities held by the Bank are shown on the following table.

Securities Maturity Schedule

(millions of Canadian dollars)								*As at*
							October 31 2025	October 31 2024
	Remaining terms to maturities[1]							
	Within 1 year	**Over 1 year to 3 years**	**Over 3 years to 5 years**	**Over 5 years to 10 years**	**Over 10 years**	**With no specific maturity**	**Total**	Total
Trading securities								
Government and government-related securities								
Canadian government debt								
Federal	**$ 2,508**	**$ 917**	**$ 1,012**	**$ 2,723**	**$ 1,607**	**$ –**	**$ 8,767**	$ 10,242
Provinces	**1,184**	**251**	**457**	**972**	**1,673**	**–**	**4,537**	6,398
U.S. federal, state, municipal governments, and agencies debt	**5,689**	**3,383**	**1,943**	**2,466**	**10,303**	**–**	**23,784**	18,861
Other OECD government-guaranteed debt	**4,575**	**652**	**456**	**318**	**100**	**–**	**6,101**	9,722
Mortgage-backed securities								
Residential	**250**	**248**	**51**	**3**	**–**	**–**	**552**	1,040
Commercial	**11**	**95**	**101**	**9**	**–**	**–**	**216**	312
	14,217	**5,546**	**4,020**	**6,491**	**13,683**	**–**	**43,957**	46,575
Other debt securities								
Canadian issuers	**598**	**2,653**	**1,406**	**1,474**	**631**	**–**	**6,762**	6,623
Other issuers	**4,794**	**6,601**	**3,243**	**1,456**	**293**	**121**	**16,508**	15,859
	5,392	**9,254**	**4,649**	**2,930**	**924**	**121**	**23,270**	22,482
Equity securities								
Common shares	**–**	**–**	**–**	**–**	**–**	**87,790**	**87,790**	68,670
Preferred shares	**–**	**–**	**–**	**–**	**–**	**119**	**119**	58
	–	**–**	**–**	**–**	**–**	**87,909**	**87,909**	68,728
Retained interests	**–**	**1**	**–**	**–**	**–**	**–**	**1**	1
Total trading securities	**$ 19,609**	**$ 14,801**	**$ 8,669**	**$ 9,421**	**$ 14,607**	**$ 88,030**	**$ 155,137**	$ 137,786
Non-trading financial assets at fair value through profit or loss								
Government and government-related securities								
U.S. federal, state, municipal governments, and agencies debt	**$ –**	**$ –**	**$ –**	**$ –**	**$ 333**	**$ –**	**$ 333**	$ 271
	–	**–**	**–**	**–**	**333**	**–**	**333**	271
Other debt securities								
Canadian issuers	**27**	**122**	**110**	**31**	**–**	**689**	**979**	912
Asset-backed securities	**–**	**2,261**	**778**	**507**	**704**	**–**	**4,250**	414
Other issuers	**–**	**–**	**–**	**–**	**–**	**117**	**117**	50
	27	**2,383**	**888**	**538**	**704**	**806**	**5,346**	1,376
Equity securities								
Common shares	**–**	**–**	**–**	**–**	**–**	**1,314**	**1,314**	1,105
Preferred shares	**–**	**–**	**–**	**–**	**–**	**58**	**58**	60
	–	**–**	**–**	**–**	**–**	**1,372**	**1,372**	1,165
Total non-trading financial assets at fair value through profit or loss	**$ 27**	**$ 2,383**	**$ 888**	**$ 538**	**$ 1,037**	**$ 2,178**	**$ 7,051**	$ 2,812
Financial assets designated at fair value through profit or loss								
Government and government-related securities								
Canadian government debt								
Federal	**$ 182**	**$ 5**	**$ –**	**$ 2**	**$ 1**	**$ 1**	**$ 191**	$ 294
Provinces	**525**	**376**	**1,055**	**737**	**51**	**7**	**2,751**	2,443
U.S. federal, state, municipal governments, and agencies debt	**18**	**–**	**–**	**–**	**–**	**–**	**18**	9
Other OECD government-guaranteed debt	**400**	**90**	**23**	**–**	**–**	**–**	**513**	310
	1,125	**471**	**1,078**	**739**	**52**	**8**	**3,473**	3,056
Other debt securities								
Canadian issuers	**742**	**1,484**	**352**	**91**	**–**	**8**	**2,677**	2,395
Other issuers	**72**	**571**	**155**	**38**	**–**	**–**	**836**	966
	814	**2,055**	**507**	**129**	**–**	**8**	**3,513**	3,361
Total financial assets designated at fair value through profit or loss	**$ 1,939**	**$ 2,526**	**$ 1,585**	**$ 868**	**$ 52**	**$ 16**	**$ 6,986**	$ 6,417

[1] Represents contractual maturities. Actual maturities may differ due to prepayment privileges in the applicable contract.

Securities Maturity Schedule (Continued)

(millions of Canadian dollars)								*As at*
							October 31 2025	October 31 2024
	Remaining terms to maturities[1]							
	Within 1 year	**Over 1 year to 3 years**	**Over 3 years to 5 years**	**Over 5 years to 10 years**	**Over 10 years**	**With no specific maturity**	**Total**	Total
Securities at fair value through other comprehensive income								
Government and government-related securities								
Canadian government debt								
Federal	**$ 1,878**	**$ 1,619**	**$ 5,108**	**$ 7,175**	**$ 111**	**$ –**	**$ 15,891**	$ 18,139
Provinces	**1,050**	**3,253**	**5,973**	**10,372**	**432**	**–**	**21,080**	21,270
U.S. federal, state, municipal governments, and agencies debt	**12,005**	**1,501**	**16,504**	**21,648**	**2,834**	**–**	**54,492**	35,197
Other OECD government-guaranteed debt	**273**	**1,612**	**5,932**	**58**	**–**	**–**	**7,875**	1,679
Mortgage-backed securities	**436**	**1,460**	**–**	**–**	**–**	**–**	**1,896**	2,137
	15,642	**9,445**	**33,517**	**39,253**	**3,377**	**–**	**101,234**	78,422
Other debt securities								
Asset-backed securities	**914**	**274**	**2,932**	**1,615**	**2,974**	**–**	**8,709**	1,384
Corporate and other debt	**2,681**	**3,280**	**2,212**	**1,643**	**3,275**	**–**	**13,091**	9,446
	3,595	**3,554**	**5,144**	**3,258**	**6,249**	**–**	**21,800**	10,830
Equity securities								
Common shares	**–**	**–**	**–**	**–**	**–**	**2,536**	**2,536**	3,914
Preferred shares	**–**	**–**	**–**	**–**	**–**	**511**	**511**	501
	–	**–**	**–**	**–**	**–**	**3,047**	**3,047**	4,415
Total securities at fair value through other comprehensive income	**$ 19,237**	**$ 12,999**	**$ 38,661**	**$ 42,511**	**$ 9,626**	**$ 3,047**	**$ 126,081**	$ 93,667
Debt securities at amortized cost, net of allowance for credit losses								
Government and government-related securities								
Canadian government debt								
Federal	**$ 12,267**	**$ 12,206**	**$ 2,784**	**$ 9,368**	**$ 1,293**	**$ –**	**$ 37,918**	$ 22,991
Provinces	**934**	**3,370**	**7,811**	**6,395**	**326**	**–**	**18,836**	18,614
U.S. federal, state, municipal governments, and agencies debt	**1,922**	**23,631**	**11,061**	**24,181**	**33,732**	**–**	**94,527**	124,099
Other OECD government-guaranteed debt	**8,006**	**13,428**	**6,882**	**2,891**	**–**	**–**	**31,207**	39,394
	23,129	**52,635**	**28,538**	**42,835**	**35,351**	**–**	**182,488**	205,098
Other debt securities								
Asset-backed securities	**10**	**1,140**	**4,509**	**5,981**	**15,407**	**–**	**27,047**	29,708
Non-agency collateralized mortgage obligation portfolio	**–**	**–**	**–**	**–**	**13,274**	**–**	**13,274**	15,362
Canadian issuers	**105**	**1,051**	**867**	**532**	**9**	**–**	**2,564**	4,722
Other issuers	**2,188**	**6,775**	**4,392**	**1,711**	**–**	**–**	**15,066**	16,725
	2,303	**8,966**	**9,768**	**8,224**	**28,690**	**–**	**57,951**	66,517
Total debt securities at amortized cost, net of allowance for credit losses	**25,432**	**61,601**	**38,306**	**51,059**	**64,041**	**–**	**240,439**	271,615
Total securities	**$ 66,244**	**$ 94,310**	**$ 88,109**	**$ 104,397**	**$ 89,363**	**$ 93,271**	**$ 535,694**	$ 512,297

[1] Represents contractual maturities. Actual maturities may differ due to prepayment privileges in the applicable contract.

(b) UNREALIZED SECURITIES GAINS (LOSSES)

The following table summarizes the unrealized gains and losses as at October 31, 2025 and October 31, 2024.

Unrealized Securities Gains (Losses) for Securities at Fair Value Through Other Comprehensive Income

(millions of Canadian dollars)								*As at*
	October 31, 2025				October 31, 2024			
	Cost/ amortized cost[1]	**Gross unrealized gains**	**Gross unrealized (losses)**	**Fair value**	Cost/ amortized cost[1]	Gross unrealized gains	Gross unrealized (losses)	Fair value
Government and government-related securities								
Canadian government debt								
Federal	**$ 15,956**	**$ 23**	**$ (88)**	**$ 15,891**	$ 18,281	$ 17	$ (159)	$ 18,139
Provinces	**20,971**	**120**	**(11)**	**21,080**	21,263	77	(70)	21,270
U.S. federal, state, municipal governments, and agencies debt	**54,279**	**267**	**(54)**	**54,492**	35,371	22	(196)	35,197
Other OECD government-guaranteed debt	**7,864**	**15**	**(4)**	**7,875**	1,687	1	(9)	1,679
Mortgage-backed securities	**1,869**	**29**	**(2)**	**1,896**	2,125	17	(5)	2,137
	100,939	**454**	**(159)**	**101,234**	78,727	134	(439)	78,422
Other debt securities								
Asset-backed securities	**8,713**	**11**	**(15)**	**8,709**	1,397	1	(14)	1,384
Corporate and other debt	**13,011**	**106**	**(26)**	**13,091**	9,419	77	(50)	9,446
	21,724	**117**	**(41)**	**21,800**	10,816	78	(64)	10,830
Total debt securities	**122,663**	**571**	**(200)**	**123,034**	89,543	212	(503)	89,252
Equity securities								
Common shares	**2,332**	**226**	**(22)**	**2,536**	3,810	176	(72)	3,914
Preferred shares	**523**	**67**	**(79)**	**511**	632	29	(160)	501
	2,855	**293**	**(101)**	**3,047**	4,442	205	(232)	4,415
Total securities at fair value through other comprehensive income	**$ 125,518**	**$ 864**	**$ (301)**	**$ 126,081**	$ 93,985	$ 417	$ (735)	$ 93,667

[1] Includes the foreign exchange translation of amortized cost balances at the period-end spot rate.

(c) EQUITY SECURITIES DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The Bank designated certain equity securities at FVOCI. The following table summarizes the fair value of equity securities designated at FVOCI as at October 31, 2025 and October 31, 2024, and dividend income recognized on these securities for the years ended October 31, 2025 and October 31, 2024.

Equity Securities Designated at Fair Value Through Other Comprehensive Income

(millions of Canadian dollars)		*As at*		*For the years ended*
	October 31, 2025	October 31, 2024	**October 31, 2025**	October 31, 2024
		Fair value		**Dividend income recognized**
Common shares	**$ 2,536**	$ 3,914	**$ 201**	$ 153
Preferred shares	**511**	501	**141**	155
Total	**$ 3,047**	$ 4,415	**$ 342**	$ 308

The Bank disposed of certain equity securities in line with the Bank's investment strategy and disposed of FHLB stocks in accordance with FHLB member stockholding requirements, as follows:

Equity Securities Net Realized Gains (Losses)

(millions of Canadian dollars)		*For the years ended*
	October 31 2025	October 31 2024
Equity Securities[1]		
Fair value	**$ 273**	$ 643
Cumulative realized gain/(loss)	**13**	121
FHLB Stock		
Fair value	**1,483**	187
Cumulative realized gain/(loss)	**–**	–

[1] Includes disposal of the Bank's holdings in First Horizon Corporation ("First Horizon") common shares in the third quarter of fiscal 2024.

(d) DEBT SECURITIES NET REALIZED GAINS (LOSSES)

The Bank disposed of certain debt securities measured at amortized cost and FVOCI during the year. The following table summarizes the net realized gains and losses on securities disposed of during the years ended October 31, 2025 and October 31, 2024, which are included in Other income (loss) on the Consolidated Statement of Income.

Debt Securities Net Realized Gains (Losses)[1]

(millions of Canadian dollars)		*For the years ended*
	October 31 2025	October 31 2024
Debt securities at amortized cost	**$ (1,880)**	$ (381)
Debt securities at fair value through other comprehensive income	**(71)**	23
Total	**$ (1,951)**	$ (358)

[1] Includes $1,929 million (US$1,366 million) (October 31, 2024 – $311 million (US$226 million)) of pre-tax losses on debt securities related to balance sheet restructuring activities undertaken in the U.S. Retail segment. Refer to Note 25 for additional information regarding the asset limitation on TD's two U.S. bank subsidiaries.

***(e)* CREDIT QUALITY OF DEBT SECURITIES**
The Bank evaluates non-retail credit risk on an individual borrower basis, using both a BRR and FRR, as detailed in the shaded area of the "Managing Risk" section of the 2025 MD&A. This system is used to assess all non-retail exposures, including debt securities.

The following table provides the gross carrying amounts of debt securities measured at amortized cost and debt securities at FVOCI by internal risk rating for credit risk management purposes, presenting separately those debt securities that are subject to Stage 1, Stage 2, and Stage 3 allowances. Refer to the "Allowance for Credit Losses" table in Note 8 for details regarding the allowance and provision for credit losses on debt securities.

Debt Securities by Risk Rating

(millions of Canadian dollars)								*As at*
	October 31, 2025				October 31, 2024			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	Stage 1	Stage 2	Stage 3	Total
Debt securities[1]								
Investment grade	**$ 362,521**	**$ –**	**$ n/a**	**$ 362,521**	$ 360,272	$ –	$ n/a	$ 360,272
Non-investment grade	**738**	**167**	**n/a**	**905**	439	91	n/a	530
Watch and classified	**n/a**	**49**	**n/a**	**49**	n/a	68	n/a	68
Default	**n/a**	**n/a**	**–**	**–**	n/a	n/a	–	–
Total debt securities	**363,259**	**216**	**–**	**363,475**	360,711	159	–	360,870
Allowance for credit losses on debt securities at amortized cost	**2**	**–**	**–**	**2**	3	–	–	3
Total debt securities, net of allowance	**$ 363,257**	**$ 216**	**$ –**	**$ 363,473**	$ 360,708	$ 159	$ –	$ 360,867

[1] Includes debt securities backed by government-guaranteed loans of $94 million (October 31, 2024 – $113 million), which are reported in Non-investment grade or a lower risk rating based on the issuer's credit risk.

As at October 31, 2025, total debt securities, net of allowance, in the table above, include debt securities measured at amortized cost, net of allowance, of $240,439 million (October 31, 2024 – $271,615 million), and debt securities measured at FVOCI of $123,034 million (October 31, 2024 – $89,252 million).

The difference between probability-weighted ECLs and base ECLs on debt securities at FVOCI and at amortized cost as at both October 31, 2025 and October 31, 2024, was insignificant. Refer to Note 3 for further details.

NOTE 8: LOANS, IMPAIRED LOANS, AND ALLOWANCE FOR CREDIT LOSSES

***(a)* LOANS**
The following table provides details regarding the Bank's loans as at October 31, 2025 and October 31, 2024.

Loans

(millions of Canadian dollars)		*As at October 31*
	2025	2024
Residential mortgages	**$ 315,063**	$ 331,649
Consumer instalment and other personal	**259,033**	228,382
Credit card	**41,662**	40,639
Business and government	**345,943**	356,973
	961,701	957,643
Loans at FVOCI[1]	**288**	230
Total loans	**961,989**	957,873
Total allowance for loan losses	**8,689**	8,094
Total loans, net of allowance	**$ 953,300**	$ 949,779

[1] Included in Financial assets at fair value through other comprehensive income on the Consolidated Balance Sheet.

Business and government loans and loans at FVOCI are grouped together as reflected below for presentation in the "Loans by Risk Rating" table.

Loans – Business and Government

(millions of Canadian dollars)		*As at October 31*
	2025	2024
Loans at amortized cost	**$ 345,943**	$ 356,973
Loans at FVOCI **(Note 5)**	**288**	230
Loans	**346,231**	357,203
Allowance for loan losses	**3,847**	3,583
Loans, net of allowance	**$ 342,384**	$ 353,620

***(b)* CREDIT QUALITY OF LOANS**
In the retail portfolio, including individuals and small businesses, the Bank manages exposures on a pooled basis, using predictive credit scoring techniques. For non-retail exposures, each borrower is assigned a BRR that reflects the PD of the borrower using proprietary industry and sector specific risk models and expert judgment. Refer to the shaded areas of the "Managing Risk" section of the 2025 MD&A for further details, including the mapping of PD ranges to risk levels for retail exposures as well as the Bank's 21-point BRR scale to risk levels and external ratings for non-retail exposures.

The following tables provide the gross carrying amounts of loans and credit risk exposures on loan commitments and financial guarantee contracts by internal risk rating for credit risk management purposes, presenting separately those that are subject to Stage 1, Stage 2, and Stage 3 allowances.

Loans by Risk Rating

(millions of Canadian dollars)								*As at*
	October 31, 2025				October 31, 2024			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	Stage 1	Stage 2	Stage 3	Total
Residential mortgages[1,2,3]								
Low Risk	**$ 221,168**	**$ 765**	**$ n/a**	**$ 221,933**	$ 238,101	$ 655	$ n/a	$ 238,756
Normal Risk	**70,217**	**8,391**	**n/a**	**78,608**	65,318	13,620	n/a	78,938
Medium Risk	**351**	**9,490**	**n/a**	**9,841**	370	9,614	n/a	9,984
High Risk	**3**	**3,700**	**391**	**4,094**	5	3,201	347	3,553
Default	**n/a**	**n/a**	**587**	**587**	n/a	n/a	418	418
Total loans	**291,739**	**22,346**	**978**	**315,063**	303,794	27,090	765	331,649
Allowance for loan losses	**102**	**175**	**80**	**357**	116	189	60	365
Loans, net of allowance	**291,637**	**22,171**	**898**	**314,706**	303,678	26,901	705	331,284
Consumer instalment and other personal[4]								
Low Risk	**110,513**	**2,588**	**n/a**	**113,101**	101,171	2,624	n/a	103,795
Normal Risk	**75,881**	**19,812**	**n/a**	**95,693**	66,105	12,054	n/a	78,159
Medium Risk	**29,757**	**6,792**	**n/a**	**36,549**	27,188	6,352	n/a	33,540
High Risk	**5,407**	**7,209**	**448**	**13,064**	4,017	7,881	412	12,310
Default	**n/a**	**n/a**	**626**	**626**	n/a	n/a	578	578
Total loans	**221,558**	**36,401**	**1,074**	**259,033**	198,481	28,911	990	228,382
Allowance for loan losses	**699**	**1,220**	**274**	**2,193**	667	1,120	262	2,049
Loans, net of allowance	**220,859**	**35,181**	**800**	**256,840**	197,814	27,791	728	226,333
Credit card								
Low Risk	**8,011**	**4**	**n/a**	**8,015**	6,902	16	n/a	6,918
Normal Risk	**12,222**	**119**	**n/a**	**12,341**	11,714	188	n/a	11,902
Medium Risk	**12,780**	**902**	**n/a**	**13,682**	12,908	1,122	n/a	14,030
High Risk	**2,727**	**4,329**	**419**	**7,475**	2,832	4,382	437	7,651
Default	**n/a**	**n/a**	**149**	**149**	n/a	n/a	138	138
Total loans	**35,740**	**5,354**	**568**	**41,662**	34,356	5,708	575	40,639
Allowance for loan losses	**743**	**1,089**	**460**	**2,292**	704	1,015	378	2,097
Loans, net of allowance	**34,997**	**4,265**	**108**	**39,370**	33,652	4,693	197	38,542
Business and government[1,2,3,5]								
Investment grade or Low/Normal Risk	**139,518**	**152**	**n/a**	**139,670**	158,425	102	n/a	158,527
Non-investment grade or Medium Risk	**173,836**	**13,289**	**n/a**	**187,125**	166,892	11,851	n/a	178,743
Watch and classified or High Risk	**538**	**16,098**	**77**	**16,713**	704	16,610	89	17,403
Default	**n/a**	**n/a**	**2,723**	**2,723**	n/a	n/a	2,530	2,530
Total loans	**313,892**	**29,539**	**2,800**	**346,231**	326,021	28,563	2,619	357,203
Allowance for loan losses	**1,195**	**1,878**	**774**	**3,847**	983	1,758	842	3,583
Loans, net of allowance	**312,697**	**27,661**	**2,026**	**342,384**	325,038	26,805	1,777	353,620
Total loans	**862,929**	**93,640**	**5,420**	**961,989**	862,652	90,272	4,949	957,873
Total allowance for loan losses	**2,739**	**4,362**	**1,588**	**8,689**	2,470	4,082	1,542	8,094
Total loans, net of allowance	**$ 860,190**	**$ 89,278**	**$ 3,832**	**$ 953,300**	$ 860,182	$ 86,190	$ 3,407	$ 949,779

[1] Includes impaired loans with a balance of $273 million (October 31, 2024 – $259 million) which did not have a related allowance for loan losses as the realizable value of the collateral exceeded the loan amount.

[2] Excludes trading loans and non-trading loans at FVTPL with a fair value of $30 billion (October 31, 2024 – $24 billion) and $0.3 billion (October 31, 2024 – $3 billion), respectively.

[3] Includes insured mortgages of $69 billion (October 31, 2024 – $71 billion).

[4] Includes Canadian government-insured real estate personal loans of $5 billion (October 31, 2024 – $6 billion).

[5] Includes loans guaranteed by government agencies of $24 billion (October 31, 2024 – $24 billion), which are primarily reported in non-investment grade or a lower risk rating based on the borrowers' credit risk.

Loans by Risk Rating (Continued) **– Off-Balance Sheet Credit Instruments**[1]

(millions of Canadian dollars)								*As at*
				October 31, 2025				October 31, 2024
	Stage 1	**Stage 2**	**Stage 3**	**Total**	Stage 1	Stage 2	Stage 3	Total
Retail Exposures[2]								
Low Risk	**$ 318,759**	**$ 1,464**	**$ n/a**	**$ 320,223**	$ 268,234	$ 1,365	$ n/a	$ 269,599
Normal Risk	**62,564**	**1,147**	**n/a**	**63,711**	93,576	1,332	n/a	94,908
Medium Risk	**16,381**	**1,295**	**n/a**	**17,676**	18,562	1,247	n/a	19,809
High Risk	**1,282**	**1,092**	**–**	**2,374**	1,126	1,181	–	2,307
Default	**n/a**	**n/a**	**–**	**–**	n/a	n/a	–	–
Non-Retail Exposures[3]								
Investment grade	**319,274**	**–**	**n/a**	**319,274**	287,830	–	n/a	287,830
Non-investment grade	**103,936**	**5,710**	**n/a**	**109,646**	99,866	6,968	n/a	106,834
Watch and classified	**150**	**4,905**	**–**	**5,055**	328	5,418	–	5,746
Default	**n/a**	**n/a**	**343**	**343**	n/a	n/a	252	252
Total off-balance sheet credit instruments	**822,346**	**15,613**	**343**	**838,302**	769,522	17,511	252	787,285
Allowance for off-balance sheet credit instruments	**470**	**566**	**16**	**1,052**	439	593	11	1,043
Total off-balance sheet credit instruments, net of allowance	**$ 821,876**	**$ 15,047**	**$ 327**	**$ 837,250**	$ 769,083	$ 16,918	$ 241	$ 786,242

[1] Excludes mortgage commitments.
[2] Includes $401 billion (October 31, 2024 – $384 billion) of personal lines of credit and credit card lines, which are unconditionally cancellable at the Bank's discretion at any time.
[3] Includes $67 billion (October 31, 2024 – $66 billion) of the undrawn component of uncommitted credit and liquidity facilities.

(c) IMPAIRED LOANS

The following table presents information related to the Bank's impaired loans as at October 31, 2025 and October 31, 2024.

Impaired Loans

(millions of Canadian dollars)								*As at*
				October 31, 2025				October 31, 2024
	Unpaid principal balance[1]	**Carrying value**	**Related allowance for credit losses**	**Average gross impaired loans**	Unpaid principal balance[1]	Carrying value	Related allowance for credit losses	Average gross impaired loans
Residential mortgages	**$ 1,033**	**$ 978**	**$ 80**	**$ 886**	$ 827	$ 765	$ 60	$ 685
Consumer instalment and other personal	**1,114**	**1,074**	**274**	**1,054**	1,045	990	262	894
Credit card	**569**	**568**	**460**	**568**	575	575	378	544
Business and government	**3,096**	**2,800**	**774**	**2,791**	2,812	2,619	842	1,875
Total	**$ 5,812**	**$ 5,420**	**$ 1,588**	**$ 5,299**	$ 5,259	$ 4,949	$ 1,542	$ 3,998

[1] Represents contractual amount of principal owed.

(d) ALLOWANCE FOR CREDIT LOSSES

The following table provides details on the Bank's allowance for credit losses as at and for the years ended October 31, 2025 and October 31, 2024, including allowance for off-balance sheet instruments in the applicable categories.

Allowance for Credit Losses

(millions of Canadian dollars)	**Balance at beginning of year**	**Provision for credit losses**	**Write-offs, net of recoveries**	**Foreign exchange, disposals, and other adjustments**	**Balance at end of year**	Balance at beginning of year	Provision for credit losses	Write-offs, net of recoveries	Foreign exchange, disposals, and other adjustments	Balance at end of year
										For the years ended
					October 31, 2025					October 31, 2024
Residential mortgages	**$ 365**	**$ (5)**	**$ (4)**	**$ 1**	**$ 357**	$ 403	$ (34)	$ (7)	$ 3	$ 365
Consumer instalment and other personal	**2,133**	**1,385**	**(1,250)**	**5**	**2,273**	1,895	1,407	(1,173)	4	2,133
Credit card	**2,699**	**1,763**	**(1,685)**	**13**	**2,790**	2,577	1,676	(1,561)	7	2,699
Business and government	**3,940**	**1,362**	**(954)**	**(27)**	**4,321**	3,310	1,204	(536)	(38)	3,940
Total allowance for loan losses, including off-balance sheet instruments	**9,137**	**4,505**	**(3,893)**	**(8)**	**9,741**	8,185	4,253	(3,277)	(24)	9,137
Debt securities at amortized cost	**3**	**–**	**–**	**(1)**	**2**	2	1	–	–	3
Debt securities at FVOCI	**1**	**1**	**–**	**–**	**2**	2	(1)	–	–	1
Total allowance for credit losses on debt securities	**4**	**1**	**–**	**(1)**	**4**	4	–	–	–	4
Total allowance for credit losses	**$ 9,141**	**$ 4,506**	**$ (3,893)**	**$ (9)**	**$ 9,745**	$ 8,189	$ 4,253	$ (3,277)	$ (24)	$ 9,141
Comprising:										
Allowance for credit losses on loans at amortized cost	**$ 8,094**				**$ 8,689**	$ 7,136				$ 8,094
Allowance for credit losses on loans at FVOCI	**–**				**–**	–				–
Allowance for loan losses	**8,094**				**8,689**	7,136				8,094
Allowance for off-balance sheet instruments	**1,043**				**1,052**	1,049				1,043
Allowance for credit losses on debt securities	**4**				**4**	4				4

(e) ALLOWANCE FOR LOAN LOSSES BY STAGE

The following table provides details on the Bank's allowance for loan losses by stage as at and for the years ended October 31, 2025 and October 31, 2024.

Allowance for Loan Losses by Stage

(millions of Canadian dollars)								*For the years ended*
	October 31, 2025				October 31, 2024			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	Stage 1	Stage 2	Stage 3	Total
Residential Mortgages								
Balance at beginning of period	**$ 116**	**$ 189**	**$ 60**	**$ 365**	$ 154	$ 192	$ 57	$ 403
Provision for credit losses								
Transfer to Stage 1[1]	**108**	**(103)**	**(5)**	**–**	137	(133)	(4)	–
Transfer to Stage 2	**(26)**	**56**	**(30)**	**–**	(30)	52	(22)	–
Transfer to Stage 3	**–**	**(42)**	**42**	**–**	–	(32)	32	–
Net remeasurement due to transfers into stage[2]	**(24)**	**15**	**–**	**(9)**	(30)	22	–	(8)
New originations or purchases[3]	**25**	**n/a**	**n/a**	**25**	32	n/a	n/a	32
Net repayments[4]	**(4)**	**(4)**	**–**	**(8)**	(4)	–	–	(4)
Derecognition of financial assets (excluding disposals and write-offs)[5]	**(14)**	**(20)**	**(28)**	**(62)**	(7)	(27)	(35)	(69)
Changes to risk, parameters, and models[6]	**(80)**	**84**	**45**	**49**	(135)	114	36	15
Disposals	**–**	**–**	**–**	**–**	–	–	–	–
Write-offs	**–**	**–**	**(11)**	**(11)**	–	–	(8)	(8)
Recoveries	**–**	**–**	**7**	**7**	–	–	1	1
Foreign exchange and other adjustments	**1**	**–**	**–**	**1**	(1)	1	3	3
Balance at end of period	**$ 102**	**$ 175**	**$ 80**	**$ 357**	$ 116	$ 189	$ 60	$ 365
Consumer Instalment and Other Personal								
Balance, including off-balance sheet instruments, at beginning of period	**$ 696**	**$ 1,175**	**$ 262**	**$ 2,133**	$ 688	$ 1,010	$ 197	$ 1,895
Provision for credit losses								
Transfer to Stage 1[1]	**696**	**(691)**	**(5)**	**–**	607	(603)	(4)	–
Transfer to Stage 2	**(239)**	**329**	**(90)**	**–**	(246)	329	(83)	–
Transfer to Stage 3	**(10)**	**(298)**	**308**	**–**	(11)	(254)	265	–
Net remeasurement due to transfers into stage[2]	**(297)**	**282**	**9**	**(6)**	(267)	300	9	42
New originations or purchases[3]	**345**	**n/a**	**n/a**	**345**	359	n/a	n/a	359
Net repayments[4]	**(87)**	**(107)**	**(17)**	**(211)**	(76)	(95)	(16)	(187)
Derecognition of financial assets (excluding disposals and write-offs)[5]	**(87)**	**(115)**	**(49)**	**(251)**	(74)	(104)	(50)	(228)
Changes to risk, parameters, and models[6]	**(295)**	**698**	**1,105**	**1,508**	(286)	590	1,117	1,421
Disposals	**–**	**–**	**–**	**–**	–	–	–	–
Write-offs	**–**	**–**	**(1,597)**	**(1,597)**	–	–	(1,496)	(1,496)
Recoveries	**–**	**–**	**347**	**347**	–	–	323	323
Foreign exchange and other adjustments	**2**	**2**	**1**	**5**	2	2	–	4
Balance, including off-balance sheet instruments, at end of period	**724**	**1,275**	**274**	**2,273**	696	1,175	262	2,133
Less: Allowance for off-balance sheet instruments[7]	**25**	**55**	**–**	**80**	29	55	–	84
Balance at end of period	**$ 699**	**$ 1,220**	**$ 274**	**$ 2,193**	$ 667	$ 1,120	$ 262	$ 2,049
Credit Card[8]								
Balance, including off-balance sheet instruments, at beginning of period	**$ 947**	**$ 1,374**	**$ 378**	**$ 2,699**	$ 988	$ 1,277	$ 312	$ 2,577
Provision for credit losses								
Transfer to Stage 1[1]	**1,299**	**(1,257)**	**(42)**	**–**	1,087	(1,051)	(36)	–
Transfer to Stage 2	**(352)**	**441**	**(89)**	**–**	(323)	404	(81)	–
Transfer to Stage 3	**(25)**	**(1,047)**	**1,072**	**–**	(21)	(881)	902	–
Net remeasurement due to transfers into stage[2]	**(503)**	**461**	**26**	**(16)**	(476)	477	25	26
New originations or purchases[3]	**160**	**n/a**	**n/a**	**160**	153	n/a	n/a	153
Net repayments[4]	**(5)**	**8**	**74**	**77**	25	11	65	101
Derecognition of financial assets (excluding disposals and write-offs)[5]	**(60)**	**(97)**	**(310)**	**(467)**	(55)	(71)	(367)	(493)
Changes to risk, parameters, and models[6]	**(521)**	**1,495**	**1,035**	**2,009**	(432)	1,204	1,117	1,889
Disposals	**–**	**–**	**–**	**–**	–	–	–	–
Write-offs	**–**	**–**	**(2,078)**	**(2,078)**	–	–	(1,880)	(1,880)
Recoveries	**–**	**–**	**393**	**393**	–	–	319	319
Foreign exchange and other adjustments	**4**	**8**	**1**	**13**	1	4	2	7
Balance, including off-balance sheet instruments, at end of period	**944**	**1,386**	**460**	**2,790**	947	1,374	378	2,699
Less: Allowance for off-balance sheet instruments[7]	**201**	**297**	**–**	**498**	243	359	–	602
Balance at end of period	**$ 743**	**$ 1,089**	**$ 460**	**$ 2,292**	$ 704	$ 1,015	$ 378	$ 2,097

[1] Transfers represent stage transfer movements prior to ECL remeasurement.

[2] Represents the mechanical remeasurement between twelve-month (i.e., Stage 1) and lifetime ECLs (i.e., Stage 2 or 3) due to stage transfers necessitated by credit risk migration, as described in the "Significant Increase in Credit Risk" section of Note 2 and Note 3, holding all other factors impacting the change in ECLs constant.

[3] Represents the increase in the allowance resulting from loans that were newly originated, purchased, or renewed.

[4] Represents the changes in the allowance related to cash flow changes associated with new draws or repayments on loans outstanding.

[5] Represents the decrease in the allowance resulting from loans that were fully repaid and excludes the decrease associated with loans that were disposed or fully written off.

[6] Represents the changes in the allowance related to current period changes in risk (e.g., PD) caused by changes to macroeconomic factors, level of risk, parameters, and/or models, subsequent to stage migration. Refer to the "Measurement of Expected Credit Losses", "Forward-Looking Information" and "Expert Credit Judgment" sections of Note 2 and Note 3 for further details.

[7] The allowance for loan losses for off-balance sheet instruments is recorded in Other liabilities on the Consolidated Balance Sheet.

[8] Credit cards are considered impaired and migrate to Stage 3 when they are 90 days past due and written off at 180 days past due. Refer to Note 2 for further details.

Allowance for Loan Losses by Stage (Continued)

(millions of Canadian dollars)								*For the years ended*
	October 31, 2025				October 31, 2024			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	Stage 1	Stage 2	Stage 3	Total
Business and Government								
Balance, including off-balance sheet instruments, at beginning of period	**$ 1,150**	**$ 1,937**	**$ 853**	**$ 3,940**	$ 1,319	$ 1,521	$ 470	$ 3,310
Provision for credit losses								
Transfer to Stage 1[1]	**356**	**(352)**	**(4)**	**–**	266	(265)	(1)	–
Transfer to Stage 2	**(727)**	**766**	**(39)**	**–**	(568)	584	(16)	–
Transfer to Stage 3	**(10)**	**(482)**	**492**	**–**	(19)	(350)	369	–
Net remeasurement due to transfers into stage[1]	**(103)**	**193**	**3**	**93**	(86)	158	13	85
New originations or purchases[1]	**1,458**	**n/a**	**n/a**	**1,458**	1,165	n/a	n/a	1,165
Net repayments[1]	**13**	**(44)**	**(209)**	**(240)**	20	(60)	(77)	(117)
Derecognition of financial assets (excluding disposals and write-offs)[1]	**(804)**	**(940)**	**(368)**	**(2,112)**	(683)	(611)	(297)	(1,591)
Changes to risk, parameters, and models[1]	**82**	**998**	**1,083**	**2,163**	(271)	917	1,016	1,662
Disposals	**–**	**–**	**(22)**	**(22)**	–	–	(39)	(39)
Write-offs	**–**	**–**	**(1,039)**	**(1,039)**	–	–	(600)	(600)
Recoveries	**–**	**–**	**85**	**85**	–	–	64	64
Foreign exchange and other adjustments	**24**	**16**	**(45)**	**(5)**	7	43	(49)	1
Balance, including off-balance sheet instruments, at end of period	**1,439**	**2,092**	**790**	**4,321**	1,150	1,937	853	3,940
Less: Allowance for off-balance sheet instruments[2]	**244**	**214**	**16**	**474**	167	179	11	357
Balance at end of period	**1,195**	**1,878**	**774**	**3,847**	983	1,758	842	3,583
Total Allowance, including off-balance sheet instruments, at end of period	**3,209**	**4,928**	**1,604**	**9,741**	2,909	4,675	1,553	9,137
Less: Total Allowance for off-balance sheet instruments[2]	**470**	**566**	**16**	**1,052**	439	593	11	1,043
Total Allowance for Loan Losses at end of period	**$ 2,739**	**$ 4,362**	**$ 1,588**	**$ 8,689**	$ 2,470	$ 4,082	$ 1,542	$ 8,094

[1] For explanations regarding this line item, refer to the “Allowance for Loan Losses by Stage” table on the previous page in this Note.
[2] The allowance for loan losses for off-balance sheet instruments is recorded in Other liabilities on the Consolidated Balance Sheet.

The allowance for credit losses on all remaining financial assets is not significant.

(f) FORWARD-LOOKING INFORMATION

Relevant macroeconomic factors are incorporated in risk parameters as appropriate. Additional risk factors that are industry or segment specific are also incorporated, where relevant. The key macroeconomic variables used in determining ECLs include regional unemployment rates for all retail exposures and regional housing price indices for residential mortgages and home equity lines of credit. For business and government loans, the key macroeconomic variables include gross domestic product (GDP), unemployment rates, interest rates, and credit spreads. Refer to Note 3 for a discussion of how forward-looking information is generated and considered in determining whether there has been a significant increase in credit risk and in measuring ECLs.

Macroeconomic Variables

Select macroeconomic variables are projected over the forecast period. The following table sets out average values of the macroeconomic variables over the four calendar quarters starting with the current quarter, and the remaining 4-year forecast period for the base forecast and upside and downside scenarios used in determining the Bank's ECLs as at October 31, 2025. As the forecast period increases, information about the future becomes less readily available and projections are anchored on assumptions around structural relationships between economic parameters that are inherently much less certain. The baseline forecast reflects some tempering in growth and higher unemployment as a result of tariffs. While trade tensions have eased in recent months, uncertainty about the economic outlook remains elevated. Any further escalation in trade tensions would pose a downside risk to the economic outlook. However, the Bank's Canadian and U.S. downside scenarios reflect a recession and help capture these risks accordingly through its allowance process.

Macroeconomic Variables

						As at
						October 31, 2025
	Base Forecast		**Upside Scenario**		**Downside Scenario**	
	Average Q4 2025-Q3 2026[1]	**Remaining 4-year period**[1]	**Average Q4 2025-Q3 2026**[1]	**Remaining 4-year period**[1]	**Average Q4 2025-Q3 2026**[1]	**Remaining 4-year period**[1]
Unemployment rate						
Canada	7.1 %	6.0 %	6.4 %	5.7 %	7.8 %	7.2 %
United States	4.3	4.0	4.1	3.8	5.5	5.4
Real GDP						
Canada	0.9	1.7	1.0	1.9	(1.0)	2.0
United States	1.7	2.1	1.8	2.2	(0.4)	2.4
Home prices						
Canada (average existing price)[2]	4.1	4.0	4.3	4.5	(5.5)	3.7
United States (CoreLogic HPI)[3]	(0.1)	3.5	0.6	4.1	(7.5)	4.0
Central bank policy interest rate						
Canada	2.25	2.25	2.50	2.50	1.13	1.42
United States	3.50	3.25	3.75	3.50	2.06	2.30
U.S. 10-year treasury yield	4.02	4.00	4.34	4.24	3.60	3.60
U.S. 10-year BBB spread (%-pts)	1.38	1.60	1.24	1.53	2.27	1.90
Exchange rate (U.S. dollar/Canadian dollar)	$ 0.74	$ 0.75	$ 0.74	$ 0.76	$ 0.68	$ 0.71

Macroeconomic Variables

						As at
						October 31, 2024
	Base Forecast		**Upside Scenario**		**Downside Scenario**	
	Average Q4 2024-Q3 2025[1]	**Remaining 4-year period**[1]	**Average Q4 2024-Q3 2025**[1]	**Remaining 4-year period**[1]	**Average Q4 2024-Q3 2025**[1]	**Remaining 4-year period**[1]
Unemployment rate						
Canada	6.7 %	6.0 %	5.7 %	5.6 %	7.7 %	7.3 %
United States	4.3	4.0	3.8	3.7	5.4	5.4
Real GDP						
Canada	1.7	2.0	2.1	2.2	(0.4)	2.3
United States	1.9	2.1	2.7	2.4	(0.2)	2.4
Home prices						
Canada (average existing price)[2]	6.0	3.0	8.2	3.4	(7.1)	3.7
United States (CoreLogic HPI)[3]	1.3	3.0	4.2	3.8	(8.5)	4.1
Central bank policy interest rate						
Canada	3.19	2.27	4.19	2.61	1.69	1.81
United States	3.69	3.00	5.00	3.39	2.81	2.06
U.S. 10-year treasury yield	3.52	3.45	4.49	3.81	3.40	3.34
U.S. 10-year BBB spread (%-pts)	1.75	1.80	1.59	1.76	2.51	2.10
Exchange rate (U.S. dollar/Canadian dollar)	$ 0.74	$ 0.75	$ 0.75	$ 0.76	$ 0.71	$ 0.71

[1] The numbers represent average values for the quoted periods, and average of year-on-year growth for real GDP and home prices.
[2] The average home price is the average transacted sale price of homes sold via the Multiple Listing Service; data is collected by the Canadian Real Estate Association.
[3] The CoreLogic home price index (HPI) is a repeat-sales index which tracks increases and decreases in the same home's sales price over time.

(g) SENSITIVITY OF ALLOWANCE FOR CREDIT LOSSES
ECLs are sensitive to the inputs used in internally developed models, the macroeconomic variables in the forward-looking forecasts and respective probability weightings in determining the probability-weighted ECLs, and other factors considered when applying expert credit judgment. Changes in these inputs, assumptions, models, and judgments would affect the assessment of significant increase in credit risk and the measurement of ECLs.

The following table presents the base ECL scenario compared to the probability-weighted ECLs, with the latter derived from three ECL scenarios for performing loans and off-balance sheet instruments. The difference reflects the impact of deriving multiple scenarios around the base ECLs and resultant change in ECLs due to non-linearity and sensitivity to using macroeconomic forecasts.

Change from Base to Probability-Weighted ECLs

(millions of Canadian dollars, except as noted)		*As at*
	October 31, 2025	October 31, 2024
Probability-weighted ECLs	**$ 8,137**	$ 7,584
Base ECLs	**7,737**	7,185
Difference – in amount	**$ 400**	$ 399
Difference – in percentage	**5.2 %**	5.6 %

ECLs for performing loans and off-balance sheet instruments consist of an aggregate amount of Stage 1 and Stage 2 probability-weighted ECLs which are twelve-month ECLs and lifetime ECLs, respectively. Transfers from Stage 1 to Stage 2 ECLs result from a significant increase in credit risk since initial recognition of the loan. The following table shows the estimated impact of staging on ECLs by presenting all performing loans and off-balance sheet instruments calculated using twelve-month ECLs compared to the current aggregate probability-weighted ECLs, holding all risk profiles constant.

Incremental Lifetime ECLs Impact

(millions of Canadian dollars)		*As at*
	October 31, 2025	October 31, 2024
Probability-weighted ECLs	**$ 8,137**	$ 7,584
All performing loans and off-balance sheet instruments using 12-month ECLs	**6,435**	5,631
Incremental lifetime ECLs impact	**$ 1,702**	$ 1,953

(h) FORECLOSED ASSETS
Foreclosed assets are repossessed non-financial assets where the Bank gains title, ownership, or possession of individual properties, such as real estate properties, which are managed for sale in an orderly manner with the proceeds used to reduce or repay any outstanding debt. The Bank does not generally occupy foreclosed properties for its business use. The Bank predominantly relies on third-party appraisals to determine the carrying value of foreclosed assets. Foreclosed assets held for sale were $101 million as at October 31, 2025 (October 31, 2024 – $126 million) and were recorded in Other assets on the Consolidated Balance Sheet.

(i) LOANS PAST DUE BUT NOT IMPAIRED
A loan is classified as past due when a borrower has failed to make a payment by the contractual due date. The following table summarizes loans that are past due but not impaired. Loans less than 31 days contractually past due are excluded as they do not generally reflect a borrower's ability to meet their payment obligations.

Loans Past Due but not Impaired[1]

(millions of Canadian dollars)						*As at*
	October 31, 2025			October 31, 2024		
	31-60 days	**61-89 days**	**Total**	31-60 days	61-89 days	Total
Residential mortgages	**$ 407**	**$ 129**	**$ 536**	$ 443	$ 111	$ 554
Consumer instalment and other personal	**930**	**301**	**1,231**	983	335	1,318
Credit card	**373**	**253**	**626**	375	269	644
Business and government	**247**	**85**	**332**	244	83	327
Total	**$ 1,957**	**$ 768**	**$ 2,725**	$ 2,045	$ 798	$ 2,843

[1] Includes loans that are measured at FVOCI.

(j) MODIFIED FINANCIAL ASSETS
The amortized cost of financial assets with lifetime allowance that were modified during the year ended October 31, 2025, was $210 million (October 31, 2024 – $214 million) before modification, with insignificant modification gain or loss. The gross carrying amount of modified financial assets for which the loss allowance changed from lifetime to twelve-month ECLs during the years ended October 31, 2025 and October 31, 2024 were insignificant.

(k) COLLATERAL
As at October 31, 2025, the collateral held against total gross impaired loans represents 84% (October 31, 2024 – 82%) of total gross impaired loans. The fair value of non-financial collateral is determined at the origination date of the loan. A revaluation of non-financial collateral is performed if there has been a significant change in the terms and conditions of the loan and/or the loan is considered impaired. Management considers the nature of the collateral, seniority ranking of the debt, and loan structure in assessing the value of collateral. These estimated cash flows are reviewed at least annually, or more frequently when new information indicates a change in the timing or amount expected to be received.

(l) SALE OF U.S. RESIDENTIAL MORTGAGE LOANS
On March 26, 2025, the Bank sold US$8.6 billion of certain U.S. residential mortgage loans (correspondent loans) which resulted in the recognition of a pre-tax loss including transaction costs of US$507 million in Other income (loss) on the Consolidated Statement of Income. The sale related to balance sheet restructuring activities undertaken in the U.S. Retail segment. Refer to Note 25 for additional information regarding the asset limitation on TD's two U.S. bank subsidiaries.

NOTE 9: TRANSFERS OF FINANCIAL ASSETS

LOAN SECURITIZATIONS

The Bank securitizes loans through structured entity or non-structured entity third parties. Most loan securitizations do not qualify for derecognition since in most circumstances, the Bank continues to be exposed to substantially all of the prepayment, interest rate, and/or credit risk associated with the securitized financial assets and has not transferred substantially all of the risk and rewards of ownership of the securitized assets. Where loans do not qualify for derecognition, they are not derecognized from the Bank's Consolidated Balance Sheet, retained interests are not recognized, and a securitization liability is recognized for the cash proceeds received. Certain transaction costs incurred are also capitalized and amortized using EIRM.

The Bank securitizes insured residential mortgages under the National Housing Act Mortgage-Backed Securities (NHA MBS) program sponsored by the Canada Mortgage and Housing Corporation (CMHC). The MBS that are created through the NHA MBS program are sold to the Canada Housing Trust (CHT) as part of the CMB program, sold to third-party investors, or are held by the Bank. The CHT issues CMB to third-party investors and uses resulting proceeds to purchase NHA MBS from the Bank and other mortgage issuers in the Canadian market. Assets purchased by the CHT are commingled in a single trust from which CMB are issued. The Bank continues to be exposed to substantially all of the risks of the underlying mortgages, through the retention of a seller swap which transfers principal and interest payment risk on the NHA MBS back to the Bank in return for coupon paid on the CMB issuance and as such, the sales do not qualify for derecognition.

The Bank securitizes U.S. originated residential mortgages with U.S. government agencies which qualify for derecognition from the Bank's Consolidated Balance Sheet. As part of the securitization, the Bank retains the right to service the transferred mortgage loans. The MBS that are created through the securitization are typically sold to third-party investors.

The Bank also securitizes business and government loans to entities which may be structured entities. These securitizations may give rise to derecognition of the financial assets depending on the individual arrangement of each transaction.

In addition, the Bank transfers credit card receivables to structured entities that the Bank consolidates. Refer to Note 10 for further details.

The following table summarizes the securitized asset types that did not qualify for derecognition, along with their associated securitization liabilities as at October 31, 2025 and October 31, 2024.

Financial Assets Not Qualifying for Derecognition Treatment as Part of the Bank's Securitization Programs

(millions of Canadian dollars)				*As at*
	October 31, 2025		October 31, 2024	
	Fair value	**Carrying amount**	Fair value	Carrying amount
Nature of transaction				
Securitization of residential mortgage loans	**$ 38,674**	**$ 38,704**	$ 30,543	$ 30,787
Other financial assets transferred related to securitization[1]	**1,968**	**1,966**	2,623	2,619
Total	**40,642**	**40,670**	33,166	33,406
Associated liabilities[2]	**$ 40,088**	**$ 40,124**	$ 32,442	$ 32,684

[1] Includes asset-backed securities, asset-backed commercial paper (ABCP), cash, repurchase agreements, and Government of Canada securities used to fulfil funding requirements of the Bank's securitization structures after the initial securitization of mortgage loans.
[2] Includes securitization liabilities carried at amortized cost of $15 billion as at October 31, 2025 (October 31, 2024 – $12 billion), and securitization liabilities carried at fair value of $25 billion as at October 31, 2025 (October 31, 2024 – $20 billion).

Other Financial Assets Not Qualifying for Derecognition

The Bank enters into certain transactions where it transfers previously recognized commodities and financial assets, such as debt and equity securities, but retains substantially all of the risks and rewards of those assets. These transferred assets are not derecognized and the transfers are accounted for as financing transactions. The most common transactions of this nature are repurchase agreements and securities lending agreements, in which the Bank retains substantially all of the associated credit, price, interest rate, and foreign exchange risks and rewards associated with the assets.

The following table summarizes the carrying amount of financial assets and the associated transactions that did not qualify for derecognition, as well as their associated financial liabilities as at October 31, 2025 and October 31, 2024.

Other Financial Assets Not Qualifying for Derecognition

(millions of Canadian dollars)		*As at*
	October 31 2025	October 31 2024
Carrying amount of assets		
Nature of transaction		
Repurchase agreements[1,2]	**$ 36,074**	$ 40,725
Securities lending agreements	**56,316**	52,781
Total	**92,390**	93,506
Carrying amount of associated liabilities[2]	**$ 35,364**	$ 40,450

[1] Includes $2.1 billion, as at October 31, 2025 (October 31, 2024 – $2.8 billion) of assets related to repurchase agreements or swaps that are collateralized by physical precious metals.
[2] Associated liabilities are all related to repurchase agreements.

TRANSFERS OF FINANCIAL ASSETS QUALIFYING FOR DERECOGNITION

Transferred financial assets that are derecognized in their entirety where the Bank has a continuing involvement

Continuing involvement may arise if the Bank retains any contractual rights or obligations subsequent to the transfer of financial assets. Certain business and government loans securitized by the Bank are derecognized from the Bank's Consolidated Balance Sheet. In instances where the Bank fully derecognizes business and government loans, the Bank may be exposed to the risks of transferred loans through a retained interest. As at October 31, 2025, the fair value of retained interests was $1 million (October 31, 2024 – $1 million). A gain or loss on sale of the loans is recognized immediately in other income (loss) after considering the effect of hedge accounting on the assets sold, if applicable. The amount of the gain or loss recognized depends on the previous carrying values of the loans involved in the transfer, allocated between the assets sold and the retained interests based on their relative fair values at the date of transfer.

Certain portfolios of U.S. residential mortgages originated by the Bank are sold and derecognized from the Bank's Consolidated Balance Sheet. In certain instances, the Bank has a continuing involvement to service those loans. As at October 31, 2025, the carrying value of these servicing rights was $75 million (October 31, 2024 – $81 million) and the fair value was $139 million (October 31, 2024 – $133 million). A gain or loss on sale of the loans is recognized immediately in other income (loss). The gain (loss) on sale of the loans for the year ended October 31, 2025 was ($25) million (October 31, 2024 – ($3) million).

NOTE 10: STRUCTURED ENTITIES

The Bank uses structured entities for a variety of purposes including: (1) to facilitate the transfer of specified risks to clients; (2) as financing vehicles for itself or for clients; or (3) to segregate assets on behalf of investors. The Bank is typically restricted from accessing the assets of the structured entity under the relevant arrangements.

The Bank is involved with structured entities that it sponsors, as well as entities sponsored by third parties. Factors assessed when determining if the Bank is the sponsor of a structured entity include whether the Bank is the predominant user of the entity; whether the entity's branding or marketing identity is linked with the Bank; and whether the Bank provides an implicit or explicit guarantee of the entity's performance to investors or other third parties. The Bank is not considered to be the sponsor of a structured entity if it only provides arm's-length services to the entity, for example, by acting as administrator, distributor, custodian, asset manager, or loan servicer. Sponsorship of a structured entity may indicate that the Bank had power over the entity at inception; however, this is not sufficient to determine if the Bank consolidates the entity. Regardless of whether or not the Bank sponsors an entity, consolidation is determined on a case-by-case basis.

(a) SPONSORED STRUCTURED ENTITIES

The following section outlines the Bank's involvement with key sponsored structured entities.

Securitizations

The Bank securitizes its own assets and facilitates the securitization of client assets through structured entities, such as conduits, which issue ABCP or other securitization entities which issue longer-dated term securities. Securitizations are an important source of liquidity for the Bank, allowing it to diversify its funding sources and to optimize its balance sheet management approach.

The Bank sponsors both single-seller and multi-seller securitization conduits. Depending on the specifics of the entity, the variable returns absorbed through ABCP may be significantly mitigated by variable returns retained by the sellers. The Bank provides liquidity facilities to certain conduits for the benefit of ABCP investors which are structured as loan facilities between the Bank, as the sole liquidity lender, and the Bank-sponsored entity. If an entity experiences difficulty issuing ABCP due to illiquidity in the commercial market, the entity may draw on the loan facility, and use the proceeds to pay maturing ABCP. The ABCP issued by each multi-seller conduit is in the conduit's own name with recourse to the financial assets owned by the multi-seller conduit, and is non-recourse to the Bank except through our participation in liquidity facilities. The Bank's exposure to the variable returns of these conduits from its provision of liquidity facilities and any related commitments is mitigated by the sellers' continued exposure to variable returns through the provision of first loss protection, as described below. The Bank provides administration and securities distribution services to its sponsored securitization conduits, which may result in it holding an investment in the ABCP issued by these entities. In some cases, the Bank may also provide credit enhancements or may transact derivatives with securitization conduits. The Bank earns fees from the conduits which are recognized when earned.

The Bank sells assets to single-seller conduits which it controls and consolidates. Control results from the Bank's power over the entity's key economic decisions, predominantly, the mix of assets sold into the conduit and exposure to the variable returns of the transferred assets, usually through a derivative or the provision of credit mitigation in the form of cash reserves, over-collateralization, or guarantees over the performance of the entity's portfolio of assets.

Multi-seller conduits provide sellers with alternate sources of financing through the securitization of their assets. These conduits are similar to single-seller conduits except that financial assets are purchased from more than one seller and commingled into a single portfolio of assets. Each transaction is structured with transaction-specific first loss protection provided by the third-party seller. This enhancement can take various forms, including but not limited to overcollateralization, excess spread, subordinated classes of financial assets, guarantees or letters of credit. The Bank is typically deemed to have power over the entity's key economic decisions, namely, the selection of sellers and related assets sold as well as other decisions related to the management of risk in the vehicle. Where the Bank has power over multi-seller conduits, but is not exposed to significant variable returns it does not consolidate such entities.

Investment Funds and Other Asset Management Entities

As part of its asset management business, the Bank creates investment funds and trusts (including mutual funds), enabling it to provide its clients with a broad range of diversified exposure to different risk profiles, in accordance with the client's risk appetite. Such entities may be actively managed or may be passively directed, for example, through the tracking of a specified index, depending on the entity's investment strategy. Financing for these entities is obtained through the issuance of securities to investors, typically in the form of fund units. Based on each entity's specific strategy and risk profile, the proceeds from this issuance are used by the entity to purchase a portfolio of assets. An entity's portfolio may contain investments in securities, derivatives, or other assets, including cash. At the inception of a new investment fund or trust, the Bank will typically invest an amount of seed capital in the entity, allowing it to establish a performance history in the market. Over time, the Bank sells its seed capital holdings to third-party investors, as the entity's AUM increases. As a result, the Bank's holding of seed capital investment in its own sponsored investment funds and trusts is typically not significant to the Consolidated Financial Statements. Aside from any seed capital investments, the Bank's interest in these entities is generally limited to fees earned for the provision of asset management services. The Bank does not typically provide guarantees over the performance of these funds.

The Bank is typically considered to have power over the key economic decisions of sponsored asset management entities; however, it does not consolidate an entity unless it is also exposed to significant variable returns of the entity. This determination is made on a case-by-case basis, in accordance with the Bank's consolidation policy.

Financing Vehicles

The Bank may use structured entities to provide a cost-effective means of financing its operations, including raising capital or obtaining funding. These structured entities include TD Covered Bond (Legislative) Guarantor Limited Partnership (the "Covered Bond Entity").

The Bank issues, or has issued, debt under its covered bond program where the principal and interest payments of the notes are guaranteed by the Covered Bond Entity. The Bank sold a portfolio of assets to the Covered Bond Entity and provided a loan to the Covered Bond Entity to facilitate the purchase. The Bank is restricted from accessing the Covered Bond Entity's assets under the relevant agreement. Investors in the Bank's covered bonds may have recourse to the Bank should the assets of the Covered Bond Entity be insufficient to satisfy the covered bond liabilities. The Bank consolidates the Covered Bond Entity as it has power over the key economic activities and retains all the variable returns in this entity.

***(b)* THIRD-PARTY SPONSORED STRUCTURED ENTITIES**

In addition to structured entities sponsored by the Bank, the Bank is also involved with structured entities sponsored by third parties. Key involvement with third-party sponsored structured entities is described in the following section.

Third-party Sponsored Securitization Programs

The Bank participates in the securitization programs of government-sponsored structured entities, including the CMHC, a Crown corporation of the Government of Canada, and similar U.S. government-sponsored entities. CMHC guarantees both NHA MBS and CMB which are issued through the CHT.

The Bank is exposed to the variable returns in the CHT, through its retention of seller swaps resulting from its participation in the CHT program. The Bank does not have power over the CHT as its key economic activities are controlled by the Government of Canada. The Bank's exposure to the CHT is included in the balance of residential mortgage loans as noted in Note 9, and is not disclosed in the table accompanying this Note.

The Bank participates in the securitization programs sponsored by U.S. government agencies. The Bank is not exposed to significant variable returns from these agencies and does not have power over the key economic activities of these agencies, which are controlled by the U.S. government.

Investment Holdings and Derivatives

The Bank may hold interests in third-party structured entities, predominantly in the form of direct investments in securities or partnership interests issued by those structured entities, or through derivatives transacted with counterparties which are structured entities. Investments in, and derivatives with, structured entities are recognized on the Bank's Consolidated Balance Sheet. The Bank does not typically consolidate third-party structured entities where its involvement is limited to investment holdings and/or derivatives as the Bank would not generally have power over the key economic decisions of these entities.

Financing Transactions

In the normal course of business, the Bank may enter into financing transactions with third-party structured entities including commercial loans, reverse repurchase agreements, prime brokerage margin lending, and similar collateralized lending transactions. While such transactions expose the Bank to the structured entities' counterparty credit risk, this exposure is mitigated by the collateral related to these transactions. The Bank typically has neither power nor significant variable returns due to financing transactions with structured entities and would not generally consolidate such entities. Financing transactions with third-party sponsored structured entities are included on the Bank's Consolidated Financial Statements and have not been included in the table accompanying this Note.

Arm's-length Servicing Relationships

In addition to the involvement outlined above, the Bank may also provide services to structured entities on an arm's-length basis, for example as sub-advisor to an investment fund or asset servicer. Similarly, the Bank's asset management services provided to institutional investors may include transactions with structured entities. As a consequence of providing these services, the Bank may be exposed to variable returns from these structured entities, for example, through the receipt of fees or short-term exposure to the structured entity's securities. Any such exposure is typically mitigated by collateral or some other contractual arrangement with the structured entity or its sponsor. The Bank generally has neither power nor significant variable returns from the provision of arm's-length services to a structured entity and, consequently does not consolidate such entities. Fees and other exposures through servicing relationships are included on the Bank's Consolidated Financial Statements and have not been included in the table accompanying this Note.

***(c)* INVOLVEMENT WITH CONSOLIDATED STRUCTURED ENTITIES**

Securitizations

The Bank securitizes credit card receivables through securitization entities, predominantly single-seller conduits. These conduits are consolidated by the Bank based on the factors described above. Aside from the exposure resulting from its involvement as seller and sponsor of consolidated securitization conduits described above, including the liquidity facilities provided, the Bank has no contractual or non-contractual arrangements to provide financial support to consolidated securitization conduits. The Bank's interests in securitization conduits generally rank senior to interests held by other parties, in accordance with the Bank's investment and risk policies. As a result, the Bank has no significant obligations to absorb losses before other holders of securitization issuances.

Consolidation of Structured Entities

Effective July 31, 2025, the Bank concluded that it no longer controls its U.S. multi-seller ABCP conduits due to a change in the Bank's exposure to variable returns and has therefore deconsolidated these conduits prospectively. The deconsolidation has resulted in a decrease of $17,702 million of Business and government loans, $2,695 million of Non-trading financial assets at fair value through profit or loss (FVTPL), $77 million of Other assets and $19,332 million of Other liabilities on the Consolidated Balance Sheet. The Bank concurrently recognized $1,142 million in Trading loans, securities, and other on the Consolidated Balance Sheet, representing the ABCPs purchased by the Bank ($1,111 million as at October 31, 2024, which was previously eliminated upon consolidation). Impacts on the Consolidated Statement of Income as a result of deconsolidation are minimal. In addition, the Bank continues to provide liquidity facilities to these conduits. The total committed undrawn amount under these facilities as at October 31, 2025 was $16.0 billion (October 31, 2024 – $13.1 billion).

Other Consolidated Structured Entities

Depending on the specific facts and circumstances of the Bank's involvement with structured entities, the Bank may consolidate asset management entities, financing vehicles, or third-party sponsored structured entities, based on the factors described above. Aside from its exposure resulting from its involvement as sponsor or investor in the structured entities as previously discussed, the Bank does not typically have other contractual or non-contractual arrangements to provide financial support to these consolidated structured entities.

(d) INVOLVEMENT WITH UNCONSOLIDATED STRUCTURED ENTITIES

The following table presents information related to the Bank's unconsolidated structured entities. Unconsolidated structured entities include both TD and third-party sponsored entities. Securitizations include holdings in TD-sponsored multi-seller conduits, as well as third-party sponsored mortgage and asset-backed securitizations, including government-sponsored agency securities such as CMBs, and U.S. government agency issuances. Investment Funds and Trusts include holdings in third-party funds and trusts, as well as holdings in TD-sponsored asset management funds and trusts and commitments to certain U.S. municipal funds. Amounts in Other are mainly related to investments in community-based U.S. tax-advantage entities described in Note 12. These holdings do not result in the consolidation of these entities as TD does not have control over these entities.

Carrying Amount and Maximum Exposure to Unconsolidated Structured Entities

(millions of Canadian dollars)								*As at*
	October 31, 2025				October 31, 2024			
	Securitizations	**Investment funds and trusts**	**Other**	**Total**	Securitizations	Investment funds and trusts	Other	Total
FINANCIAL ASSETS								
Trading loans, securities, and other	**$ 10,875**	**$ 1,114**	**$ 6**	**$ 11,995**	$ 7,559	$ 992	$ –	$ 8,551
Non-trading financial assets at fair value through profit or loss	**4,583**	**854**	**178**	**5,615**	684	836	98	1,618
Derivatives[1]	**–**	**1,668**	**–**	**1,668**	–	680	–	680
Financial assets designated at fair value through profit or loss	**176**	**107**	**–**	**283**	–	298	–	298
Financial assets at fair value through other comprehensive income	**36,650**	**737**	**–**	**37,387**	22,615	967	2	23,584
Debt securities at amortized cost, net of allowance for credit losses	**93,453**	**1,210**	**–**	**94,663**	117,890	1,210	–	119,100
Loans	**729**	**4**	**–**	**733**	4,114	3	–	4,117
Other	**27**	**7**	**6,024**	**6,058**	2	88	5,762	5,852
Total assets	**146,493**	**5,701**	**6,208**	**158,402**	152,864	5,074	5,862	163,800
FINANCIAL LIABILITIES								
Deposits	**–**	**–**	**1,226**	**1,226**	–	–	1,451	1,451
Derivatives[1]	**–**	**3,988**	**–**	**3,988**	–	645	–	645
Obligations related to securities sold short	**2,703**	**317**	**–**	**3,020**	2,324	331	–	2,655
Total liabilities	**2,703**	**4,305**	**1,226**	**8,234**	2,324	976	1,451	4,751
Off-balance sheet exposure[2]	**57,910**	**4,253**	**3,358**	**65,521**	22,897	4,392	2,990	30,279
Maximum exposure to loss from involvement with unconsolidated structured entities	**$ 201,700**	**$ 5,649**	**$ 8,340**	**$ 215,689**	$ 173,437	$ 8,490	$ 7,401	$ 189,328
Size of sponsored unconsolidated structured entities[3]	**$ 38,029**	**$ 69,554**	**$ 1**	**$ 107,584**	$ 15,850	$ 45,272	$ 12	$ 61,134

[1] Derivatives primarily subject to vanilla interest rate or foreign exchange risk are not included in these amounts as those derivatives are designed to align the structured entity's cash flows with risks absorbed by investors and are not predominantly designed to expose the Bank to variable returns created by the entity.
[2] For the purposes of this disclosure, off-balance sheet exposure represents the notional value of liquidity facilities, guarantees, or other off-balance sheet commitments without considering the effect of collateral or other credit enhancements.
[3] The size of sponsored unconsolidated structured entities is provided based on the most appropriate measure of size for the type of entity: (1) The par value of notes issued by securitization conduits and similar liability issuers; (2) the total AUM of investment funds and trusts; and (3) the total fair value of partnership or equity shares in issue for partnerships and similar equity issuers.

Sponsored Unconsolidated Structured Entities in which the Bank has no Significant Investment at the End of the Period

Sponsored unconsolidated structured entities in which the Bank has no significant investment at the end of the period are predominantly investment funds and trusts created for the asset management business. The Bank would not typically hold investments, with the exception of seed capital, in these structured entities. However, the Bank continues to earn fees from asset management services provided to these entities, some of which could be based on the performance of the fund. Fees payable are generally senior in the entity's priority of payment and would also be backed by collateral, limiting the Bank's exposure to loss from these entities. The Bank earned non-interest income of $2.4 billion (October 31, 2024 – $2.3 billion) from its involvement with these asset management entities for the year ended October 31, 2025, of which $2.1 billion (October 31, 2024 – $1.9 billion) was received directly from these entities. The total AUM in these entities as at October 31, 2025 was $334 billion (October 31, 2024 – $302.9 billion). Any assets transferred by the Bank during the period are commingled with assets obtained from third parties in the market. Except as previously disclosed, the Bank has no contractual or non-contractual arrangements to provide financial support to unconsolidated structured entities.

NOTE 11: DERIVATIVES

(a) DERIVATIVE PRODUCT TYPES AND RISK EXPOSURES

The majority of the Bank's derivative contracts are OTC transactions that are bilaterally negotiated between the Bank and the counterparty to the contract. The remainder are exchange-traded contracts transacted through organized and regulated exchanges and consist primarily of options and futures.

The Bank's derivative transactions relate to trading and non-trading activities. The purpose of derivatives held for non-trading activities is primarily for managing interest rate, foreign exchange, and equity risk related to the Bank's funding, lending, investment, and other structural market risk management activities. The Bank's risk management strategy for these risks is discussed in shaded sections of the "Managing Risk" section of the MD&A.

Where hedge accounting is applied, only specific or a combination of risk components are hedged, including benchmark interest rate, foreign exchange rate, and equity price components. All these risk components are observable in the relevant market environment and the change in the fair value or the variability in cash flows attributable to these risk components can be reliably measured for hedged items. The Bank also enters into derivative transactions to economically hedge certain exposures that do not otherwise qualify for hedge accounting, or where hedge accounting is not considered feasible.

Where the derivatives are in hedge relationships, the main sources of ineffectiveness can be attributed to differences between hedging instruments and hedged items:

- Differences in fixed rates, when contractual coupons of the fixed rate hedged items are designated;
- CVA on the hedging derivatives; and
- Mismatch in critical terms such as tenor and timing of cash flows between hedging instruments and hedged items.

To mitigate a portion of the ineffectiveness, the Bank designates the benchmark risk component of contractual cash flows of hedged items and executes hedging derivatives with high-quality counterparties. The majority of the Bank's hedging derivatives are collateralized.

Interest Rate Derivatives

Interest rate swaps are OTC contracts in which two counterparties agree to exchange cash flows over a period of time based on rates applied to a specified notional amount. This includes interest rate swaps that are transacted and settled through a clearing house which acts as a central counterparty. A typical interest rate swap would require one counterparty to pay a fixed market interest rate in exchange for a variable market interest rate determined from time to time, with both calculated on a specified notional amount. No exchange of principal amount takes place.

Forward rate agreements are OTC contracts that effectively fix a future interest rate for a period of time. A typical forward rate agreement provides that at a pre-determined future date, a cash settlement will be made between the counterparties based upon the difference between a contracted rate and a market rate to be determined in the future, calculated on a specified notional amount. No exchange of principal amount takes place.

Interest rate options are contracts in which the purchaser of an option pays the writer of the option a premium to acquire the right, but not the obligation, to buy or sell a specified financial instrument at a contracted price on a specified future date, series of future dates, or within a specified time period. The underlying financial instrument will have a market price which varies in response to changes in interest rates. In managing the Bank's interest rate exposure, the Bank acts as both a writer and purchaser of these options. Options are transacted both OTC and through exchanges.

Interest rate futures are standardized contracts transacted on an exchange, with interest bearing instruments as the underlying reference assets. These contracts differ from forward rate agreements in that they are in standard amounts with standard settlement dates and are transacted on an exchange.

The Bank uses interest rate swaps to hedge its exposure to benchmark interest rate risk by modifying the repricing or maturity characteristics of existing and/or forecast assets and liabilities, including funding and investment activities. These swaps are designated in either fair value hedges against fixed rate assets/liabilities or cash flow hedges against floating rate assets/liabilities. For fair value hedges, the Bank assesses and measures the hedge effectiveness based on the change in the fair value of the derivative hedging instrument relative to the change in the fair value of the hedged item. For cash flow hedges, the Bank uses a hypothetical derivative having terms that identically match the critical terms of the hedged item as the proxy for measuring the change in cash flows of the hedged item.

Foreign Exchange Derivatives

Foreign exchange forwards are OTC contracts in which one counterparty contracts with another to exchange a specified amount of one currency for a specified amount of a second currency, at a future date or range of dates.

Swap contracts comprise foreign exchange swaps and cross-currency interest rate swaps. Foreign exchange swaps are transactions in which a foreign currency is simultaneously purchased in the spot market and sold in the forward market, or vice-versa. Cross-currency interest rate swaps are transactions in which counterparties exchange principal and interest cash flows in different currencies over a period of time. These contracts are used to manage either currency or currency and interest rate risk exposures.

Foreign exchange contract options are OTC or exchange-traded contracts in which the purchaser of an option pays the writer of the option a premium to purchase the right, but not the obligation, to buy or sell a specified amount of one currency at a predetermined exchange rate on or before a specified future date.

Foreign exchange futures contracts are similar to foreign exchange forward contracts but differ in that they are in standard currency amounts with standard settlement dates and are transacted on an exchange.

The Bank uses non-derivative instruments such as foreign currency deposit liabilities and derivative instruments such as cross-currency swaps and foreign exchange forwards to hedge its foreign currency exposure. These hedging instruments are designated in either net investment hedges or cash flow hedges. For net investment hedges, the Bank assesses and measures the hedge effectiveness based on the change in the fair value of the hedging instrument relative to the translation gains and losses on the net investment in the foreign operation. For cash flow hedges, the Bank assesses and measures the hedge effectiveness based on the change in the fair value of the hedging instrument relative to the change in the cash flows of the foreign currency denominated asset/liability attributable to foreign exchange risk, using the hypothetical derivative method.

Credit Derivatives
The Bank uses credit derivatives such as credit default swaps (CDS) and total return swaps to manage risks in the Bank's corporate loan portfolio and other cash instruments, as well as managing counterparty credit risk on derivatives. Credit risk is the risk of loss if a borrower or counterparty in a transaction fails to meet its agreed payment obligations. The Bank uses credit derivatives to mitigate industry concentration and borrower-specific exposure as part of the Bank's portfolio risk management techniques. The credit, legal, and other risks associated with these transactions are controlled through well established procedures. The Bank's policy is to enter into these transactions with investment grade financial institutions. Credit risk to these counterparties is managed through the same approval, limit, and monitoring processes that is used for all counterparties to which the Bank has credit exposure.

Credit derivatives are OTC contracts designed to transfer the credit risk in an underlying financial instrument (usually termed as a reference asset) from one counterparty to another. The most common credit derivatives are CDS, which include contracts transacted through clearing houses, and total return swaps. In CDS contracts, the CDS purchaser acquires credit protection on a reference asset or group of assets from a writer of CDS in exchange for a premium. The purchaser may pay the agreed premium at inception or over a period of time. The credit protection compensates the purchaser for deterioration in value of the reference asset or group of assets upon the occurrence of certain credit events such as bankruptcy, or changes in specified credit rating or credit index. Settlement may be cash based or physical, requiring the delivery of the reference asset to the CDS writer. In total return swap contracts, one counterparty agrees to pay or receive from the other cash amounts based on changes in the value of a reference asset or group of assets, including any returns such as interest earned on these assets in exchange for amounts that are based on prevailing market funding rates. These cash settlements are made regardless of whether there is a credit event.

Other Derivatives
The Bank also transacts in equity and commodity derivatives in both exchange and OTC markets.

Equity swaps are OTC contracts in which one counterparty agrees to pay, or receive from the other, cash amounts based on changes in the value of a stock index, a basket of stocks or a single stock. These contracts sometimes include a payment in respect of dividends.

Equity options give the purchaser of the option, for a premium, the right, but not the obligation, to buy from or sell to the writer of an option, an underlying stock index, basket of stocks or a single stock at a contracted price. Options are transacted both OTC and through exchanges.

Equity index futures are standardized contracts transacted on an exchange. They are based on an agreement to pay or receive a cash amount based on the difference between the contracted price level of an underlying stock index and its corresponding market price level at a specified future date. There is no actual delivery of stocks that comprise the underlying index. These contracts are in standard amounts with standard settlement dates.

Equity forwards are OTC contracts in which one counterparty contracts with another to buy or sell a single stock or stock index, or to settle the contract in cash based on changes in the value of a reference asset, at a future date.

Commodity and other contracts include commodity forwards, futures, swaps, and options, such as precious metals and energy-related products in both OTC and exchange markets.

The Bank applies hedge accounting on certain equity forwards and/or total return swaps to hedge exposure to equity price risk. These derivatives are designated as cash flow hedges. The Bank assesses and measures the hedge effectiveness based on the change in the fair value of the hedging instrument relative to the change in the cash flows of the hedged item attributable to movement in equity price, using the hypothetical derivative method.

Fair Value of Derivatives

(millions of Canadian dollars)	**October 31, 2025**		October 31, 2024	
	Fair value as at balance sheet date		Fair value as at balance sheet date	
	Positive	**Negative**	Positive	Negative
Derivatives held or issued for trading purposes				
Interest rate contracts[1]				
Forward rate agreements	**$ 119**	**$ 93**	$ 232	$ 48
Swaps	**7,968**	**6,432**	11,971	9,470
Options written	**–**	**1,121**	–	1,118
Options purchased	**1,237**	**–**	1,210	–
Total interest rate contracts	**9,324**	**7,646**	13,413	10,636
Foreign exchange contracts[1]				
Forward contracts	**3,585**	**1,935**	3,617	2,521
Swaps	**14,776**	**14,845**	15,456	14,304
Cross-currency interest rate swaps	**24,854**	**23,378**	24,366	22,496
Options written	**–**	**575**	–	619
Options purchased	**503**	**–**	507	–
Total foreign exchange contracts	**43,718**	**40,733**	43,946	39,940
Credit derivative contracts				
Credit default swaps – protection purchased	**12**	**311**	–	294
Credit default swaps – protection sold	**32**	**1**	5	2
Total credit derivative contracts	**44**	**312**	5	296
Other contracts				
Equity contracts	**9,485**	**16,808**	5,286	6,636
Commodity and other contracts	**5,619**	**7,054**	5,321	5,545
Total other contracts	**15,104**	**23,862**	10,607	12,181
Fair value – trading	**68,190**	**72,553**	67,971	63,053
Derivatives held or issued for non-trading purposes				
Interest rate contracts				
Forward rate agreements	**–**	**–**	8	–
Swaps	**1,680**	**2,006**	2,005	2,807
Options written	**–**	**–**	–	1
Options purchased	**–**	**2**	16	–
Total interest rate contracts	**1,680**	**2,008**	2,029	2,808
Foreign exchange contracts				
Forward contracts	**35**	**1,129**	386	494
Swaps	**29**	**1**	80	20
Cross-currency interest rate swaps	**9,827**	**662**	6,649	524
Total foreign exchange contracts	**9,891**	**1,792**	7,115	1,038
Credit derivative contracts				
Credit default swaps – protection purchased	**–**	**128**	1	107
Total credit derivative contracts	**–**	**128**	1	107
Other contracts				
Equity contracts	**3,211**	**2,875**	945	1,362
Total other contracts	**3,211**	**2,875**	945	1,362
Fair value – non-trading	**14,782**	**6,803**	10,090	5,315
Total fair value	**$ 82,972**	**$ 79,356**	$ 78,061	$ 68,368

[1] The fair values of interest rate futures and foreign exchange futures are immaterial and therefore excluded from this table.

The following table distinguishes derivatives held or issued for non-trading purposes between those that have been designated in qualifying hedge accounting relationships and those which have not been designated in qualifying hedge accounting relationships as at October 31, 2025 and October 31, 2024.

Fair Value of Non-Trading Derivatives[1]

(millions of Canadian dollars)										*As at*
										October 31, 2025
	Derivative Assets					**Derivative Liabilities**				
	Derivatives in qualifying hedging relationships			**Derivatives not in qualifying hedging relationships**		**Derivatives in qualifying hedging relationships**			**Derivatives not in qualifying hedging relationships**	
	Fair value	**Cash flow**	**Net investment**		**Total**	**Fair value**	**Cash flow**	**Net investment**		**Total**
Derivatives held or issued for non-trading purposes										
Interest rate contracts	**$ 1,275**	**$ 199**	**$ –**	**$ 206**	**$ 1,680**	**$ 300**	**$ 771**	**$ –**	**$ 937**	**$ 2,008**
Foreign exchange contracts	**–**	**9,651**	**11**	**229**	**9,891**	**–**	**1,485**	**286**	**21**	**1,792**
Credit derivative contracts	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**128**	**128**
Other contracts	**–**	**1,808**	**–**	**1,403**	**3,211**	**–**	**21**	**–**	**2,854**	**2,875**
Fair value – non-trading	**$ 1,275**	**$ 11,658**	**$ 11**	**$ 1,838**	**$ 14,782**	**$ 300**	**$ 2,277**	**$ 286**	**$ 3,940**	**$ 6,803**
										October 31, 2024
Derivatives held or issued for non-trading purposes										
Interest rate contracts	$ 932	$ 123	$ –	$ 974	$ 2,029	$ 309	$ 1,290	$ –	$ 1,209	$ 2,808
Foreign exchange contracts	–	6,945	–	170	7,115	–	846	–	192	1,038
Credit derivative contracts	–	–	–	1	1	–	–	–	107	107
Other contracts	–	337	–	608	945	–	132	–	1,230	1,362
Fair value – non-trading	$ 932	$ 7,405	$ –	$ 1,753	$ 10,090	$ 309	$ 2,268	$ –	$ 2,738	$ 5,315

[1] Certain derivative assets qualify to be offset with certain derivative liabilities on the Consolidated Balance Sheet. Refer to Note 6 for further details.

Fair Value Hedges

The following table presents the effects of fair value hedges on the Consolidated Balance Sheet and the Consolidated Statement of Income.

Fair Value Hedges

(millions of Canadian dollars)	Change in value of hedged items for ineffectiveness measurement	Change in fair value of hedging instruments for ineffectiveness measurement	Hedge ineffectiveness	Carrying amounts for hedged items	Accumulated amount of fair value hedge adjustments on hedged items[1,2]	Accumulated amount of fair value hedge adjustments on de-designated hedged items
						For the years ended or as at **October 31, 2025**
Assets						
Interest rate risk						
Debt securities at amortized cost	**$ 2,031**	**$ (2,033)**	**$ (2)**	**$ 112,729**	**$ (7,849)**	**$ (3,195)**
Financial assets at fair value through other comprehensive income	**1,616**	**(1,618)**	**(2)**	**93,230**	**472**	**18**
Loans	**517**	**(514)**	**3**	**31,906**	**(14)**	**(5)**
Total assets	**4,164**	**(4,165)**	**(1)**	**237,865**	**(7,391)**	**(3,182)**
Liabilities						
Interest rate risk						
Deposits	**(1,090)**	**1,088**	**(2)**	**165,311**	**(875)**	**27**
Securitization liabilities at amortized cost	**(141)**	**141**	**–**	**8,599**	**169**	**–**
Subordinated notes and debentures	**(53)**	**53**	**–**	**2,825**	**82**	**(54)**
Total liabilities	**(1,284)**	**1,282**	**(2)**	**176,735**	**(624)**	**(27)**
Total	**$ 2,880**	**$ (2,883)**	**$ (3)**			
						October 31, 2024
Assets						
Interest rate risk						
Debt securities at amortized cost	$ 6,856	$ (6,899)	$ (43)	$ 113,323	$ (10,995)	$ (3,015)
Financial assets at fair value through other comprehensive income	3,127	(3,146)	(19)	53,253	(1,086)	(71)
Loans	1,789	(1,798)	(9)	52,765	(328)	4
Total assets	11,772	(11,843)	(71)	219,341	(12,409)	(3,082)
Liabilities						
Interest rate risk						
Deposits	(2,291)	2,265	(26)	125,519	(3,543)	(136)
Securitization liabilities at amortized cost	(163)	163	–	6,865	68	–
Subordinated notes and debentures	(50)	50	–	3,158	27	(91)
Total liabilities	(2,504)	2,478	(26)	135,542	(3,448)	(227)
Total	$ 9,268	$ (9,365)	$ (97)			

[1] The Bank has portfolios of fixed rate financial assets and liabilities whereby the principal amount changes frequently due to originations, issuances, maturities and prepayments. The interest rate risk hedges on these portfolios are rebalanced dynamically.
[2] Reported balances represent adjustments to the carrying values of hedged items as included in the "Carrying amounts for hedged items" column in this table.

Cash Flow Hedges and Net Investment Hedges

The following table presents the effects of cash flow hedges and net investment hedges on the Bank's Consolidated Statement of Income and the Consolidated Statement of Comprehensive Income.

Cash Flow and Net Investment Hedges

(millions of Canadian dollars)	Change in value of hedged items for ineffectiveness measurement	Change in fair value of hedging instruments for ineffectiveness measurement	Hedge ineffectiveness	Hedging gains (losses) recognized in other comprehensive income[1]	Amount reclassified from accumulated other comprehensive income (loss) to earnings[1]	Net change in other comprehensive income (loss)[1]
						For the years ended **October 31, 2025**
Cash flow hedges[2]						
Interest rate risk[3]	**$ (1,859)**	**$ 1,860**	**$ 1**	**$ 1,619**	**$ (1,048)**	**$ 2,667**
Foreign exchange risk[4,5,6]	**(5,199)**	**5,201**	**2**	**4,679**	**4,559**	**120**
Equity price risk	**(1,531)**	**1,542**	**11**	**1,542**	**1,347**	**195**
Total cash flow hedges	**$ (8,589)**	**$ 8,603**	**$ 14**	**$ 7,840**	**$ 4,858**	**$ 2,982**
Net investment hedges[7]	**$ 1,088**	**$ (1,088)**	**$ –**	**$ (1,088)**	**$ (799)**	**$ (289)**
						October 31, 2024
Cash flow hedges[2]						
Interest rate risk[3]	$ (3,602)	$ 3,606	$ 4	$ 2,128	$ (2,311)	$ 4,439
Foreign exchange risk[4,5,6]	(1,863)	1,867	4	1,287	2,204	(917)
Equity price risk	56	(59)	(3)	(59)	(66)	7
Total cash flow hedges	$ (5,409)	$ 5,414	$ 5	$ 3,356	$ (173)	$ 3,529
Net investment hedges	$ 457	$ (457)	$ –	$ (457)	$ (41)	$ (416)

[1] Effects on OCI are presented on a pre-tax basis.
[2] During the years ended October 31, 2025 and October 31, 2024, there were no instances where forecast hedged transactions failed to occur.
[3] Hedged items include forecast interest cash flows on loans, deposits, and securitization liabilities.
[4] For non-derivative instruments designated as hedging foreign exchange risk, fair value change is measured as the gains and losses due to spot foreign exchange movements.
[5] Cross-currency swaps may be used to hedge 1) foreign exchange risk, or 2) a combination of interest rate risk and foreign exchange risk in a single hedge relationship. Cross-currency swaps in both types of hedge relationships are disclosed in the foreign exchange risk category.
[6] Hedged items include principal and interest cash flows on foreign denominated securities, loans, deposits, other liabilities, and subordinated notes and debentures.
[7] The amount reclassified from accumulated other comprehensive income (loss) to earnings relates to the sale of the Bank's equity investment in Schwab.

Reconciliation of Accumulated Other Comprehensive Income (Loss)[1]

(millions of Canadian dollars)	Accumulated other comprehensive income (loss) at beginning of year	Net changes in other comprehensive income (loss)	Accumulated other comprehensive income (loss) at end of year	Accumulated other comprehensive income (loss) on designated hedges	Accumulated other comprehensive income (loss) on de-designated hedges
For the years ended **October 31, 2025**					
Cash flow hedges					
Interest rate risk	**$ (2,002)**	**$ 2,667**	**$ 665**	**$ 1,727**	**$ (1,062)**
Foreign exchange risk	**(2,008)**	**120**	**(1,888)**	**(1,888)**	**–**
Equity price risk	**(14)**	**195**	**181**	**181**	**–**
Total cash flow hedges	**$ (4,024)**	**$ 2,982**	**$ (1,042)**	**$ 20**	**$ (1,062)**
Net investment hedges					
Foreign translation risk	**$ (6,768)**	**$ (289)**	**$ (7,057)**	**$ (7,057)**	**$ –**
October 31, 2024					
Cash flow hedges					
Interest rate risk	$ (6,441)	$ 4,439	$ (2,002)	$ 455	$ (2,457)
Foreign exchange risk	(1,091)	(917)	(2,008)	(2,008)	–
Equity price risk	(21)	7	(14)	(14)	–
Total cash flow hedges	$ (7,553)	$ 3,529	$ (4,024)	$ (1,567)	$ (2,457)
Net investment hedges					
Foreign translation risk	$ (6,352)	$ (416)	$ (6,768)	$ (6,768)	$ –

[1] Presented on a pre-tax basis.

(b) NOTIONAL AMOUNTS

The notional amounts are not recorded as assets or liabilities as they represent the face amount of the contract to which a rate or price is applied to determine the amount of cash flows to be exchanged. Notional amounts do not represent the potential gain or loss associated with the market risk nor are they indicative of the credit risk associated with derivative financial instruments.

The following table discloses the notional amount of OTC and exchange-traded derivatives.

Over-the-Counter and Exchange-Traded Derivatives

(millions of Canadian dollars)						*As at* **October 31 2025**	October 31 2024
	Trading						
	Over-the-Counter[1]						
	Clearing house[2]	**Non clearing house**	**Exchange-traded**	**Total**	**Non-trading[3]**	**Total**	Total
Notional							
Interest rate contracts							
Futures	**$ –**	**$ –**	**$ 1,207,135**	**$ 1,207,135**	**$ –**	**$ 1,207,135**	$ 761,112
Forward rate agreements	**942,703**	**31,384**	**–**	**974,087**	**579**	**974,666**	574,289
Swaps	**19,608,951**	**623,143**	**–**	**20,232,094**	**1,910,412**	**22,142,506**	19,839,245
Options written	**–**	**150,130**	**53,654**	**203,784**	**105**	**203,889**	99,490
Options purchased	**–**	**171,046**	**56,203**	**227,249**	**3**	**227,252**	119,511
Total interest rate contracts	**20,551,654**	**975,703**	**1,316,992**	**22,844,349**	**1,911,099**	**24,755,448**	21,393,647
Foreign exchange contracts							
Forward contracts	**48**	**456,331**	**–**	**456,379**	**26,687**	**483,066**	380,615
Swaps	**–**	**1,824,527**	**–**	**1,824,527**	**2,160**	**1,826,687**	1,692,601
Cross-currency interest rate swaps	**–**	**1,716,271**	**–**	**1,716,271**	**181,907**	**1,898,178**	1,669,577
Options written	**–**	**62,931**	**326**	**63,257**	**–**	**63,257**	56,777
Options purchased	**–**	**58,215**	**40**	**58,255**	**–**	**58,255**	49,359
Total foreign exchange contracts	**48**	**4,118,275**	**366**	**4,118,689**	**210,754**	**4,329,443**	3,848,929
Credit derivative contracts							
Credit default swaps – protection purchased	**13,907**	**1,934**	**–**	**15,841**	**2,890**	**18,731**	15,504
Credit default swaps – protection sold	**1,889**	**329**	**–**	**2,218**	**–**	**2,218**	1,893
Total credit derivative contracts	**15,796**	**2,263**	**–**	**18,059**	**2,890**	**20,949**	17,397
Other contracts							
Equity contracts	**–**	**218,155**	**191,085**	**409,240**	**32,295**	**441,535**	278,028
Commodity and other contracts	**174**	**99,416**	**188,539**	**288,129**	**–**	**288,129**	245,595
Total other contracts	**174**	**317,571**	**379,624**	**697,369**	**32,295**	**729,664**	523,623
Total	**$ 20,567,672**	**$ 5,413,812**	**$ 1,696,982**	**$ 27,678,466**	**$ 2,157,038**	**$ 29,835,504**	$ 25,783,596

[1] Collateral held under a Credit Support Annex to help reduce counterparty credit risk is in the form of high-quality and liquid assets such as cash and high-quality government securities. Acceptable collateral is governed by the Collateralized Trading Policy.
[2] Derivatives executed through a central clearing house reduce settlement risk due to the ability to net settle offsetting positions for capital purposes and therefore receive preferential capital treatment compared to those settled with non-central clearing house counterparties.
[3] Includes $1,762 billion of OTC derivatives that are transacted with clearing houses (October 31, 2024 – $1,532 billion) and $395 billion of OTC derivatives that are transacted with non-clearing houses (October 31, 2024 – $394 billion). There were no exchange-traded derivatives both as at October 31, 2025 and October 31, 2024.

The following table distinguishes the notional amount of derivatives held or issued for non-trading purposes between those that have been designated in qualifying hedge accounting relationships and those which have not been designated in qualifying hedge accounting relationships.

Notional of Non-Trading Derivatives

(millions of Canadian dollars)					*As at*
					October 31, 2025
	Derivatives in qualifying hedging relationships			**Derivatives not in**	
Derivatives held or issued for hedging (non-trading) purposes	**Fair value**	**Cash flow[1]**	**Net Investment[1]**	**qualifying hedging relationships**	**Total**
Interest rate contracts	**$ 436,988**	**$ 380,109**	**$ –**	**$ 1,094,002**	**$ 1,911,099**
Foreign exchange contracts	**–**	**172,269**	**23,220**	**15,265**	**210,754**
Credit derivative contracts	**–**	**–**	**–**	**2,890**	**2,890**
Other contracts	**–**	**2,551**	**–**	**29,744**	**32,295**
Total notional non-trading	**$ 436,988**	**$ 554,929**	**$ 23,220**	**$ 1,141,901**	**$ 2,157,038**
					October 31, 2024
Interest rate contracts	$ 395,687	$ 340,741	$ –	$ 974,641	$ 1,711,069
Foreign exchange contracts	–	159,693	–	15,771	175,464
Credit derivative contracts	–	–	–	2,708	2,708
Other contracts	–	2,409	–	33,640	36,049
Total notional non-trading	$ 395,687	$ 502,843	$ –	$ 1,026,760	$ 1,925,290

[1] Certain cross-currency swaps are executed using multiple derivatives, including interest rate swaps. These derivatives are used to hedge foreign exchange rate risk in cash flow hedges and net investment hedges.

The following table discloses the notional principal amount of OTC derivatives and exchange-traded derivatives based on their contractual terms to maturity.

Derivatives by Remaining Term-to-Maturity

(millions of Canadian dollars)					*As at*
				October 2025	October 2024
Notional Principal	**Within 1 year**	**Over 1 year to 5 years**	**Over 5 years**	**Total**	Total
Interest rate contracts					
Futures	**$ 891,230**	**$ 315,905**	**$ –**	**$ 1,207,135**	$ 761,112
Forward rate agreements	**946,656**	**28,010**	**–**	**974,666**	574,289
Swaps	**7,262,622**	**9,998,401**	**4,881,483**	**22,142,506**	19,839,245
Options written	**159,225**	**41,237**	**3,427**	**203,889**	99,490
Options purchased	**165,281**	**59,498**	**2,473**	**227,252**	119,511
Total interest rate contracts	**9,425,014**	**10,443,051**	**4,887,383**	**24,755,448**	21,393,647
Foreign exchange contracts					
Forward contracts	**461,515**	**19,334**	**2,217**	**483,066**	380,615
Swaps	**1,781,558**	**42,098**	**3,031**	**1,826,687**	1,692,601
Cross-currency interest rate swaps	**551,107**	**945,450**	**401,621**	**1,898,178**	1,669,577
Options written	**58,108**	**5,149**	**–**	**63,257**	56,777
Options purchased	**53,584**	**4,666**	**5**	**58,255**	49,359
Total foreign exchange contracts	**2,905,872**	**1,016,697**	**406,874**	**4,329,443**	3,848,929
Credit derivative contracts					
Credit default swaps – protection purchased	**4,943**	**8,716**	**5,072**	**18,731**	15,504
Credit default swaps – protection sold	**554**	**1,119**	**545**	**2,218**	1,893
Total credit derivative contracts	**5,497**	**9,835**	**5,617**	**20,949**	17,397
Other contracts					
Equity contracts	**338,989**	**90,121**	**12,425**	**441,535**	278,028
Commodity and other contracts	**256,783**	**30,286**	**1,060**	**288,129**	245,595
Total other contracts	**595,772**	**120,407**	**13,485**	**729,664**	523,623
Total	**$ 12,932,155**	**$ 11,589,990**	**$ 5,313,359**	**$ 29,835,504**	$ 25,783,596

The following table discloses the notional amount and average price of derivative instruments designated in qualifying hedge accounting relationships.

Hedging Instruments by Remaining Term-to-Maturity

(millions of Canadian dollars, except as noted)					*As at*
				October 31 2025	October 31 2024
Notional	**Within 1 year**	**Over 1 year to 5 years**	**Over 5 years**	**Total**	**Total**
Interest rate risk					
Interest rate swaps					
Notional – pay fixed	**$ 15,114**	**$ 126,746**	**$ 106,458**	**$ 248,318**	$ 230,740
Average fixed interest rate %	**2.77**	**3.02**	**2.58**		
Notional – received fixed	**121,601**	**190,068**	**44,210**	**355,879**	317,149
Average fixed interest rate %	**3.04**	**3.01**	**3.15**		
Total notional – interest rate risk	**136,715**	**316,814**	**150,668**	**604,197**	547,889
Foreign exchange risk[1]					
Forward contracts					
Notional – USD/CAD	**2,127**	**3,902**	**38**	**6,067**	7,816
Average FX forward rate	**1.31**	**1.31**	**1.30**		
Notional – EUR/CAD	**2,808**	**14,007**	**2,756**	**19,571**	15,141
Average FX forward rate	**1.59**	**1.55**	**1.60**		
Notional – other	**257**	**–**	**–**	**257**	901
Cross-currency swaps[2,3]					
Notional – USD/CAD	**39,860**	**29,184**	**11,449**	**80,493**	46,944
Average FX rate	**1.36**	**1.35**	**1.32**		
Notional – EUR/CAD	**15,336**	**34,779**	**14,373**	**64,488**	61,877
Average FX rate	**1.45**	**1.47**	**1.49**		
Notional – GBP/CAD	**–**	**8,189**	**–**	**8,189**	9,760
Average FX rate		**1.68**			
Notional – other currency pairs[4]	**5,997**	**9,101**	**1,326**	**16,424**	17,254
Total notional – foreign exchange risk	**66,385**	**99,162**	**29,942**	**195,489**	159,693
Equity Price Risk					
Notional – equity contracts	**2,551**			**2,551**	2,409
Total notional	**$ 205,651**	**$ 415,976**	**$ 180,610**	**$ 802,237**	$ 709,991

[1] Foreign currency denominated deposit liabilities are also used to hedge foreign exchange risk. Includes $60.3 billion (October 31, 2024 – $77.4 billion) of the carrying value of these non-derivative hedging instruments designated under net investment hedges.

[2] Cross-currency swaps may be used to hedge 1) foreign exchange risk, or 2) a combination of interest rate risk and foreign exchange risk in a single hedge relationship. Cross-currency swaps in both types of hedge relationships are disclosed in the foreign exchange risk category.

[3] Certain cross-currency swaps are executed using multiple derivatives, including interest rate swaps. The notional amount of these interest rate swaps, excluded from the above, is $212.9 billion as at October 31, 2025 (October 31, 2024 – $188.5 billion).

[4] Includes derivatives executed to manage non-trading foreign currency exposures, when more than one currency is involved prior to hedging to the Canadian dollar, or when the currency pair is not a significant exposure for the Bank.

(c) DERIVATIVE-RELATED RISKS

Market Risk

Derivatives, in the absence of any compensating upfront cash payments, generally have no market value at inception. They obtain value, positive or negative, as relevant interest rates, foreign exchange rates, equity, commodity or credit prices or indices change, such that the previously contracted terms of the derivative transactions have become more or less favourable than what can be negotiated under current market conditions for contracts with the same terms and the same remaining period to expiry. The potential for derivatives to increase or decrease in value as a result of the foregoing factors is generally referred to as market risk.

Credit Risk

Credit risk on derivatives, also known as counterparty credit risk, is the risk of a financial loss occurring as a result of the failure of a counterparty to meet its obligation to the Bank.

Derivative-related credit risks are subject to the same credit approval, limit and monitoring standards that are used for managing other transactions that create credit exposure. This includes evaluating the creditworthiness of counterparties, and managing the size, diversification and maturity structure of the portfolios. The Bank actively engages in risk mitigation strategies through the use of multi-product derivative master netting agreements, collateral and other risk mitigation techniques. Master netting agreements reduce risk to the Bank by allowing the Bank to close out and net transactions with counterparties subject to such agreements upon the occurrence of certain events. The current replacement cost and credit equivalent amount shown in the following table are based on the standardized approach for counterparty credit risk. According to this approach, the current replacement cost accounts for the fair value of the positions, posted and received collateral, and master netting agreement clauses. The credit equivalent amount is the sum of the current replacement cost and the potential future exposure, which is calculated by applying factors determined by OSFI to the notional principal amount of the derivatives. The risk-weighted amount is determined by applying the adequate risk weights to the credit equivalent amount.

Credit Exposure of Derivatives

(millions of Canadian dollars)						*As at*
	October 31, 2025			October 31, 2024		
	Current replacement cost	**Credit equivalent amount**	**Risk-weighted amount**	Current replacement cost	Credit equivalent amount	Risk-weighted amount
Interest rate contracts						
Forward rate agreements	**$ 49**	**$ 162**	**$ 61**	$ 35	$ 102	$ 29
Swaps	**2,838**	**8,962**	**1,323**	4,215	11,037	964
Options written	**5**	**147**	**26**	7	140	26
Options purchased	**10**	**151**	**29**	17	123	23
Total interest rate contracts	**2,902**	**9,422**	**1,439**	4,274	11,402	1,042
Foreign exchange contracts						
Forward contracts	**1,064**	**5,180**	**978**	1,746	5,643	1,022
Swaps	**2,802**	**16,099**	**2,373**	3,234	16,136	2,246
Cross-currency interest rate swaps	**3,358**	**15,195**	**1,574**	4,124	17,176	1,515
Options written	**34**	**334**	**74**	36	291	59
Options purchased	**43**	**279**	**68**	50	239	64
Total foreign exchange contracts	**7,301**	**37,087**	**5,067**	9,190	39,485	4,906
Other contracts						
Credit derivatives	**–**	**192**	**26**	–	207	30
Equity contracts	**729**	**12,531**	**2,994**	669	8,964	2,348
Commodity and other contracts	**746**	**4,777**	**1,044**	1,115	5,752	848
Total other contracts	**1,475**	**17,500**	**4,064**	1,784	14,923	3,226
Total derivatives	**11,678**	**64,009**	**10,570**	15,248	65,810	9,174
Qualifying Central Counterparty Contracts	**11,772**	**24,449**	**797**	10,529	19,117	652
Total	**$ 23,450**	**$ 88,458**	**$ 11,367**	$ 25,777	$ 84,927	$ 9,826

Current Replacement Cost of Derivatives

(millions of Canadian dollars, except as noted)								*As at*
	Canada[1]		United States[1]		Other international[1]		Total	
By sector	**October 31 2025**	October 31 2024	**October 31 2025**	October 31 2024	**October 31 2025**	October 31 2024	**October 31 2025**	October 31 2024
Financial	**$ 3,367**	$ 4,647	**$ 56**	$ 38	**$ 605**	$ 272	**$ 4,028**	$ 4,957
Government	**2,695**	3,594	**77**	98	**1,018**	2,618	**3,790**	6,310
Other	**1,818**	1,670	**673**	639	**1,369**	1,671	**3,860**	3,980
Total current replacement cost	**$ 7,880**	$ 9,911	**$ 806**	$ 775	**$ 2,992**	$ 4,561	**$ 11,678**	$ 15,247

By location of risk	**October 31 2025**	October 31 2024	**October 31 2025 % mix**	October 31 2024 % mix
Canada	**$ 3,237**	$ 3,737	**27.7 %**	24.5 %
United States	**3,930**	4,937	**33.7**	32.4
Other international				
United Kingdom	**717**	775	**6.1**	5.1
Europe – other	**1,919**	2,828	**16.4**	18.5
Other	**1,875**	2,970	**16.1**	19.5
Total Other international	**4,511**	6,573	**38.6**	43.1
Total current replacement cost	**$ 11,678**	$ 15,247	**100.0 %**	100.0 %

[1] Based on geographic location of unit responsible for recording revenue.

Certain of the Bank's derivative contracts are governed by master derivative agreements having provisions that may permit the Bank's counterparties to require, upon the occurrence of a certain contingent event: (1) the posting of collateral or other acceptable remedy such as assignment of the affected contracts to an acceptable counterparty; or (2) settlement of outstanding derivative contracts. Most often, these contingent events are in the form of a downgrade of the senior debt rating of the Bank, either as counterparty or as guarantor of one of the Bank's subsidiaries. At October 31, 2025, the aggregate net liability position of those contracts would require: (1) the posting of collateral or other acceptable remedy totalling $331 million (October 31, 2024 – $511 million) in the event of a one-notch or two-notch downgrade in the Bank's senior debt rating; and (2) funding totalling $358 million (October 31, 2024 – $134 million) following the termination and settlement of outstanding derivative contracts in the event of a one-notch or two-notch downgrade in the Bank's senior debt rating.

Certain of the Bank's derivative contracts are governed by master derivative agreements having credit support provisions that permit the Bank's counterparties to call for collateral depending on the net mark-to-market exposure position of all derivative contracts governed by that master derivative agreement. Some of these agreements may permit the Bank's counterparties to require, upon the downgrade of the senior debt ratings of the Bank, to post additional collateral. As of October 31, 2025, the fair value of all derivative instruments with credit risk related contingent features in a net liability position was $17 billion (October 31, 2024 – $16 billion). The Bank has posted $18 billion (October 31, 2024 – $17 billion) of collateral for this exposure in the normal course of business. As of October 31, 2025, the impact of a one-notch downgrade in the Bank's senior debt ratings would require the Bank to post an additional $1,015 million (October 31, 2024 – $49 million) of collateral to that posted in the normal course of business. The increase is attributable to the clarification of downgrade requirements under a single Credit Support Annex with no economic impact. A two-notch downgrade in the Bank's senior debt ratings would require the Bank to post an additional $1,536 million (October 31, 2024 – $1,228 million) of collateral to that posted in the normal course of business.

***(d)* IMPACT FROM TERMINATED FIRST HORIZON ACQUISITION-RELATED CAPITAL HEDGING STRATEGY**

Prior to the termination of the merger agreement with First Horizon on May 4, 2023, the Bank had implemented a strategy to mitigate the impact of interest rate volatility to capital on closing of the acquisition. In order to mitigate this impact, the Bank de-designated certain interest rate swaps hedging fixed income investments in fair value hedge accounting relationships. As a result of the de-designation, mark-to-market gains (losses) on these swaps were recognized in earnings, without any corresponding offset from the previously hedged investments. The de-designation also triggered the amortization of the investments' basis adjustment to net interest income over the remaining expected life of the investments.

Following the announcement to terminate the merger agreement, the Bank discontinued this strategy and reinstated hedge accounting on the portfolio of fixed income investments using new swaps entered into at higher market rates. The impact from the higher swap rates and the basis adjustment amortization discussed above is reported in net interest income. Income recognized from this strategy will reverse over time causing a decrease to net interest income. This impact is expected to continue until fiscal 2029. For the year ended October 31, 2025, the decrease to net interest income was $205 million (October 31, 2024 – $242 million), recorded in the Corporate segment.

NOTE 12: INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

INVESTMENT IN THE CHARLES SCHWAB CORPORATION

On February 12, 2025, the Bank sold its entire remaining equity investment in Schwab through a registered offering and share repurchase by Schwab. Immediately prior to the sale, TD held 184.7 million shares of Schwab's common stock, representing 10.1% economic ownership. The sale of the shares resulted in proceeds of $21.0 billion and the Bank recognized in Other income (loss) a net gain on sale of $9.2 billion. This gain is net of the release of related cumulative foreign currency translation from AOCI, the release of AOCI on designated net investment hedging items, and direct transaction costs. For segment reporting, the Bank recognized an after-tax gain of $8.6 billion in its Corporate segment and $184 million of underwriting fees in its Wholesale segment as a result of TD Securities acting as a lead bookrunner on the transaction.

The Bank discontinued recording its share of earnings available to common shareholders from its investment in Schwab following the sale. The Bank's share of net income from its prior investment in Schwab of $305 million during the year ended October 31, 2025, reflects net income after adjustments for amortization of certain intangibles net of tax.

The stockholder agreement to which the Bank and Schwab were party (the "Stockholder Agreement") was terminated by the Bank's sale of its equity investment in Schwab. The Bank continues to have a business relationship with Schwab through the insured deposit account agreement ("Schwab IDA Agreement").

Prior to the sale, the Bank had significant influence over Schwab and the ability to participate in the financial and operational policy-making decisions of Schwab through a combination of the Bank's ownership, board representation and the insured deposit account agreement between the Bank and Schwab. As such, the Bank accounted for its investment in Schwab using the equity method. The Bank's share of Schwab's earnings available to common shareholders was reported with a one-month lag. The Bank took into account changes in the one-month lag period that would significantly affect the results.

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

As at October 31, 2024, the Bank's reported investment in Schwab was approximately 10.1%, consisting of 7.5% of the outstanding voting common shares and the remainder in non-voting common shares of Schwab with an aggregate fair value of $18 billion (US$13 billion) based on the closing price of US$70.83 on the New York Stock Exchange.

Under the Stockholder Agreement, the Bank had the right to designate two members of Schwab's Board of Directors and had representation on two Board Committees, subject to the Bank meeting certain conditions. The Bank's designated directors were the Bank's former Group President and Chief Executive Officer and the Bank's former Chair of the Board. Under the Stockholder Agreement, the Bank was not permitted to own more than 9.9% voting common shares of Schwab, and the Bank was subject to customary standstill restrictions and subject to certain exceptions, transfer restrictions.

The carrying value of the Bank's prior investment in Schwab of $9.0 billion as at October 31, 2024 represented the Bank's share of Schwab's stockholders' equity, adjusted for goodwill, other intangibles, and cumulative translation adjustment. The Bank's share of net income from its investment in Schwab of $703 million during the year ended October 31, 2024, reflects net income after adjustments for amortization of certain intangibles net of tax. The following tables represent the gross amount of Schwab's total assets, liabilities, net revenues, net income available to common stockholders, other comprehensive income (loss), and comprehensive income (loss) for the comparative year.

Summarized Financial Information

(millions of Canadian dollars)	*As at*
	September 30 2024
Total assets	$ 630,363
Total liabilities	566,502

(millions of Canadian dollars)	*For the year ended September 30*
	2024
Total net revenues	$ 25,493
Total net income available to common stockholders	6,376
Total other comprehensive income (loss)	8,356
Total comprehensive income (loss)	14,732

Insured Deposit Account Agreement

On May 4, 2023, the Bank and Schwab entered into an amended Schwab IDA Agreement, with an initial expiration of July 1, 2034. Pursuant to the Schwab IDA Agreement, the Bank makes sweep deposit accounts available to clients of Schwab. Schwab designates a portion of the deposits with the Bank as fixed-rate obligation amounts (FROA). Remaining deposits are designated as floating-rate obligations. The FROA floor is set at US$60 billion.

Refer to Note 26 for further details on the Schwab IDA Agreement.

INVESTMENTS IN OTHER ASSOCIATES AND JOINT VENTURES

Except for Schwab as disclosed above, the Bank did not have investments in associates or joint ventures which were individually material as of October 31, 2025, or October 31, 2024. The carrying amount of the Bank's investments in other associates and joint ventures as at October 31, 2025 was $5.2 billion (October 31, 2024 – $4.9 billion), recorded in Other assets on the Consolidated Balance Sheet.

Other associates and joint ventures consisted predominantly of investments in private funds or partnerships that make equity investments, provide debt financing or support community-based tax-advantaged investments. The investments in these entities generate a return primarily through the realization of U.S. federal and state income tax credits, including Low Income Housing Tax Credits, New Markets Tax Credits, and Historic Tax Credits.

NOTE 13: GOODWILL AND OTHER INTANGIBLES

GOODWILL

The recoverable amount of the Bank's CGUs or groups of CGUs is determined from internally developed valuation models that consider various factors and assumptions such as forecasted earnings, growth rates, discount rates, and terminal growth rates. Management is required to use judgment in estimating the recoverable amount of the CGUs or groups of CGUs, and the use of different assumptions and estimates in the calculations could influence the determination of the existence of impairment and the valuation of goodwill. Management believes that the assumptions and estimates used are reasonable and supportable. Where possible, assumptions generated internally are compared to relevant market information. The carrying amounts of the Bank's CGUs or groups of CGUs are determined by management using risk-based capital models to adjust net assets and liabilities by CGU. These models consider various factors including market risk, credit risk, and operational risk, including investment capital (comprised of goodwill and other intangibles). As at the date of the last impairment test, the amount of capital not directly attributable to the CGUs and held within the Corporate segment was approximately $22.9 billion (2024 – $11.5 billion) and primarily related to treasury assets and excess capital managed within the Corporate segment. The Bank's capital oversight committees provide oversight to the Bank's capital allocation methodologies.

Key Assumptions

The recoverable amount of each CGU or group of CGUs has been determined based on its estimated value-in-use. In assessing value-in-use, estimated future cash flows based on the Bank's internal forecast are discounted using an appropriate pre-tax discount rate.

The following were the key assumptions applied in the goodwill impairment testing:

Discount Rate

The pre-tax discount rates used reflect current market assessments of the risks specific to each group of CGUs and are dependent on the risk profile and capital requirements of each group of CGUs.

Forecasted Earnings

The earnings included in the goodwill impairment testing for each group of CGUs were based on the Bank's internal forecast, which projects expected cash flows over the next five years, with the exception of the U.S. Personal and Commercial Banking group of CGUs where cash flow projections covering a seven year period were used, which more closely aligns with the long-term strategic growth plan for the business.

Terminal Growth Rates

Beyond the Bank's internal forecast, cash flows were assumed to grow at a steady terminal growth rate. Terminal growth rates were based on the expected long-term growth of gross domestic product and inflation and ranged from 3.7% to 4.2% (2024 – 2.0% to 4.1%).

In considering the sensitivity of the key assumptions discussed above, management determined that a reasonably possible change in any of the above would not result in the recoverable amount of any of the groups of CGUs to be less than their carrying amount.

Goodwill by Segment

(millions of Canadian dollars)	Canadian Personal and Commercial Banking	U.S. Retail[1]	Wealth Management and Insurance	Wholesale Banking	Total
Carrying amount of goodwill as at November 1, 2023	$ 902	$ 14,620	$ 2,122	$ 958	$ 18,602
Additions (disposals)[2]	–	–	–	128	128
Foreign currency translation adjustments and other	–	43	3	75	121
Carrying amount of goodwill as at October 31, 2024[3]	$ 902	$ 14,663	$ 2,125	$ 1,161	$ 18,851
Additions (disposals)	**–**	**–**	**–**	**–**	**–**
Foreign currency translation adjustments and other	**1**	**113**	**7**	**8**	**129**
Carrying amount of goodwill as at October 31, 2025[3]	**$ 903**	**$ 14,776**	**$ 2,132**	**$ 1,169**	**$ 18,980**
Pre-tax discount rates					
2024	9.7–9.9 %	10.7–11.8 %	10.9–11.0 %	14.4 %	
2025	**9.9–10.7**	**11.0–11.8**	**11.0–11.9**	**13.3**	

[1] Goodwill predominantly relates to U.S. Personal and Commercial Banking.

[2] Includes adjustments to the purchase price allocation in connection with the Cowen acquisition.

[3] Accumulated impairment as at October 31, 2025 and October 31, 2024 was nil.

OTHER INTANGIBLES

The following table presents details of other intangibles as at October 31, 2025 and October 31, 2024.

Other Intangibles

(millions of Canadian dollars)	Core deposit intangibles	Credit card related intangibles	Internally generated software	Other software	Other intangibles	Total
Cost						
As at November 1, 2023	$ 2,712	$ 850	$ 3,103	$ 236	$ 1,556	$ 8,457
Additions	–	–	961	23	9	993
Disposals	–	–	(5)	(6)	(6)	(17)
Fully amortized intangibles	–	–	(627)	(60)	–	(687)
Foreign currency translation adjustments and other[1]	8	1	(25)	2	36	22
As at October 31, 2024	$ 2,720	$ 851	$ 3,407	$ 195	$ 1,595	$ 8,768
Additions	**–**	**–**	**1,095**	**70**	**–**	**1,165**
Disposals	**–**	**–**	**(3)**	**(7)**	**5**	**(5)**
Fully amortized intangibles	**(2,741)**	**(734)**	**(300)**	**(46)**	**(509)**	**(4,330)**
Foreign currency translation adjustments and other	**21**	**1**	**(4)**	**1**	**(9)**	**10**
As at October 31, 2025	**$ –**	**$ 118**	**$ 4,195**	**$ 213**	**$ 1,082**	**$ 5,608**
Amortization and impairment						
As at November 1, 2023	$ 2,712	$ 785	$ 1,127	$ 163	$ 899	$ 5,686
Disposals	–	–	–	(3)	–	(3)
Impairment losses (reversals)	–	–	–	–	–	–
Amortization charge for the year	–	11	498	32	161	702
Fully amortized intangibles	–	–	(627)	(60)	–	(687)
Foreign currency translation adjustments and other[1]	8	–	(2)	3	17	26
As at October 31, 2024	$ 2,720	$ 796	$ 996	$ 135	$ 1,077	$ 5,724
Disposals	**–**	**–**	**(7)**	**(3)**	**–**	**(10)**
Impairment losses (reversals)	**–**	**–**	**–**	**–**	**–**	**–**
Amortization charge for the year	**–**	**11**	**586**	**58**	**125**	**780**
Fully amortized intangibles	**(2,741)**	**(734)**	**(300)**	**(46)**	**(509)**	**(4,330)**
Foreign currency translation adjustments and other	**21**	**1**	**13**	**1**	**(1)**	**35**
As at October 31, 2025	**$ –**	**$ 74**	**$ 1,288**	**$ 145**	**$ 692**	**$ 2,199**
Net Book Value:						
As at October 31, 2024	$ –	$ 55	$ 2,411	$ 60	$ 518	$ 3,044
As at October 31, 2025	**–**	**44**	**2,907**	**68**	**390**	**3,409**

[1] Includes amounts related to restructuring. Refer to Note 25 for further details.

NOTE 14: LAND, BUILDINGS, EQUIPMENT, OTHER DEPRECIABLE ASSETS, AND RIGHT-OF-USE ASSETS

The following table presents details of the Bank's land, buildings, equipment, and other depreciable assets as at October 31, 2025 and October 31, 2024.

Land, Buildings, Equipment, and Other Depreciable Assets

(millions of Canadian dollars)	Land	Buildings	Computer equipment	Furniture, fixtures, and other depreciable assets	Leasehold improvements	Total
Cost						
As at November 1, 2023	$ 919	$ 2,555	$ 917	$ 1,511	$ 3,679	$ 9,581
Additions	–	216	153	362	485	1,216
Disposals[1]	–	(9)	(65)	(137)	(127)	(338)
Fully depreciated assets	–	(22)	(143)	(171)	(289)	(625)
Foreign currency translation adjustments and other[2]	6	47	(11)	2	42	86
As at October 31, 2024	925	2,787	851	1,567	3,790	9,920
Additions	**–**	**173**	**167**	**328**	**321**	**989**
Disposals[1]	**–**	**(5)**	**(42)**	**(92)**	**(7)**	**(146)**
Fully depreciated assets	**–**	**(46)**	**(226)**	**(167)**	**(347)**	**(786)**
Foreign currency translation adjustments and other[2]	**(72)**	**(153)**	**(13)**	**6**	**21**	**(211)**
As at October 31, 2025	**$ 853**	**$ 2,756**	**$ 737**	**$ 1,642**	**$ 3,778**	**$ 9,766**
Accumulated depreciation and impairment losses						
As at November 1, 2023	$ –	$ 992	$ 418	$ 787	$ 1,792	$ 3,989
Depreciation charge for the year	–	93	179	165	298	735
Disposals[1]	–	(9)	(62)	(134)	(108)	(313)
Impairment losses	–	–	11	7	1	19
Fully depreciated assets	–	(22)	(143)	(171)	(289)	(625)
Foreign currency translation adjustments and other[2]	–	25	(4)	13	42	76
As at October 31, 2024	–	1,079	399	667	1,736	3,881
Depreciation charge for the year	**–**	**100**	**176**	**198**	**300**	**774**
Disposals[1]	**–**	**(2)**	**(42)**	**(90)**	**(4)**	**(138)**
Impairment losses	**–**	**1**	**21**	**5**	**2**	**29**
Fully depreciated assets	**–**	**(46)**	**(226)**	**(167)**	**(347)**	**(786)**
Foreign currency translation adjustments and other[2]	**–**	**(74)**	**–**	**29**	**36**	**(9)**
As at October 31, 2025	**$ –**	**$ 1,058**	**$ 328**	**$ 642**	**$ 1,723**	**$ 3,751**
Net Book Value Excluding Right-of-Use Assets:						
As at October 31, 2024	$ 925	$ 1,708	$ 452	$ 900	$ 2,054	$ 6,039
As at October 31, 2025	**853**	**1,698**	**409**	**1,000**	**2,055**	**6,015**

[1] Cash received from disposals was $3 million for the year ended October 31, 2025 (October 31, 2024 – $22 million).
[2] Includes amounts related to restructuring and adjustments to reclassify held-for-sale items to other assets. Refer to Note 25 for further details.

The following table presents details of the Bank's ROU assets as recorded in accordance with IFRS 16, *Leases*. Refer to Note 17 and Note 25 for the related lease liabilities details.

Right-of-Use Assets Net Book Value

(millions of Canadian dollars)	Land	Buildings	Computer equipment	Total
As at November 1, 2023	$ 709	$ 3,101	$ 32	$ 3,842
Additions	3	373	48	424
Depreciation	(97)	(462)	(13)	(572)
Reassessments, modifications, and variable lease payment adjustments	21	130	(20)	131
Terminations and impairment	–	1	–	1
Foreign currency translation adjustments and other	(3)	(25)	–	(28)
As at October 31, 2024	$ 633	$ 3,118	$ 47	$ 3,798
Additions	**3**	**490**	**7**	**500**
Depreciation	**(92)**	**(478)**	**(13)**	**(583)**
Reassessments, modifications, and variable lease payment adjustments	**54**	**295**	**–**	**349**
Terminations and impairment	**–**	**–**	**–**	**–**
Foreign currency translation adjustments and other	**2**	**51**	**–**	**53**
As at October 31, 2025	**$ 600**	**$ 3,476**	**$ 41**	**$ 4,117**

Total Land, Buildings, Equipment, Other Depreciable Assets, and Right-of-Use Assets Net Book Value

(millions of Canadian dollars)	Land	Buildings	Computer equipment	Furniture, fixtures, and other depreciable assets	Leasehold improvements	Total
As at October 31, 2024	$ 1,558	$ 4,826	$ 499	$ 900	$ 2,054	$ 9,837
As at October 31, 2025	**1,453**	**5,174**	**450**	**1,000**	**2,055**	**10,132**

NOTE 15: OTHER ASSETS

Other Assets

(millions of Canadian dollars)		As at
	October 31 2025	October 31 2024
Accounts receivable and other items	**$ 9,366**	$ 8,076
Accrued interest	**5,674**	5,509
Cheques and other items in transit	**–**	1,656
Current income tax receivable	**3,849**	4,061
Defined benefit asset **(Note 22)**	**1,111**	1,042
Investments in other associates and joint ventures **(Note 12)**	**5,237**	4,855
Prepaid expenses	**1,815**	1,794
Reinsurance contract assets	**936**	1,188
Total	**$ 27,988**	$ 28,181

NOTE 16: DEPOSITS

Demand deposits are those for which the Bank does not have the right to require notice prior to withdrawal, which primarily include business and government chequing accounts. Notice deposits are those for which the Bank can legally require notice prior to withdrawal, which include both savings and chequing accounts. Term deposits are payable on a given date of maturity and are purchased by customers to earn interest over a fixed period, with terms ranging from one day to ten years and generally include fixed term deposits, guaranteed investment certificates, senior debt, and similar instruments. The aggregate amount of term deposits in denominations of $100,000 or more as at October 31, 2025 was $544 billion (October 31, 2024 – $546 billion).

Deposits

(millions of Canadian dollars)								As at
			By Type			**By Country**	**October 31 2025**	October 31 2024
	Demand	**Notice**	**Term**[1]	**Canada**	**United States**	**International**	**Total**	Total
Personal	**$ 24,606**	**$ 488,831**	**$ 136,959**	**$ 354,799**	**$ 295,597**	**$ –**	**$ 650,396**	$ 641,667
Banks	**11,379**	**417**	**15,437**	**21,937**	**1,235**	**4,061**	**27,233**	57,698
Business and government[2]	**161,003**	**204,780**	**223,692**	**426,753**	**161,610**	**1,112**	**589,475**	569,315
	196,988	**694,028**	**376,088**	**803,489**	**458,442**	**5,173**	**1,267,104**	1,268,680
Trading	**–**	**–**	**37,882**	**27,633**	**4,290**	**5,959**	**37,882**	30,412
Designated at fair value through profit or loss[3]	**–**	**–**	**197,336**	**63,949**	**78,960**	**54,427**	**197,336**	207,668
Total	**$ 196,988**	**$ 694,028**	**$ 611,306**	**$ 895,071**	**$ 541,692**	**$ 65,559**	**$ 1,502,322**	$ 1,506,760
Non-interest-bearing deposits included above[4]								
Canada							**$ 60,796**	$ 58,873
United States							**73,364**	73,509
International							**1**	–
Interest-bearing deposits included above[4]								
Canada							**834,275**	781,526
United States[5]							**468,328**	504,896
International							**65,558**	87,956
Total[2,6]							**$ 1,502,322**	$ 1,506,760

[1] Includes $104.3 billion (October 31, 2024 – $97.6 billion) of senior debt which is subject to the bank recapitalization "bail-in" regime. This regime provides certain statutory powers to the Canada Deposit Insurance Corporation, including the ability to convert specified eligible shares and liabilities into common shares in the event that the Bank becomes non-viable.
[2] Includes $70.6 billion relating to covered bondholders (October 31, 2024 – $75.4 billion).
[3] Financial liabilities designated at FVTPL on the Consolidated Balance Sheet also includes $299 million (October 31, 2024 – $246 million) of loan commitments, financial guarantees and other liabilities designated at FVTPL.
[4] The geographical splits of the deposits are based on the point of origin of the deposits.
[5] Includes $7.2 billion (October 31, 2024 – $13.1 billion) of U.S. federal funds deposited and $1.1 billion (October 31, 2024 – $36.2 billion) of deposits and advances with the FHLB.
[6] Includes deposits of $807.7 billion (October 31, 2024 – $810.2 billion) denominated in U.S. dollars and $111.1 billion (October 31, 2024 – $140.7 billion) denominated in other foreign currencies.

Term Deposits by Remaining Term-to-Maturity

(millions of Canadian dollars)								As at
							October 31 2025	October 31 2024
	Within 1 year	**Over 1 year to 2 years**	**Over 2 years to 3 years**	**Over 3 years to 4 years**	**Over 4 years to 5 years**	**Over 5 years**	**Total**	Total
Personal	**$ 106,877**	**$ 17,296**	**$ 6,753**	**$ 3,752**	**$ 2,279**	**$ 2**	**$ 136,959**	$ 143,758
Banks	**15,433**	**2**	**1**	**–**	**1**	**–**	**15,437**	44,735
Business and government	**83,830**	**51,067**	**28,311**	**14,668**	**13,812**	**32,004**	**223,692**	225,517
Trading	**20,538**	**6,314**	**4,140**	**1,538**	**2,253**	**3,099**	**37,882**	30,412
Designated at fair value through profit or loss	**196,684**	**652**	**–**	**–**	**–**	**–**	**197,336**	207,668
Total	**$ 423,362**	**$ 75,331**	**$ 39,205**	**$ 19,958**	**$ 18,345**	**$ 35,105**	**$ 611,306**	$ 652,090

Term Deposits due within a Year

(millions of Canadian dollars)					As at
				October 31 2025	October 31 2024
	Within 3 months	**Over 3 months to 6 months**	**Over 6 months to 12 months**	**Total**	Total
Personal	**$ 45,952**	**$ 24,351**	**$ 36,574**	**$ 106,877**	$ 113,041
Banks	**15,328**	**56**	**49**	**15,433**	44,732
Business and government	**39,046**	**19,236**	**25,548**	**83,830**	87,025
Trading	**7,493**	**5,288**	**7,757**	**20,538**	15,622
Designated at fair value through profit or loss	**95,227**	**57,600**	**43,857**	**196,684**	206,191
Total	**$ 203,046**	**$ 106,531**	**$ 113,785**	**$ 423,362**	$ 466,611

NOTE 17: OTHER LIABILITIES

Other Liabilities

(millions of Canadian dollars)		As at
	October 31 2025	October 31 2024
Accounts payable, accrued expenses, and other items	**$ 8,954**	$ 7,706
Accrued interest	**4,652**	5,559
Accrued salaries and employee benefits	**7,313**	5,386
Cheques and other items in transit	**255**	–
Current income tax payable	**296**	67
Deferred tax liabilities **(Note 23)**	**303**	300
Defined benefit liability **(Note 22)**	**1,372**	1,380
Lease liabilities[1]	**5,352**	5,013
Liabilities related to structured entities **(Note 10)**	**4,008**	22,792
Provisions **(Note 25)**	**1,735**	3,675
Total	**$ 34,240**	$ 51,878

[1] Refer to Note 25 for lease liability maturity and lease payment details.

NOTE 18: SUBORDINATED NOTES AND DEBENTURES

Subordinated notes and debentures are direct unsecured obligations of the Bank or its subsidiaries and are subordinated in right of payment to the claims of depositors and certain other creditors. Redemptions, cancellations, exchanges, and modifications of subordinated debentures qualifying as regulatory capital are subject to the consent and approval of OSFI.

Subordinated Notes and Debentures[1]

(millions of Canadian dollars, except as noted) *As at*

Maturity date	Interest rate (%)[2]	Reset spread (%)	Earliest par redemption date	October 31 2025	October 31 2024
May 26, 2025[3]	9.150	n/a	–	$ **–**	$ 200
April 22, 2030[4]	3.105	n/a	April 22, 2025	**–**	2,989
March 4, 2031	4.859	3.490[5]	March 4, 2026	**1,252**	1,257
September 15, 2031	3.625	2.205[6]	September 15, 2026	**1,997**	2,045
January 26, 2032	3.060	1.330[7]	January 26, 2027	**1,715**	1,637
April 9, 2034	5.177	1.530[7]	April 9, 2029	**1,820**	1,803
September 10, 2034	5.146	1.500[8]	September 10, 2029	**1,396**	1,359
October 30, 2034	1.601	1.032[9]	October 30, 2029	**181**	183
January 23, 2036	4.030	1.500[6]	January 23, 2031	**1,209**	–
February 1, 2035	4.231	1.540[7]	February 1, 2030	**1,009**	–
September 25, 2035	2.058	0.970[10]	September 25, 2030	**127**	–
July 23, 2040	5.930	1.870[11]	July 23, 2035	**27**	–
Total				$ **10,733**	$ 11,473

[1] The outstanding subordinated notes and debentures include non-viability contingent capital (NVCC) provisions and qualify as regulatory capital under OSFI's Capital Adequacy Requirements (CAR) guideline. Refer to Note 19 for further details.
[2] Interest rate is for the period to but excluding the earliest par redemption date and, thereafter, if not otherwise redeemed, it will be reset at the applicable reset rate.
[3] On May 26, 2025, this note matured and all of the accrued interest and outstanding principal was repaid in full.
[4] On April 22, 2025, the Bank redeemed all of its outstanding $3 billion 3.105% medium-term notes due April 22, 2030, at a redemption price of 100 per cent of the principal amount, plus accrued and unpaid interest to, but excluding, the redemption date.
[5] To be reset at a rate to be determined with consent of the noteholders as the CORRA-based rate and spread considered to be reasonably equivalent to the of 3-month bankers' acceptance rate (as such term is defined in the applicable offering document) plus the reset spread noted.
[6] To be reset at a rate of 5-year Mid-Swap Rate plus the reset spread noted.
[7] To be reset at Daily Compounded Canadian Overnight Repo Rate Average plus the reset spread noted.
[8] To be reset at the prevailing 5-year U.S. Treasury Rate plus the reset spread noted.
[9] To be reset at the Japanese government bond yield plus the reset spread noted.
[10] To be reset at the 5-year Tokyo Overnight Average Rate mid-swap rate plus the reset spread noted.
[11] To be reset at the 3-month Bank Bill Swap Rate plus the reset spread noted.

NOTE 19: EQUITY

COMMON SHARES

The Bank is authorized by its shareholders to issue an unlimited number of common shares, without par value, for unlimited consideration. The common shares are not redeemable or convertible. Dividends are typically declared by the Board of Directors of the Bank on a quarterly basis and the amount may vary from quarter to quarter.

PREFERRED SHARES AND OTHER EQUITY INSTRUMENTS

Preferred Shares

The Bank is authorized by its shareholders to issue, in one or more series, an unlimited number of Class A First Preferred Shares, without nominal or par value. Non-cumulative preferential dividends are payable either quarterly or semi-annually in accordance with applicable terms, as and when declared by the Board of Directors of the Bank. All preferred shares issued by the Bank currently include NVCC provisions, necessary for the preferred shares to qualify as regulatory capital under OSFI's CAR guideline. NVCC provisions require the conversion of the impacted instruments into a variable number of common shares upon the occurrence of a Trigger Event. A Trigger Event is currently defined in the CAR Guideline as an event where OSFI determines that the Bank is, or is about to become, non-viable and that after conversion or write-off, as applicable, of all non-common capital instruments and consideration of any other relevant factors or circumstances, the viability of the Bank is expected to be restored, or where the Bank has accepted or agreed to accept a capital injection or equivalent support from a federal or provincial government of Canada without which the Bank would have been determined by OSFI to be non-viable.

Limited Recourse Capital Notes

The Bank has issued Limited Recourse Capital Notes (the "LRCNs") with recourse limited to assets held in a trust consolidated by the Bank (the "Limited Recourse Trust"). The Limited Recourse Trust's assets consist of Class A First Preferred Shares of the Bank, each series of which is issued concurrently with the LRCNs (the "LRCN Preferred Shares"). The LRCN Preferred Shares are eliminated on the Bank's Consolidated Financial Statements.

In the event of (i) non-payment of interest following any interest payment date, (ii) non-payment of the redemption price in case of a redemption of the LRCNs, (iii) non-payment of principal plus accrued and unpaid interest at the maturity of the LRCNs, (iv) an event of default on the LRCNs, or (v) a Trigger Event, the recourse of each LRCN holder will be limited to that holder's pro rata share of the Limited Recourse Trust's assets.

The LRCNs, by virtue of the recourse to the LRCN Preferred Shares, include standard NVCC provisions necessary for them to qualify as Additional Tier 1 Capital under OSFI's CAR guideline. NVCC provisions require the conversion of the instrument into a variable number of common shares upon the occurrence of a Trigger Event. In such an event, each LRCN Preferred Share will automatically and immediately be converted into a variable number of common shares which will be delivered to LRCN holders in satisfaction of the principal amount of, and accrued and unpaid interest on, the LRCNs. The number of common shares issued will be determined based on the conversion formula set out in the terms of the respective series of LRCN Preferred Shares.

The LRCNs are compound instruments with both equity and liability features. Non-payment of interest and principal in cash does not constitute an event of default and will trigger the delivery of the LRCN Preferred Shares. The liability component has a nominal value and, therefore, the proceeds received upon issuance have been presented as equity, and any interest payments are accounted for as distributions on other equity instruments.

Perpetual Subordinated Capital Notes

The Bank has issued Perpetual Subordinated Capital Notes ("Perpetual Notes"). The Perpetual Notes have no scheduled maturity or redemption date. Interest payments are at the discretion of the Bank. The Perpetual Notes include standard NVCC provisions necessary for them to qualify as Additional Tier 1 Capital under OSFI's CAR guideline.

The Perpetual Notes are compound instruments with both equity and liability features. The liability component has a nominal value and, therefore, the proceeds received upon issuance have been presented as equity, and any interest payments are accounted for as distributions on other equity instruments.

The following table summarizes the changes to the shares and other equity instruments issued and outstanding and treasury instruments held as at and for the years ended October 31, 2025 and October 31, 2024.

Shares and Other Equity Instruments Issued and Outstanding and Treasury Instruments Held

(thousands of shares or other equity instruments and millions of Canadian dollars)	**October 31, 2025**			October 31, 2024		
	Number of shares		**Amount**	Number of shares		Amount
Common Shares						
Balance as at beginning of year	**1,750,272**	**$**	**25,373**	1,791,422	$	25,434
Proceeds from shares issued on exercise of stock options	**2,260**		**165**	1,657		112
Shares issued as a result of dividend reinvestment plan	**1,575**		**130**	6,592		529
Purchase of shares for cancellation and other	**(64,611)**		**(941)**	(49,399)		(702)
Balance as at end of year – common shares	**1,689,496**	**$**	**24,727**	1,750,272	$	25,373
Preferred Shares and Other Equity Instruments						
Preferred Shares – Class A						
Series 1	**20,000**	**$**	**500**	20,000	$	500
Series 5[1]	**–**		**–**	20,000		500
Series 7[2]	**–**		**–**	14,000		350
Series 9[3]	**–**		**–**	8,000		200
Series 16	**14,000**		**350**	14,000		350
Series 18	**14,000**		**350**	14,000		350
Series 27	**850**		**850**	850		850
Series 28	**800**		**800**	800		800
	49,650	**$**	**2,850**	91,650	$	3,900
Other Equity Instruments[4]						
Limited Recourse Capital Notes – Series 1	**1,750**	**$**	**1,750**	1,750	$	1,750
Limited Recourse Capital Notes – Series 2	**1,500**		**1,500**	1,500		1,500
Limited Recourse Capital Notes – Series 3[5]	**1,750**		**2,403**	1,750		2,403
Limited Recourse Capital Notes – Series 4[5]	**750**		**1,023**	750		1,023
Limited Recourse Capital Notes – Series 5	**750**		**750**	–		–
Limited Recourse Capital Notes – Series 6[5]	**750**		**1,037**	–		–
Perpetual Subordinated Capital Notes – Series 2023-9[6]	**1**		**312**	1		312
	7,251		**8,775**	5,751		6,988
Balance as at end of year – preferred shares and other equity instruments	**56,901**	**$**	**11,625**	97,401	$	10,888
Treasury – common shares[7]						
Balance as at beginning of year	**213**	**$**	**(17)**	748	$	(64)
Purchase of shares	**145,166**		**(13,094)**	139,135		(11,209)
Sale of shares	**(145,379)**		**13,111**	(139,670)		11,256
Balance as at end of year – treasury – common shares	**–**	**$**	**–**	213	$	(17)
Treasury – preferred shares and other equity instruments[7]						
Balance as at beginning of year	**163**	**$**	**(18)**	142	$	(65)
Purchase of shares and other equity instruments	**4,614**		**(1,535)**	6,556		(625)
Sale of shares and other equity instruments	**(4,748)**		**1,549**	(6,535)		672
Balance as at end of year – treasury – preferred shares and other equity instruments	**29**	**$**	**(4)**	163	$	(18)

[1] On January 31, 2025, the Bank redeemed all of its 20 million outstanding Non-Cumulative 5-Year Rate Reset Class A First Preferred Shares NVCC, Series 5 ("Series 5 Preferred Shares"), at a redemption price of $25.00 per Series 5 Preferred Share, for a total redemption cost of approximately $500 million.

[2] On July 31, 2025, the Bank redeemed all of its 14 million outstanding Non-Cumulative 5-Year Rate Reset Class A First Preferred Shares NVCC, Series 7 ("Series 7 Preferred Shares"), at a redemption price of $25.00 per Series 7 Preferred Share, for a total redemption cost of approximately $350 million.

[3] On October 31, 2025, the Bank redeemed all of its 8 million outstanding Non-Cumulative 5-Year Rate Reset Class A First Preferred Shares NVCC, Series 9 ("Series 9 Preferred Shares"), at a redemption price of $25.00 per Series 9 Preferred Share, for a total redemption cost of approximately $200 million.

[4] For Other Equity Instruments, the number of shares represents the number of notes issued.

[5] For LRCNs – Series 3, 4, and 6, the amount represents the Canadian dollar equivalent of the U.S. dollar notional amount. Refer to "Preferred Shares and Other Equity Instruments – Significant Terms and Conditions" table for further details.

[6] For Perpetual Subordinated Capital Notes (AT1), the amount represents the Canadian dollar equivalent of the Singapore dollar notional amount. Refer to "Preferred Shares and Other Equity Instruments – Significant Terms and Conditions" table for further details.

[7] When the Bank purchases its own equity instruments as part of its trading business, they are classified as treasury instruments and the cost of these instruments is recorded as a reduction in equity.

Preferred Shares and Other Equity Instruments – Significant Terms and Conditions

	Issue date	Annual yield (%)[1]	Dividend frequency[1]	Reset spread (%)[1]	Next redemption/ conversion date[1,2]	Convertible into[1,2]
NVCC Rate Reset Preferred Shares						
Series 1	June 4, 2014	4.970	Quarterly	2.240	October 31, 2029	Series 2
Series 16	July 14, 2017	6.301	Quarterly	3.010	October 31, 2027	Series 17
Series 18	March 14, 2018	5.747	Quarterly	2.700	April 30, 2028	Series 19
Series 27	April 4, 2022	5.750	Semi-annual	3.317	October 31, 2027	–
Series 28	July 25, 2022	7.232	Semi-annual	4.200	October 31, 2027	–

	Issue date	Annual yield (%)	Coupon frequency	Reset spread (%)	Next redemption date	Recourse to Preferred Shares[3]
Other Equity Instruments						
Perpetual Subordinated Capital Notes[4]	July 10, 2024	5.700	Semi-annual	2.652	July 31, 2029	n/a
NVCC Limited Recourse Capital Notes[5]						
Series 1	July 29, 2021	3.600	Semi-annual	2.747	October 31, 2026	Series 26
Series 2	September 14, 2022	7.283	Semi-annual	4.100	October 31, 2027	Series 29
Series 3[6]	October 17, 2022	8.125	Quarterly	4.075	October 31, 2027	Series 30
Series 4[6]	July 3, 2024	7.250	Quarterly	2.977	July 31, 2029	Series 31
Series 5	December 18, 2024	5.909	Quarterly	3.100	January 1, 2030	Series 32
Series 6[6]	September 23, 2025	6.350	Quarterly	2.721	October 31, 2030	Series 33

[1] Non-cumulative preferred dividends for each series are payable as and when declared by the Board of Directors. Unless redeemed, the dividend rate of the Rate Reset Preferred Shares will reset on the next earliest optional redemption/conversion date and every 5 years thereafter to equal the then 5-year Government of Canada bond yield plus the noted reset spread. If converted into a series of floating rate preferred shares, the dividend rate for the quarterly period will be equal to the then 90-day Government of Canada Treasury bill yield plus the noted reset spread unless otherwise stated.

[2] Subject to regulatory consent and unless otherwise stated, preferred shares are redeemable on the next earliest optional redemption date as noted and every 5 years thereafter. Preferred Shares, except Series 27 and Series 28, are convertible into the corresponding series of floating rate preferred shares on the conversion date noted and every 5 years thereafter if not redeemed. If converted, the holders have the option to convert back to the original series of preferred shares every 5 years.

[3] LRCN Preferred Share Series 26, Series 29, and Series 32 were issued at a price of $1,000 per share and LRCN Preferred Share Series 30, Series 31, and Series 33 were issued at a price of US$1,000 per share. The LRCN Preferred Shares are eliminated on the Bank's Consolidated Balance Sheet.

[4] Perpetual Subordinated Capital Notes are denominated in Singapore dollars. Unless redeemed, the interest rate on Perpetual Subordinated Capital Notes will reset on the next interest reset date and every 5 years thereafter to a rate equal to the then prevailing 5-year SORA-OIS Rate plus the noted reset spread.

[5] LRCNs may be redeemed at the option of the Bank, with the prior written approval of OSFI, in whole or in part on prior notice by the Bank as of the earliest redemption date and each optional redemption date thereafter. Unless redeemed or otherwise stated, the interest rate on the LRCNs will reset on the next earliest optional redemption date and every 5 years thereafter at a rate equal to the then 5-year Government of Canada bond yield plus the noted reset spread.

[6] LRCN Series 3, 4, and 6 are denominated in U.S. dollars. Unless redeemed, the interest rate on LRCN Series 3, 4, and 6 will reset on the next interest reset date and every 5 years thereafter to equal the then 5-year U.S. Treasury yield plus the noted reset spread.

NVCC Provision

If an NVCC trigger event were to occur, for all series of Class A First Preferred Shares excluding the preferred shares issued with respect to LRCNs, the maximum number of common shares that could be issued, assuming there are no declared and unpaid dividends on the respective series of preferred shares at the time of conversion, would be 0.6 billion in aggregate.

The LRCNs, by virtue of the recourse to the preferred shares held in the Limited Recourse Trust, include NVCC provisions. For LRCNs, if an NVCC trigger were to occur, the maximum number of common shares that could be issued, assuming there are no declared and unpaid dividends on the preferred shares series issued in connection with such LRCNs, would be 1.7 billion in aggregate.

For NVCC subordinated notes and debentures (including Perpetual Notes), if an NVCC trigger event were to occur, the maximum number of common shares that could be issued, assuming there is no accrued and unpaid interest on the respective subordinated notes and debentures, would be 3.3 billion in aggregate.

DIVIDEND RESTRICTIONS

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

DIVIDENDS

On December 3, 2025, the Board approved a dividend in an amount of one dollar and eight cents ($1.08) per fully paid common share in the capital stock of the Bank for the quarter ending January 31, 2026, payable on and after January 31, 2026, to shareholders of record at the close of business on January 9, 2026.

At October 31, 2025, the quarterly dividend was $1.05 per common share. Common share cash dividends declared and paid during the year totalled $4.20 per share (October 31, 2024 – $4.08), representing a payout ratio of 50%, at the high end of the Bank's target payout range of 40-50% of adjusted earnings. For cash dividends payable on the Bank's preferred shares, refer to Note 19. As at October 31, 2025, 1,689 million common shares were outstanding (October 31, 2024 – 1,750 million).

DIVIDEND REINVESTMENT PLAN

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

During the year ended October 31, 2025, the Bank satisfied the DRIP requirements through common shares issued from treasury with no discount for the first three months and open market common share purchases in the last nine months. During the year ended October 31, 2024, the Bank satisfied the DRIP requirements through common shares issued from treasury with no discount.

NORMAL COURSE ISSUER BID

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

On February 24, 2025, the Bank announced that the TSX and OSFI had approved a normal course issuer bid (2025 NCIB) to purchase for cancellation up to 100 million of its common shares for up to $8 billion. The 2025 NCIB commenced on March 3, 2025 and will end on February 28, 2026, or such earlier date as the Bank may determine. From the commencement of the 2025 NCIB to October 31, 2025, the Bank repurchased 64.6 million shares under the program, at an average price of $94.29 per share for a total amount of $6.1 billion.

NOTE 20: INSURANCE

(a) **INSURANCE SERVICE RESULT**

Insurance revenue and expenses are presented on the Consolidated Statement of Income under Insurance revenue and Insurance service expenses, respectively. Net income or expense from reinsurance is presented in other income (loss). The following table shows components of the insurance service result included in the Consolidated Statement of Income for the Bank which includes the results of property and casualty insurance, life and health insurance, as well as reinsurance issued and held in Canada and internationally.

Insurance Service Result

(millions of Canadian dollars)	*For the year ended*	
	October 31, 2025	October 31, 2024
Insurance revenue	**$ 7,737**	$ 6,952
Insurance service expenses	**6,089**	6,647
Insurance service result before reinsurance contracts held	**1,648**	305
Net income (expense) from reinsurance contracts held	**(172)**	524
Insurance service result	**$ 1,476**	$ 829

Net income (expense) from reinsurance contracts held is comprised of recoveries from reinsurers offset by ceded premiums. For the year ended October 31, 2025, the Bank recognized recoveries from reinsurers of $439 million (October 31, 2024 – $1,054 million) and ceded premiums of $611 million (October 31, 2024 – $530 million). For the year ended October 31, 2025, the Bank recognized insurance finance expenses of $299 million (October 31, 2024 – $443 million) from insurance and reinsurance contracts in other income (loss). The Bank's investment return on securities supporting insurance contracts is comprised of interest income reported in net interest income and fair value changes reported in other income (loss). Investment return on securities supporting insurance contracts was $247 million for the year ended October 31, 2025 (October 31, 2024 – $372 million).

***(b)* INSURANCE CONTRACT LIABILITIES**

Insurance contract liabilities are comprised of amounts related to the LRC, LIC and other insurance liabilities.

The following table presents movements in the property and casualty insurance liabilities.

Property and casualty insurance contract liabilities by LRC and LIC

(millions of Canadian dollars)					*For the year ended October 31, 2025*
	Liabilities for remaining coverage		**Liabilities for incurred claims**		**Total**
	Excluding loss component	**Loss component**	**Estimates of the present value of future cash flows**	**Risk adjustment**	
Insurance contract liabilities at beginning of year	**$ 714**	**$ 101**	**$ 5,989**	**$ 221**	**$ 7,025**
Insurance revenue	**(6,230)**				**(6,230)**
Insurance service expenses:					
Incurred claims and other insurance service expenses	**–**	**(148)**	**4,420**	**70**	**4,342**
Amortization of insurance acquisition cash flows	**864**	**–**	**–**	**–**	**864**
Losses (reversal of losses) on onerous contracts	**–**	**163**	**–**	**–**	**163**
Changes to liabilities for incurred claims	**–**	**–**	**(34)**	**(116)**	**(150)**
Insurance service result	**(5,366)**	**15**	**4,386**	**(46)**	**(1,011)**
Insurance finance expenses	**2**	**–**	**332**	**11**	**345**
Total changes in the Consolidated Statement of Income	**(5,364)**	**15**	**4,718**	**(35)**	**(666)**
Cash flows:					
Premiums received	**6,268**	**–**	**–**	**–**	**6,268**
Claims and other insurance service expenses paid	**–**	**–**	**(4,576)**	**–**	**(4,576)**
Acquisition cash flows paid	**(912)**	**–**	**–**	**–**	**(912)**
Total cash flows	**5,356**	**–**	**(4,576)**	**–**	**780**
Insurance contract liabilities at end of year	**$ 706**	**$ 116**	**$ 6,131**	**$ 186**	**$ 7,139**

Property and casualty insurance contract liabilities by LRC and LIC

(millions of Canadian dollars)					*For the year ended October 31, 2024*
	Liabilities for remaining coverage		**Liabilities for incurred claims**		**Total**
	Excluding loss component	**Loss component**	**Estimates of the present value of future cash flows**	**Risk adjustment**	
Insurance contract liabilities at beginning of year	$ 630	$ 129	$ 4,740	$ 220	$ 5,719
Insurance revenue	(5,506)	–	–	–	(5,506)
Insurance service expenses:					
Incurred claims and other insurance service expenses	–	(145)	5,099	96	5,050
Amortization of insurance acquisition cash flows	803	–	–	–	803
Losses (reversal of losses) on onerous contracts	–	117	–	–	117
Changes to liabilities for incurred claims	–	–	(65)	(114)	(179)
Insurance service result	(4,703)	(28)	5,034	(18)	285
Insurance finance expenses	7	–	479	19	505
Total changes in the Consolidated Statement of Income	(4,696)	(28)	5,513	1	790
Cash flows:					
Premiums received	5,576	–	–	–	5,576
Claims and other insurance service expenses paid	–	–	(4,264)	–	(4,264)
Acquisition cash flows paid	(796)	–	–	–	(796)
Total cash flows	4,780	–	(4,264)	–	516
Insurance contract liabilities at end of year	$ 714	$ 101	$ 5,989	$ 221	$ 7,025

Other insurance contract liabilities were $139 million as at October 31, 2025 (October 31, 2024 – $144 million) and include life and health insurance contract liabilities of $113 million (October 31, 2024 – $121 million).

(c) PROPERTY AND CASUALTY CLAIMS DEVELOPMENT

The following table shows the estimates of the insurance liabilities for incurred claims net of reinsurance assets for incurred claims (net LIC) with subsequent developments during the periods and cumulative payments to date. The original estimates are evaluated monthly for redundancy or deficiency. The evaluation is based on actual payments in full or partial settlement of claims and current estimates of the net LIC related to claims still open or claims still unreported.

Incurred Claims by Accident Year

(millions of Canadian dollars)										Accident Year	
	2016 and prior	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Net ultimate claims cost at end of accident year	$ 6,645	$ 2,425	$ 2,631	$ 2,727	$ 2,646	$ 2,529	$ 3,242	$ 3,830	$ 4,478	$ 4,397	
Revised estimates											
One year later	6,327	2,307	2,615	2,684	2,499	2,367	3,182	4,039	4,515		
Two years later	5,990	2,258	2,573	2,654	2,412	2,278	3,167	3,994			
Three years later	5,647	2,201	2,522	2,575	2,278	2,225	3,165				
Four years later	5,440	2,151	2,465	2,489	2,230	2,211					
Five years later	5,377	2,108	2,408	2,474	2,224						
Six years later	5,315	2,086	2,396	2,471							
Seven years later	5,281	2,078	2,399								
Eight years later	5,267	2,078									
Nine years later	5,266										
Current estimates of cumulative net claims	5,266	2,078	2,399	2,471	2,224	2,211	3,165	3,994	4,515	4,397	
Cumulative net claims paid to date	(5,115)	(2,033)	(2,309)	(2,335)	(2,059)	(1,961)	(2,662)	(3,057)	(3,010)	(2,178)	
Net undiscounted provision for unpaid claims	151	45	90	136	165	250	503	937	1,505	2,219	$ 6,001
Effect of discounting											(517)
Effect of risk adjustment for non-financial risk											167
Net liabilities for incurred claims											$ 5,651
Insurance liabilities for incurred claims											6,317
Reinsurance assets for incurred claims											(666)

(d) RISK ADJUSTMENT FOR NON-FINANCIAL RISK AND DISCOUNTING

The risk adjustment reflects an amount that an insurer would reasonably pay to remove the uncertainty that future cash flows will exceed the expected value amount. The Bank has estimated the risk adjustment for its property and casualty operations' LIC using statistical techniques in accordance with Canadian accepted actuarial principles to develop potential future observations and a confidence level range of 75th to 85th percentile.

Insurance contract liabilities are calculated by discounting expected future cash flows. The interest rates used to discount the Bank's insurance balances over a duration of 1 to 10 years range from 2.8% to 4.1% as at October 31, 2025 (October 31, 2024 – 3.8% to 4.5%).

(e) SENSITIVITY TO INSURANCE RISK

A variety of assumptions are made related to the future level of claims, policyholder behaviour, expenses and sales levels when products are designed and priced, as well as when actuarial liabilities are determined. Such assumptions require a significant amount of professional judgment. The LIC is sensitive to certain assumptions. It has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process. Actual experience may differ from the assumptions made by the Bank.

For property and casualty insurance, the main assumption underlying the LIC is that past claims development experience can be used to project future claims development and hence ultimate claims costs. As such, these methods extrapolate the development of paid and incurred losses, average costs per claim, and claim numbers based on the observed development of earlier years and expected loss ratios. Net LIC estimates are based on various quantitative and qualitative factors including the discount rate, the risk adjustment, reinsurance, trends in claims severity and frequency, and other external drivers.

Qualitative and other unforeseen factors could negatively impact the Bank's ability to accurately assess the risk of the insurance policies that the Bank underwrites. In addition, there may be significant lags between the occurrence of an insured event and the time it is actually reported to the Bank and additional lags between the time of reporting and final settlements of claims.

The following table outlines the sensitivity of the Bank's property and casualty LIC to reasonably possible movements in the discount rate, risk adjustment, and the frequency and severity of claims, with all other assumptions held constant. Movements in the assumptions may be non-linear.

Sensitivity of Critical Assumptions – Property and Casualty Insurance

(millions of Canadian dollars)				*As at*
	October 31, 2025		October 31, 2024	
	Impact on net income (loss) before income taxes	**Impact on equity**	Impact on net income (loss) before income taxes	Impact on equity
Impact of a 1% change				
Discount rate				
Increase in assumption	**$ 135**	**$ 100**	$ 121	$ 90
Decrease in assumption	**(143)**	**(107)**	(129)	(95)
Impact of a 5% change				
Frequency of claims				
Increase in assumption	**$ (202)**	**$ (150)**	$ (182)	$ (135)
Decrease in assumption	**202**	**150**	182	135
Severity of claims				
Increase in assumption	**(289)**	**(215)**	(288)	(213)
Decrease in assumption	**289**	**215**	288	213
Risk adjustment				
Increase in assumption	**(39)**	**(29)**	(52)	(38)
Decrease in assumption	**34**	**25**	40	29

For life and health insurance, the processes used to determine critical assumptions are as follows:

- Mortality, morbidity, and lapse assumptions are based on industry and historical company data; and
- Expense assumptions are based on the annual expense study.

Sensitivity analysis was performed on these critical assumptions for the life and health insurance business and impacts were deemed not significant to the Bank's Consolidated Financial Statements.

(*f*) CONCENTRATION OF INSURANCE RISK

Concentration risk is the risk resulting from large exposures to similar risks that are positively correlated.

Risk associated with automobile, residential and other products may vary in relation to the geographical area of the risk insured. Exposure to concentrations of insurance risk, by type of risk, is mitigated by ceding these risks through reinsurance contracts, as well as careful selection and implementation of underwriting strategies, which is in turn largely achieved through diversification by line of business and geographical areas. For automobile insurance, legislation is in place at a provincial level and this creates differences in risk selection and underwriting strategies among the different provinces.

As at October 31, 2025, for the property and casualty insurance business, 64.3% of insurance revenue was mainly derived from automobile policies (October 31, 2024 – 65.5%) followed by residential with 35.3% (October 31, 2024 – 34.3%). The distribution by provinces show that business is mostly concentrated in Ontario with 51.4% of insurance revenue (October 31, 2024 – 50.5%). The Western provinces represented 31.0% (October 31, 2024 – 31.9%), followed by the Atlantic provinces with 10.5% (October 31, 2024 – 10.6%), and Québec at 6.7% (October 31, 2024 – 6.8%).

Concentration risk is not a major concern for the life and health insurance business as it does not have a material level of regional specific characteristics like those exhibited in the property and casualty insurance business. Reinsurance is used to limit the liability on a single claim and from a single weather-related event. Concentration risk is further limited by diversification across uncorrelated risks. This limits the impact of a regional pandemic and other concentration risks. To improve understanding of exposure to this risk, a pandemic scenario is tested annually.

NOTE 21: SHARE-BASED COMPENSATION

STOCK OPTION PLAN

The Bank maintains a stock option program for certain key employees. Options on common shares are granted to eligible employees of the Bank under the plan for terms of ten years and vest over a four-year period. These options provide holders with the right to purchase common shares of the Bank at a fixed price equal to the closing market price of the shares on the TSX on the day prior to the date the options were issued. The outstanding options expire on various dates to December 12, 2034. The following table summarizes the Bank's stock option activity and related information, adjusted to reflect the impact of the 2014 stock dividend on a retrospective basis, for the years ended October 31, 2025 and October 31, 2024.

Stock Option Activity

(millions of shares and Canadian dollars)		**2025**		2024
	Number of shares	**Weighted-average exercise price**	Number of shares	Weighted-average exercise price
Number outstanding, beginning of year	**14.7**	**$ 79.17**	14.1	$ 76.58
Granted	**2.0**	**75.76**	2.6	81.78
Exercised	**(2.3)**	**65.99**	(1.7)	60.07
Forfeited/expired	**(0.2)**	**85.29**	(0.3)	85.36
Number outstanding, end of year	**14.2**	**$ 80.65**	14.7	$ 79.17
Exercisable, end of year	**5.2**	**$ 70.94**	5.4	$ 68.51
Available for grant	**3.4**		5.1	

The weighted-average share price for the options exercised in 2025 was $93.40 (2024 – $80.57).

The following table summarizes information relating to stock options outstanding and exercisable as at October 31, 2025.

Range of Exercise Prices

(millions of shares and Canadian dollars)	Options outstanding			Options exercisable	
	Number of shares outstanding	**Weighted-average remaining contractual life (years)**	**Weighted-average exercise price**	**Number of shares exercisable**	**Weighted-average exercise price**
$53.15-$69.39	**1.7**	**2.3**	**68.07**	**1.7**	**68.07**
$71.88-$72.64	**2.2**	**4.0**	**72.13**	**2.2**	**72.13**
$72.84-$81.78	**5.6**	**7.5**	**77.67**	**1.3**	**72.84**
$90.55	**2.4**	**7.0**	**90.55**	**–**	**–**
$95.33	**2.3**	**6.0**	**95.33**	**–**	**–**

For the year ended October 31, 2025, the Bank recognized compensation expense for stock option awards of $22.9 million (October 31, 2024 – $34.2 million). For the year ended October 31, 2025, 2.0 million (October 31, 2024 – 2.6 million) options were granted by the Bank at a weighted-average fair value of $12.80 per option (2024 – $14.36 per option) estimated using a binomial tree-based valuation option pricing model.

The following table summarizes the assumptions used for estimating the fair value of options for the years ended October 31, 2025 and October 31, 2024.

Assumptions Used for Estimating the Fair Value of Options

(in Canadian dollars, except as noted)	**2025**	2024
Risk-free interest rate	**3.08 %**	3.41 %
Option contractual life	**10 years**	10 years
Expected volatility	**19.47 %**	18.92 %
Expected dividend yield	**3.94 %**	3.78 %
Exercise price/share price	**$ 75.76**	$ 81.78

The risk-free interest rate is based on Government of Canada benchmark bond yields as at the grant date. Expected volatility is calculated based on the historical average daily volatility and expected dividend yield is based on dividend payouts in the last fiscal year. These assumptions are measured over a period corresponding to the option contractual life.

OTHER SHARE-BASED COMPENSATION PLANS

The Bank operates restricted share unit and performance share unit plans which are offered to certain employees of the Bank. Under these plans, participants are awarded share units equivalent to the Bank's common shares that generally vest over three years. During the vesting period, dividend equivalents accrue to the participants in the form of additional share units. At the maturity date, the participant receives cash representing the value of the share units. The final number of performance share units will typically vary from 80% to 120% of the number of units outstanding at maturity (consisting of initial units awarded plus additional units in lieu of dividends) based on the Bank's total shareholder return relative to the average of a peer group of large Canadian financial institutions. For the year ended October 31, 2025, the Bank awarded 12.9 million of such share units at a weighted-average price of $76.19 (2024 – 9.9 million units at a weighted-average price of $81.54). The number of such share units outstanding under these plans as at October 31, 2025 was 32.2 million (October 31, 2024 – 27.9 million).

The Bank also offers deferred share unit plans to eligible employees and non-employee directors. Under these plans, a portion of the participant's annual incentive award may be deferred, or in the case of non-employee directors, a portion of their annual compensation may be delivered as share units equivalent to the Bank's common shares. The deferred share units are not redeemable by the participant until termination of employment or directorship. Once these conditions are met, the deferred share units must be redeemed for cash no later than the end of the next calendar year. Dividend equivalents accrue to the participants in the form of additional units. For the year ended October 31, 2025, the Bank awarded 0.2 million deferred share units at a weighted-average price of $79.30 (2024 – 0.2 million units at a weighted-average price of $81.57). As at October 31, 2025, 5.9 million deferred share units were outstanding (October 31, 2024 – 6.6 million).

Compensation expense for these plans is recorded in the year the incentive award is earned by the plan participant. Changes in the value of these plans are recorded, net of the effects of related hedges, on the Consolidated Statement of Income. For the year ended October 31, 2025, the Bank recognized compensation expense, net of the effects of hedges, for these plans of $1,043 million (2024 – $970 million). The compensation expense recognized before the effects of hedges was $2,390 million (2024 – $903 million). The carrying amount of the liability relating to these plans, based on the closing share price, was $4.4 billion at October 31, 2025 (October 31, 2024 – $2.7 billion), and is reported in Other liabilities on the Consolidated Balance Sheet.

EMPLOYEE OWNERSHIP PLAN

The Bank also operates a share purchase plan available to Canadian employees. Employees can contribute up to 10% of their annual eligible earnings (net of source deductions) to the Employee Ownership Plan. For participating employees below the level of Vice President, the Bank matches 100% of the first $250 of employee contributions each year and the remainder of employee contributions at 50% to an overall maximum of 3.5% of the employee's eligible earnings or $2,250, whichever comes first. The Bank's contributions vest once an employee has completed two years of continuous service with the Bank. For the year ended October 31, 2025, the Bank's contributions totalled $93 million (2024 – $91 million) and were expensed as salaries and employee benefits. As at October 31, 2025, an aggregate of 23 million (October 31, 2024 – 24 million) common shares were held under the Employee Ownership Plan. The shares in the Employee Ownership Plan are purchased in the open market and are considered outstanding for computing the Bank's basic and diluted earnings per share. Dividends earned on the Bank's common shares held by the Employee Ownership Plan are used to purchase additional common shares for the Employee Ownership Plan in the open market.

NOTE 22: EMPLOYEE BENEFITS

PENSION AND OTHER POST-RETIREMENT BENEFIT PLANS

The Bank sponsors a number of pension and post-retirement benefit plans for current eligible and former employees. Pension arrangements include defined benefit pension plans, defined contribution pension plans and supplementary arrangements that provide pension benefits in excess of statutory limits. The Bank also provides certain post-retirement benefits.

The Bank's principal defined benefit pension plans, consisting of The Pension Fund Society of The Toronto-Dominion Bank (the "Society") and the defined benefit portion of the TD Pension Plan (Canada) (the "TDPP DB"), are for eligible Canadian Bank employees who elected to join the Society or the TDPP DB. The Society was closed to new members on January 30, 2009, and the TDPP DB commenced on March 1, 2009. Effective December 31, 2018, the TDPP DB was closed to new employees hired after that date. All new permanent employees hired in Canada on or after January 1, 2019 are eligible to join the defined contribution portion of the TDPP (the "TDPP DC") after one year of service. Benefits under the principal defined benefit pension plans are determined based upon the period of plan participation and the average salary of the member in the best consecutive five years in the last ten years of combined plan membership. Benefits under the TDPP DC are funded from the balance of the accumulated contributions of the member and the Bank plus the member's investment earnings. Annual expense for the TDPP DC is equal to the Bank's contributions to the plan.

Funding for the Bank's principal defined benefit pension plans is provided by contributions from the Bank and members of the plans through a separate trust. In accordance with legislation, the Bank contributes amounts, as determined on an actuarial basis, to the plans and has the ultimate responsibility for ensuring that the liabilities of the plans are adequately funded over time. Any deficits determined in the funding valuations must generally be funded over a period not exceeding fifteen years. The Bank's funding policy is to make at least the minimum annual contributions required by legislation. Any contributions in excess of the minimum requirements are discretionary. The principal defined benefit pension plans are registered with OSFI and the Canada Revenue Agency and are subject to the acts and regulations that govern federally regulated pension plans. The 2025 and 2024 contributions were made in accordance with the actuarial valuation reports for funding purposes as at October 31, 2024 and October 31, 2023, respectively. Valuations for funding purposes are being prepared as of October 31, 2025.

Post-retirement defined benefit plans are unfunded and, where offered, generally include health care and dental benefits or, to assist with the cost, a benefits subsidy to be used to reduce the cost of coverage. Employees must meet certain age and service requirements to be eligible for post-retirement benefits and are generally required to pay a portion of the cost of the benefits. Effective June 1, 2017, the Bank's principal post-retirement defined benefit plan, covering eligible Canadian employees, was closed to new employees hired on or after that date.

(a) INVESTMENT STRATEGY AND ASSET ALLOCATION

The principal defined benefit pension plans are expected to each achieve a rate of return that meets or exceeds the change in value of the plan's respective liabilities over rolling five-year periods. The investments are managed with the primary objective of providing reasonable rates of return, consistent with available market opportunities, economic conditions, consideration of plan liabilities, prudent portfolio management, and the target risk profiles for the plans.

The asset allocations by asset category for the principal defined benefit pension plans are as follows:

Plan Asset Allocation

(millions of Canadian dollars except as noted)	Society[1]				TDPP DB[1]			
	Target range	% of total	Fair value Quoted	Fair value Unquoted	Target range	% of total	Fair value Quoted	Fair value Unquoted
As at October 31, 2025								
Debt	**60-90 %**	**71 %**	**$ –**	**$ 4,172**	**55-75 %**	**65 %**	**$ –**	**$ 2,245**
Equity	**0-21**	**7**	**124**	**297**	**0-30**	**9**	**65**	**238**
Alternative investments[2]	**0-29**	**22**	**–**	**1,312**	**5-38**	**26**	**–**	**894**
Other[3]	**n/a**	**n/a**	**–**	**218**	**n/a**	**n/a**	**–**	**307**
Total		**100 %**	**$ 124**	**$ 5,999**		**100 %**	**$ 65**	**$ 3,684**
As at October 31, 2024								
Debt	60-90 %	71 %	$ –	$ 4,245	55-75 %	67 %	$ –	$ 2,106
Equity	0-21	5	104	194	0-30	5	54	106
Alternative investments[2]	0-29	24	–	1,458	5-38	28	–	877
Other[3]	n/a	n/a	–	86	n/a	n/a	–	188
Total		100 %	$ 104	$ 5,983		100 %	$ 54	$ 3,277

[1] The principal defined benefit pension plans invest in investment vehicles which may hold shares or debt issued by the Bank.
[2] The principal defined benefit pension plans' alternative investments are primarily private equity, infrastructure, and real estate funds.
[3] Consists mainly of amounts due to and due from brokers for securities traded but not yet settled, bond repurchase agreements, interest and dividends receivable, and Pension Enhancement Account assets, which are invested at the members' discretion in certain mutual and pooled funds.

Public debt instruments of the Bank's principal defined benefit pension plans must meet or exceed a credit rating of BBB – at the time of purchase.

The equity portfolios of the principal defined benefit pension plans are broadly diversified primarily across small to large capitalization quality companies with no individual holding exceeding 10% of the equity portfolio or 10% of the outstanding shares of any one company. Foreign equities are included to further diversify the portfolio. A maximum of 10% of the equity portfolio can be invested in emerging market equities.

Derivatives can be utilized by the principal defined benefit pension plans provided they are not used to create financial leverage, unless the financial leverage is for risk management purposes. The principal defined benefit pension plans are permitted to invest in alternative investments, such as private equity, infrastructure equity, and real estate.

(b) **RISK MANAGEMENT PRACTICES**

The Bank's principal defined benefit pension plans are overseen by a single retirement governance structure established by the Human Resources Committee of the Bank's Board of Directors. The governance structure utilizes retirement governance committees who have responsibility to oversee plan operations and investments, acting in a fiduciary capacity. Strategic, material plan changes require the approval of the Bank's Board of Directors.

The principal defined benefit pension plans' investments include financial instruments which are exposed to various risks. These risks include market risk (including foreign currency, interest rate, inflation, equity price, and credit spread risks), credit risk, and liquidity risk. Key material risks faced by defined benefit plans are a decline in interest rates or credit spreads, which could increase the present value of the projected benefit obligation by more than the change in the value of plan assets, and from longevity risk (that is, lower mortality rates).

Asset-liability matching strategies are employed to focus on obtaining an appropriate balance between earning an adequate return and having changes in liability values hedged by changes in asset values.

The principal defined benefit pension plans manage these financial risks in accordance with the *Pension Benefits Standards Act, 1985*, applicable regulations, as well as the plans' written investment policies. Specific risk management practices monitored for the principal defined benefit pension plans include performance, credit exposure, and asset mix.

(c) **OTHER SIGNIFICANT PENSION AND POST-RETIREMENT BENEFIT PLANS**

Canada Trust (CT) Pension Plan

As a result of the acquisition of CT Financial Services Inc., the Bank sponsors a defined benefit pension plan, which is closed to new members, but for which active members continue to accrue benefits. Funding for the plan is provided by contributions from the Bank and members of the plan.

TD Insurance Pension Plan

As a result of the acquisition of Meloche Monnex Inc., the Bank sponsors a defined benefit pension plan, which is closed to new members, but for which active members continue to accrue benefits. Funding for the plan is provided by contributions from the Bank.

TD Bank, N.A. Retirement Plans

TD Bank, N.A. and its subsidiaries maintain a defined contribution 401(k) plan covering all employees. Annual expense is equal to the Bank's contributions to the plan. TD Bank, N.A. also has frozen defined benefit pension plans covering certain legacy TD Banknorth and TD Auto Finance (legacy Chrysler Financial) employees.

Government Pension Plans

The Bank also makes contributions to government pension plans, including the Canada Pension Plan, Quebec Pension Plan and Social Security under the *U.S. Federal Insurance Contributions Act.*

(d) **DEFINED CONTRIBUTION PLAN EXPENSE**

The following table summarizes expenses for the Bank's defined contribution plans.

Defined Contribution Plan Expenses

(millions of Canadian dollars)	*For the years ended October 31*	
	2025	2024
Defined contribution pension plans[1]	**$ 362**	$ 310
Government pension plans[2]	**597**	533
Total	**$ 959**	$ 843

[1] Includes the TDPP DC and the TD Bank, N.A. defined contribution 401(k) plan.

[2] Includes Canada Pension Plan, Quebec Pension Plan, and Social Security under the U.S. *Federal Insurance Contributions Act*.

(e) DEFINED BENEFIT PLAN FINANCIAL INFORMATION

The following table presents the financial position of the Bank's principal pension and post-retirement defined benefit plans and the Bank's other material defined benefit pension plans for the years ended October 31, 2025 and October 31, 2024. Other employee defined benefit plans operated by the Bank and certain of its subsidiaries are not considered material for disclosure purposes.

Employee Defined Benefit Plans' Obligations, Assets, Funded Status, and Expense

(millions of Canadian dollars, except as noted)	Principal pension plans		Principal post-retirement benefit plan[1]		Other pension plans[2]	
	2025	2024	**2025**	2024	**2025**	2024
Change in projected benefit obligation						
Projected benefit obligation at beginning of year	**$ 8,470**	$ 6,833	**$ 397**	$ 352	**$ 2,500**	$ 2,264
Service cost – benefits earned	**276**	217	**6**	5	**19**	15
Interest cost on projected benefit obligation	**374**	381	**17**	20	**116**	128
Remeasurement (gain) loss – financial	**(15)**	1,155	**5**	40	**16**	220
Remeasurement (gain) loss – demographic	**–**	–	**–**	–	**(14)**	(1)
Remeasurement (gain) loss – experience	**107**	92	**(1)**	–	**(29)**	20
Members' contributions	**109**	112	**–**	–	**–**	–
Benefits paid	**(400)**	(355)	**(19)**	(20)	**(161)**	(149)
Change in foreign currency exchange rate	**–**	–	**–**	–	**10**	3
Past service cost[3]	**–**	35	**–**	–	**2**	–
Projected benefit obligation as at October 31	**8,921**	8,470	**405**	397	**2,459**	2,500
Wholly or partially funded projected benefit obligation	**8,921**	8,470		–	**1,858**	1,898
Unfunded projected benefit obligation	**–**	–	**405**	397	**601**	602
Total projected benefit obligation as at October 31	**8,921**	8,470	**405**	397	**2,459**	2,500
Change in plan assets						
Plan assets at fair value at beginning of year	**9,418**	8,220	**–**	–	**2,000**	1,816
Interest income on plan assets	**425**	464	**–**	–	**94**	102
Remeasurement gain (loss) – return on plan assets less interest income	**41**	988	**–**	–	**38**	177
Members' contributions	**109**	112	**–**	–	**–**	–
Employer's contributions	**289**	–	**19**	20	**69**	56
Benefits paid	**(400)**	(355)	**(19)**	(20)	**(161)**	(149)
Change in foreign currency exchange rate	**–**	–	**–**	–	**10**	3
Defined benefit administrative expenses	**(10)**	(11)	**–**	–	**(4)**	(5)
Plan assets at fair value as at October 31	**9,872**	9,418	**–**	–	**2,046**	2,000
Excess (deficit) of plan assets at fair value over projected benefit obligation	**951**	948	**(405)**	(397)	**(413)**	(500)
Effect of asset limitation and minimum funding requirement	**–**	–	**–**	–	**(26)**	(21)
Net defined benefit asset (liability)	**951**	948	**(405)**	(397)	**(439)**	(521)
Recorded in						
Other assets in the Bank's Consolidated Balance Sheet	**951**	948	**–**	–	**160**	94
Other liabilities in the Bank's Consolidated Balance Sheet	**–**	–	**(405)**	(397)	**(599)**	(615)
Net defined benefit asset (liability)	**951**	948	**(405)**	(397)	**(439)**	(521)
Annual expense						
Net employee benefits expense includes the following:						
Service cost – benefits earned	**276**	217	**6**	5	**19**	15
Net interest cost (income) on net defined benefit liability (asset)	**(51)**	(83)	**17**	20	**22**	26
Interest cost on asset limitation and minimum funding requirement	**–**	11	**–**	–	**1**	3
Past service cost[3]	**–**	35	**–**	–	**2**	–
Defined benefit administrative expenses	**11**	9	**–**	–	**4**	5
Total	**$ 236**	$ 189	**$ 23**	$ 25	**$ 48**	$ 49
Actuarial assumptions used to determine the annual expense						
Weighted-average discount rate for projected benefit obligation	**4.83 %**	5.66 %	**4.80 %**	5.71 %	**5.06 %**	5.95 %
Weighted-average rate of compensation increase	**2.78 %**	2.78 %	**3.00 %**	3.05 %	**1.37 %**	1.35 %
Assumed life expectancy at age 65, in years						
Male aged 65	**23.2**	23.2	**23.2**	23.2	**21.9**	21.9
Female aged 65	**24.3**	24.3	**24.3**	24.3	**23.5**	23.4
Male aged 45	**24.1**	24.1	**24.1**	24.1	**22.7**	22.6
Female aged 45	**25.2**	25.2	**25.2**	25.2	**24.3**	24.3
Actuarial assumptions used to determine the projected benefit obligation as at October 31						
Weighted-average discount rate for projected benefit obligation	**4.80 %**	4.83 %	**4.70 %**	4.80 %	**4.97 %**	5.06 %
Weighted-average rate of compensation increase	**2.79 %**	2.78 %	**3.00 %**	3.00 %	**1.39 %**	1.37 %
Assumed life expectancy at age 65, in years						
Male aged 65	**23.3**	23.2	**23.3**	23.2	**22.0**	21.9
Female aged 65	**24.4**	24.3	**24.4**	24.3	**23.6**	23.5
Male aged 45	**24.2**	24.1	**24.2**	24.1	**22.7**	22.7
Female aged 45	**25.3**	25.2	**25.3**	25.2	**24.4**	24.3

[1] The rate of increase for health care costs for the next year used to measure the expected cost of benefits covered for the principal post-retirement defined benefit plan is 2.46%. The rate is assumed to decrease gradually to 0.89% by the year 2040 and remain at that level thereafter (2024 – 2.59% grading to 0.89% by the year 2040 and remain at that level thereafter).

[2] Includes Canada Trust defined benefit pension plan, TD Banknorth defined benefit pension plan, TD Auto Finance defined benefit pension plan, TD Insurance defined benefit pension plan, and supplemental executive defined benefit pension plans.

[3] Relates to the Pension Fund Society that was modified in fiscal 2024.

The Bank recognized the following amounts on the Consolidated Balance Sheet.

Amounts Recognized in the Consolidated Balance Sheet

(millions of Canadian dollars)		
	As at	
	October 31 2025	October 31 2024
Other assets		
Principal defined benefit pension plans	**$ 951**	$ 948
Other defined benefit pension plans	**160**	94
Total	**1,111**	1,042
Other liabilities		
Principal post-retirement defined benefit plan	**405**	397
Other defined benefit pension plans	**599**	615
Other employee benefit plans[1]	**368**	368
Total	**1,372**	1,380
Net amount recognized	**$ (261)**	$ (338)

[1] Consists of other pension and other post-retirement benefit plans operated by the Bank and its subsidiaries that are not considered material for disclosure purposes.

The following table summarizes the remeasurements recognized in OCI for the Bank's principal pension and post-retirement defined benefit plans and certain of the Bank's other material defined benefit pension plans.

Amounts Recognized in Other Comprehensive Income for Remeasurement of Defined Benefit Plans[1,2]

(millions of Canadian dollars)	**Principal pension plans**		**Principal post-retirement benefit plan**		**Other pension plans**	
	For the years ended October 31					
	2025	2024	**2025**	2024	**2025**	2024
Remeasurement gains (losses) – financial	**$ 15**	$ (1,155)	**$ (5)**	$ (40)	**$ (16)**	$ (220)
Remeasurement gains (losses) – demographic	**–**	–	**–**	–	**14**	1
Remeasurement gains (losses) – experience	**(107)**	(92)	**1**	–	**29**	(20)
Remeasurement gains (losses) – return on plan assets less interest income	**42**	986	**–**	–	**38**	177
Changes in asset limitation and minimum funding requirement	**–**	206	**–**	–	**(4)**	35
Total	**$ (50)**	$ (55)	**$ (4)**	$ (40)	**$ 61**	$ (27)

[1] Amounts are presented on a pre-tax basis.

[2] Excludes net remeasurement gains (losses) recognized in OCI in respect of other employee defined benefit plans operated by the Bank and certain of its subsidiaries not considered material for disclosure purposes totalling $15 million (2024 – ($29) million).

(f) CASH FLOWS

During the year ended October 31, 2026, the Bank expects to contribute $190 million to its principal defined benefit pension plans, $22 million to its principal post-retirement defined benefit plan, and $61 million to its other defined benefit pension plans. Future contribution amounts may change upon the Bank's review of its contribution levels during the year.

The following table summarizes the expected future benefit payments for the next 10 years.

Expected Future Benefit Payments

(millions of Canadian dollars)	**Principal pension plans**	**Principal post-retirement benefit plan**	**Other pension**
Benefit payments expected to be paid in:			
2026	**$ 435**	**$ 22**	**$ 165**
2027	**458**	**23**	**167**
2028	**484**	**24**	**168**
2029	**506**	**24**	**169**
2030	**527**	**25**	**170**
2031-2035	**2,918**	**134**	**830**
Total	**$ 5,328**	**$ 252**	**$ 1,669**

(g) MATURITY PROFILE

The breakdown of the projected benefit obligations between active, deferred, and retired members is as follows:

Disaggregation of Projected Benefit Obligation

(millions of Canadian dollars)	**Principal pension plans**		**Principal post-retirement benefit plan**		**Other pension plans**	
	As at October 31					
	2025	2024	**2025**	2024	**2025**	2024
Active members	**$ 5,956**	$ 5,722	**$ 170**	$ 163	**$ 472**	$ 488
Deferred members	**633**	543	**–**	–	**456**	373
Retired members	**2,332**	2,205	**235**	234	**1,531**	1,639
Total	**$ 8,921**	$ 8,470	**$ 405**	$ 397	**$ 2,459**	$ 2,500

The weighted-average duration of the projected benefit obligations is as follows:

Duration of Projected Benefit Obligation

(number of years)	**Principal pension plans**		**Principal post-retirement benefit plan**		**Other pension plans**	
						As at October 31
	2025	2024	**2025**	2024	**2025**	2024
Weighted-average duration	**13**	14	**13**	13	**11**	11

(h) SENSITIVITY ANALYSIS

The following table provides the sensitivity of the projected benefit obligation for the Bank's principal defined benefit pension plans, the principal post-retirement defined benefit plan, and the Bank's significant other defined benefit pension plans to actuarial assumptions considered significant by the Bank. These include discount rate, rates of compensation increase, life expectancy, and health care cost initial trend rates, as applicable. The sensitivity analysis provided in the table should be used with caution, as it is hypothetical and the impact of changes in each significant assumption may not be linear. For each sensitivity test, the impact of a reasonably possible change in a single factor is shown with other assumptions left unchanged. Actual experience may result in simultaneous changes in a number of key assumptions, which could magnify or diminish certain sensitivities.

Sensitivity of Significant Defined Benefit Plan Actuarial Assumptions

(millions of Canadian dollars, except as noted)			*As at*
			October 31, 2025
			Obligation Increase (Decrease)
	Principal pension plans	**Principal post-retirement benefit plan**	**Other pension plans**
Impact of an absolute change in significant actuarial assumptions			
Discount rate			
1% decrease in assumption	**$ 1,280**	**$ 53**	**$ 286**
1% increase in assumption	**(1,017)**	**(43)**	**(237)**
Rates of compensation increase			
1% decrease in assumption	**(240)**	**–**[1]	**(23)**
1% increase in assumption	**213**	**–**[1]	**28**
Life expectancy			
1 year decrease in assumption	**(157)**	**(11)**	**(76)**
1 year increase in assumption	**152**	**11**	**75**
Health care cost initial trend rate			
1% decrease in assumption	**n/a**	**(7)**	**n/a**
1% increase in assumption	**n/a**	**8**	**n/a**

[1] An absolute change in this assumption is immaterial.

NOTE 23: INCOME TAXES

The provision for (recovery of) income taxes is comprised of the following:

Provision for (Recovery of) Income Taxes

(millions of Canadian dollars)	*For the years ended October 31*	
	2025	2024
Provision for (recovery of) income taxes – Consolidated Statement of Income		
Current income taxes		
Provision for (recovery of) income taxes for the current period	**$ 4,281**	$ 3,956
Adjustments in respect of prior years and other	**(107)**	(204)
Total current income taxes	**4,174**	3,752
Deferred income taxes		
Provision for (recovery of) deferred income taxes related to the origination and reversal of temporary differences	**(778)**	(1,254)
Effect of changes in tax rates	**(45)**	(13)
Adjustments in respect of prior years and other	**59**	206
Total deferred income taxes	**(764)**	(1,061)
Total provision for (recovery of) income taxes – Consolidated Statement of Income	**3,410**	2,691
Provision for (recovery of) income taxes – Statement of Other Comprehensive Income		
Current income taxes	**628**	767
Deferred income taxes	**323**	183
Total provision for (recovery of) income taxes – Statement of Other Comprehensive Income	**951**	950
Income taxes – other items including business combinations and other adjustments		
Current income taxes	**(134)**	(38)
Deferred income taxes	**(7)**	(12)
	(141)	(50)
Total provision for (recovery of) income taxes	**4,220**	3,591
Current income taxes		
Federal	**2,078**	1,712
Provincial	**1,454**	1,221
Foreign	**1,136**	1,548
	4,668	4,481
Deferred income taxes		
Federal	**(162)**	92
Provincial	**(132)**	54
Foreign	**(154)**	(1,036)
	(448)	(890)
Total provision for (recovery of) income taxes	**$ 4,220**	$ 3,591

The Bank's statutory and effective tax rate is outlined in the following table.

Reconciliation to Statutory Income Tax Rate

(millions of Canadian dollars, except as noted)	**2025**		2024	
Income taxes at Canadian statutory income tax rate	**$ 6,572**	**27.8 %**	$ 3,009	27.8 %
Increase (decrease) resulting from:				
Dividends received	**(13)**	**(0.1)**	(28)	(0.3)
Rate differentials on international operations[1]	**(3,037)**	**(12.8)**	(270)	(2.5)
Other – net	**(112)**	**(0.5)**	(20)	(0.2)
Provision for income taxes and effective income tax rate	**$ 3,410**	**14.4 %**	$ 2,691	24.8 %

[1] The 2025 amount includes the Pillar Two Global Minimum Tax impact to provision for income taxes as discussed in the International Tax Reform – Pillar Two Global Minimum Tax section below.

International Tax Reform – Pillar Two Global Minimum Tax

On December 20, 2021, the OECD published Pillar Two model rules as part of its efforts toward international tax reform. The Pillar Two model rules provide for the implementation of a 15% global minimum tax for large multinational enterprises, which is to be applied on a jurisdiction-by-jurisdiction basis. Pillar Two legislation was enacted in Canada on June 20, 2024 under Bill C-69, which includes the *Global Minimum Tax Act* addressing the Pillar Two model rules. Similar legislation has passed in other jurisdictions in which the Bank operates and will result in additional taxes being paid in these countries. The rules were effective and implemented by the Bank on November 1, 2024. The IASB previously issued amendments to IAS 12 *Income Taxes* for a temporary mandatory exception from the recognition and disclosure of deferred taxes related to the implementation of Pillar Two model rules, which the Bank has applied. For the year ended October 31, 2025, the Bank's effective tax rate increased by approximately 0.3% due to Pillar Two taxes.

Other Tax Matters

The Canada Revenue Agency (CRA), Revenu Québec Agency (RQA) and Alberta Tax and Revenue Administration (ATRA) are denying certain dividend and interest deductions claimed by the Bank. During the year ended October 31, 2025, the CRA and the ATRA reassessed the Bank for a total of $15 million of additional income tax and interest in respect of the 2019 and 2020 taxation years. As at October 31, 2025, the CRA has reassessed the Bank for $1,676 million for the years 2011 to 2020, the RQA has reassessed the Bank for $52 million for the years 2011 to 2018, and the ATRA has reassessed the Bank for $71 million for the years 2011 to 2020. In total, the Bank has been reassessed for $1,799 million of income tax and interest. The Bank expects to continue to be reassessed for open years. The Bank is of the view that its tax filing positions were appropriate and filed a Notice of Appeal with the Tax Court of Canada on March 21, 2023.

Deferred tax assets and liabilities comprise of the following:

Deferred Tax Assets and Liabilities

(millions of Canadian dollars)		*As at*
	October 31 2025	October 31 2024
Deferred tax assets		
Allowance for credit losses	**$ 1,760**	$ 1,592
Trading loans	**26**	31
Employee benefits	**1,089**	1,036
Losses available for carry forward	**44**	45
Tax credits	**81**	89
Land, buildings, equipment, other depreciable assets, and right-of-use assets	**437**	366
Securities	**478**	589
Deferred income	**359**	353
Intangibles	**202**	92
Other	**923**	727
Total deferred tax assets	**5,399**	4,920
Deferred tax liabilities		
Pensions	**91**	81
Goodwill	**223**	202
Total deferred tax liabilities	**314**	283
Net deferred tax assets	**5,085**	4,637
Reflected on the Consolidated Balance Sheet as follows:		
Deferred tax assets	**5,388**	4,937
Deferred tax liabilities[1]	**303**	300
Net deferred tax assets	**$ 5,085**	$ 4,637

[1] Included in Other liabilities on the Consolidated Balance Sheet.

The amount of temporary differences, unused tax losses, and unused tax credits for which no deferred tax asset is recognized on the Consolidated Balance Sheet was $735 million as at October 31, 2025 (October 31, 2024 – $658 million), of which $1 million (October 31, 2024 – $2 million) is scheduled to expire within five years.

Certain taxable temporary differences associated with the Bank's investments in subsidiaries, branches and associates, and interests in joint ventures did not result in the recognition of deferred tax liabilities as at October 31, 2025. The total amount of these temporary differences was $84 billion as at October 31, 2025 (October 31, 2024 – $72 billion).

The movement in the net deferred tax asset for the years ended October 31, 2025 and October 31, 2024, was as follows:

Deferred Income Tax Expense (Recovery)

(millions of Canadian dollars)								*For the years ended October 31*
				2025				2024
	Consolidated statement of income	**Other comprehensive income**	**Business combinations and other**	**Total**	Consolidated statement of income	Other comprehensive income	Business combinations and other	Total
Deferred income tax expense (recovery)								
Allowance for credit losses	**$ (168)**	**$ –**	**$ –**	**$ (168)**	$ (126)	$ –	$ –	$ (126)
Trading loans	**5**	**–**	**–**	**5**	(1)	–	–	(1)
Employee benefits	**(55)**	**2**	**–**	**(53)**	(154)	(15)	–	(169)
Losses available for carry forward	**1**	**–**	**–**	**1**	82	–	–	82
Tax credits	**8**	**–**	**–**	**8**	(43)	–	–	(43)
Land, buildings, equipment, other depreciable assets, and right-of-use assets	**(71)**	**–**	**–**	**(71)**	105	–	–	105
Securities	**(219)**	**330**	**–**	**111**	(494)	219	–	(275)
Deferred (income) expenses	**(6)**	**–**	**–**	**(6)**	(591)	–	–	(591)
Intangibles	**(110)**	**–**	**–**	**(110)**	(102)	–	–	(102)
Other deferred tax assets	**(189)**	**–**	**(7)**	**(196)**	291	–	(12)	279
Pensions	**19**	**(9)**	**–**	**10**	(56)	(21)	–	(77)
Goodwill	**21**	**–**	**–**	**21**	28	–	–	28
Total deferred income tax expense (recovery)	**$ (764)**	**$ 323**	**$ (7)**	**$ (448)**	$ (1,061)	$ 183	$ (12)	$ (890)

NOTE 24: EARNINGS PER SHARE

Basic earnings per share is calculated by dividing net income attributable to common shareholders by the weighted-average number of common shares outstanding for the period.

Diluted earnings per share is calculated using the same method as basic earnings per share except that certain adjustments are made to net income attributable to common shareholders and the weighted-average number of shares outstanding for the effects of all dilutive potential common shares that are assumed to be issued by the Bank.

The following table presents the Bank's basic and diluted earnings per share for the years ended October 31, 2025 and October 31, 2024.

Basic and Diluted Earnings Per Share

(millions of Canadian dollars, except as noted)	*For the years ended October 31*	
	2025	2024
Basic earnings per share		
Net income attributable to common shareholders	**$ 19,973**	$ 8,316
Weighted-average number of common shares outstanding (millions)	**1,726.3**	1,758.8
Basic earnings per share (Canadian dollars)	**$ 11.57**	$ 4.73
Diluted earnings per share		
Net income attributable to common shareholders	**$ 19,973**	$ 8,316
Net income available to common shareholders including impact of dilutive securities	**19,973**	8,316
Weighted-average number of common shares outstanding (millions)	**1,726.3**	1,758.8
Effect of dilutive securities		
Stock options potentially exercisable (millions)[1]	**1.7**	1.2
Weighted-average number of common shares outstanding – diluted (millions)	**1,728.0**	1,760.0
Diluted earnings per share (Canadian dollars)[1]	**$ 11.56**	$ 4.72

[1] For the year ended October 31, 2025, the computation of diluted earnings per share excluded average options outstanding of 2.3 million with a weighted-average exercise price of $95.33 as the option price was greater than the average market price of the Bank's common shares. For the year ended October 31, 2024, the computation of diluted earnings per share excluded average options outstanding of 6.9 million with an exercise price of $89.49, as the option price was greater than the average market price of the Bank's common shares.

NOTE 25: PROVISIONS, CONTINGENT LIABILITIES, COMMITMENTS, GUARANTEES, PLEDGED ASSETS, AND COLLATERAL

(a) PROVISIONS

The following table summarizes the Bank's provisions recorded in other liabilities.

Provisions

(millions of Canadian dollars)	Restructuring	Legal, Regulatory, and Other	Total
Balance as at November 1, 2024	$ 236	$ 2,396	$ 2,632
Additions	**701**	**143**	**844**
Amounts used	**(492)**	**(2,272)**	**(2,764)**
Release of unused amounts	**(15)**	**(55)**	**(70)**
Foreign currency translation adjustments and other	**(12)**	**53**	**41**
Balance as at October 31, 2025, before allowance for credit losses for off-balance sheet instruments	**$ 418**	**$ 265**	**$ 683**
Add: Allowance for credit losses for off-balance sheet instruments[1]			**1,052**
Balance as at October 31, 2025			**$ 1,735**

[1] Refer to Note 8 for further details.

(b) RESTRUCTURING CHARGES

The Bank continued to undertake certain measures in the fourth quarter of 2025 to reduce its cost base and achieve greater efficiency. In connection with this program, the Bank incurred $686 million pre-tax of restructuring charges during the year ended October 31, 2025 (October 31, 2024 – $566 million). The restructuring charges primarily relate to: (i) employee severance and other personnel-related costs recorded as provisions; (ii) asset impairment and other rationalization, including certain business wind-downs and (iii) real estate optimization mainly recorded as a reduction to buildings and land.

(c) LEGAL AND REGULATORY MATTERS

In the ordinary course of business, the Bank and its subsidiaries are involved in various legal and regulatory actions, including but not limited to civil claims and lawsuits, regulatory examinations, investigations, audits, and requests for information by governmental, regulatory and self-regulatory agencies and law enforcement authorities in various jurisdictions, in respect of our businesses and compliance programs. The Bank establishes provisions when it becomes probable that the Bank will incur a loss and the amount can be reliably estimated. The Bank also estimates the aggregate range of reasonably possible losses (RPL) in its legal and regulatory actions (that is, those which are neither probable nor remote), in excess of provisions. However, the Bank does not disclose the specific possible loss associated with each underlying matter given the substantial uncertainty associated with each possible loss as described below and the negative consequences to the Bank's resolution of the matters that comprise the RPL should individual possible losses be disclosed. As at October 31, 2025, the Bank's RPL is from zero to approximately $440.7 million (October 31, 2024 – from zero to approximately $625 million). The Bank's provisions and RPL represent the Bank's best estimates based upon currently available information for actions for which estimates can be made, but there are a number of factors that could cause the Bank's actual losses to be significantly different from its provisions or RPL. For example, the Bank's estimates involve significant judgment due to the varying stages of the proceedings, the existence of multiple defendants in many proceedings whose share of liability has yet to be determined, the numerous yet-unresolved issues in many of the proceedings, some of which are beyond the Bank's control and/or involve novel legal theories and interpretations, the attendant uncertainty of the various potential outcomes of such proceedings, and the fact that the underlying matters will change from time to time. In addition, some actions seek very large or indeterminate damages. Based on the Bank's current knowledge, and subject to the factors listed above as well as other uncertainties inherent in litigation and regulatory matters, other than as described below, since October 31, 2025, no other legal or regulatory matter has arisen or progressed to the point that it would reasonably be expected to result in a material financial impact to the Bank.

As previously disclosed, on October 10, 2024, the Bank announced that, following active cooperation and engagement with authorities and regulators, it reached a resolution (the "Global Resolution") of previously disclosed investigations related to its U.S. Bank Secrecy Act (BSA) and Anti-Money Laundering (AML) compliance programs (collectively, the "U.S. BSA/AML program"). The Bank and certain of its U.S. subsidiaries consented to orders with the Office of the Comptroller of the Currency (OCC), the Federal Reserve Board, and the Financial Crimes Enforcement Network and entered into plea agreements with the Department of Justice (DOJ), Criminal Division, Money Laundering and Asset Recovery Section and the United States Attorney's Office for the District of New Jersey. Details of the Global Resolution include: (i) a total payment of US$3.088 billion ($4.233 billion), all of which was provisioned during the 2024 fiscal year; (ii) TD Bank, N.A. (TDBNA) pleading guilty to one count of conspiring to fail to maintain an adequate AML program, failing to file accurate currency transaction reports (CTRs) and launder money and TD Bank US Holding Company (TDBUSH) pleading guilty to two counts of causing TDBNA to fail to maintain an adequate AML program and to fail to file accurate CTRs; (iii) requirements to remediate the Bank's U.S. BSA/AML program; (iv) a requirement to prioritize the funding and staffing of the remediation, which includes Board certifications for dividend distributions from certain of the Bank's U.S. subsidiaries to the Bank; (v) formal oversight of the U.S. BSA/AML remediation through an independent compliance monitorship; (vi) a prohibition against the average combined total assets of TD's two U.S. banking subsidiaries (TDBNA and TD Bank USA, N.A.) (collectively, the "U.S. Bank") exceeding US$434 billion (representing the combined total assets of the U.S. Bank as at September 30, 2024) (the "Asset Limitation"), and if the U.S. Bank does not achieve compliance with all actionable articles in the OCC consent orders (and for each successive year that the U.S. Bank remains non-compliant), the OCC may require the U.S. Bank to further reduce total consolidated assets by up to 7%; (vii) the U.S. Bank being subject to OCC supervisory approval processes for any additions of new bank products, services, markets, and stores prior to the OCC's acceptance of the U.S. Bank's improved AML policies and procedures, to ensure the AML risk of new initiatives is appropriately considered and mitigated; (viii) requirements for the Bank and TD Group U.S. Holdings, LLC (TDGUS) to retain a third party to assess the effectiveness of the corporate governance and U.S. management structure and composition to adequately oversee U.S. operations; (ix) requirements to comply with the terms of the plea agreements with the DOJ during a five-year term of probation (which could be extended as a result of the Bank failing to complete the compliance undertakings, failing to cooperate or to report alleged misconduct as required, or committing additional crimes); (x) an ongoing obligation to cooperate with DOJ investigations; and (xi) an ongoing obligation to report evidence or allegations of violations by the Bank, its affiliates, or their employees that may be a violation of U.S. federal law. The Bank is focused on meeting the terms of the consent orders and plea agreements, including meeting its requirements to remediate the Bank's U.S. BSA/AML compliance programs. During the first fiscal quarter of 2025, the Bank fully paid the remainder of the monetary penalty owed pursuant to the consent orders and plea agreements that were entered into as part of the Global Resolution. The payment was covered by provisions previously taken by the Bank for this matter.

As previously disclosed, the Bank and some former and current directors, officers and employees have been named as defendants in proposed class action lawsuits in the United States and Canada purporting to be brought on behalf of the Bank's shareholders alleging, among other things, that a decline in the price of the Bank's shares was the result of misleading disclosures with respect to the Bank's AML compliance programs and/or the potential outcomes of the government agencies' or regulators' investigations. The two proposed class actions filed in the United States have been consolidated under the caption Tiessen v. The Toronto-Dominion Bank, et al., in the United States District Court for the Southern District of New York, and a consolidated amended complaint has been filed which names TD Bank, N.A., TDBUSH, and certain former and current officers as defendants. On May 30, 2025, the defendants filed motions to dismiss in the Tiessen case. Out of the three proposed class actions in Ontario, Parkin v. The Toronto-Dominion Bank, et al., has been identified as the lead action with the other two Ontario actions being stayed. There remains one further proposed class action in Quebec which has been stayed. A putative shareholder derivative action, captioned Rubin v. Masrani, et al., has also been filed purportedly on behalf of TD in the United States in the Supreme Court of the State of New York, New York County, against certain former and current TD directors, officers and employees, and certain of TD's U.S. affiliates and subsidiaries. The complaint asserts alleged breaches of duties and other claims against the individual defendants in connection with the Bank's U.S. BSA/AML compliance programs. On October 31, 2025, TD filed a motion to dismiss the Rubin action. Certain purported TD shareholders have also filed an application in the Ontario Superior Court of Justice (The Trustees of International Brotherhood of Electrical Workers, et al., v. The Toronto-Dominion Bank, et al.) seeking leave to bring a shareholder derivative action in the Delaware Court of Chancery on behalf of TD and TDBUSH against certain current and former directors and officers. All of the proceedings are still in early stages and none of the proposed class action lawsuits have been certified to proceed as a class action. Losses or damages cannot be estimated at this time.

As previously disclosed, the Bank has been named as defendant in a purported class action lawsuit in the United States purporting to be brought on behalf of First Horizon shareholders alleging that a decline in the price of First Horizon shares was the result of alleged misleading disclosures the Bank made with respect to its U.S. BSA/AML compliance programs and its effect on the Bank's contemplated merger with First Horizon. The lawsuit also names some of the Bank's former and current officers and a former employee as defendants. On November 26, 2025, the court dismissed plaintiffs' complaint, but gave plaintiffs a final opportunity to amend their complaint again to attempt to address its deficiencies. These proceedings are still in early stages and have not been certified to proceed as a class action. Losses or damages cannot be estimated at this time.

As previously disclosed, the Bank is a defendant in Canada and/or the United States in a number of matters brought by customers, including class actions, alleging claims in connection with various fees, practices and credit decisions. The cases are in various stages of maturity and include, among others: a Quebec action against members of the financial services industry (including the Bank) regarding the existence and amount of the insufficient or non-sufficient funds fee, a Quebec action against certain brokers (including TD Direct Investing) regarding disclosure of foreign conversion fees, and a Quebec action against members of the automobile insurance industry (including Primmum Insurance Company) regarding underwriting practices in Quebec.

As previously disclosed, on September 30, 2024, TD Securities (USA) LLC (TDS-US) entered into a Deferred Prosecution Agreement (DPA) with the U.S. DOJ related to the actions of a former TDS trader. Pursuant to the terms of the DPA, TDS-US agreed to pay total monetary sanctions of approximately US$15.5 million, which consists of a criminal penalty, forfeiture and victim compensation. TDS-US and, in certain instances, TD Group US Holdings LLC, further agreed to abide by certain cooperation, reporting and compliance obligations in connection with the DPA. These include, but are not limited to: (i) an ongoing obligation to cooperate with DOJ investigations; (ii) an ongoing obligation to report evidence or allegations of violations by TDS-US of certain federal statutes; (iii) the implementation and maintenance of a corporate compliance program that meets certain enumerated standards; and (iv) an ongoing obligation to regularly report to the DOJ on its efforts to bolster its compliance program. TDS-US also resolved investigations by the U.S. Securities and Exchange Commission (SEC) and the Financial Industry Regulatory Authority (FINRA) relating to the actions of the former TDS-US trader. As part of the resolutions, TDS-US agreed to pay approximately US$7 million in total monetary sanctions to the SEC and US$6 million to FINRA.

As previously disclosed, the Bank was named as a defendant in Rotstain v. Trustmark National Bank, et al., a putative class action lawsuit in the United States District Court for the Northern District of Texas related to a US$7.2 billion Ponzi scheme perpetrated by R. Allen Stanford, the owner of Stanford International Bank, Limited, an offshore bank based in Antigua. In fiscal year 2023, the Bank reached a settlement agreement pursuant to which the Bank agreed to pay US$1.205 billion to the U.S. Receiver to resolve all claims against the Bank arising from or related to R. Allen Stanford, including the claims asserted in the Rotstain et al. v. Trustmark National Bank et al. and Smith et al. v. Independent Bank actions. Under the terms of the agreement, all involved parties have agreed to a bar order dismissing and releasing all current or future claims arising from or related to R. Allen Stanford. On May 31, 2024, the claims against the Bank were dismissed with prejudice in Rotstain v. Trustmark National Bank, et al. This brings to a close the Stanford litigation in the United States. A case regarding the same facts was also brought in Ontario by the Joint Liquidators of Stanford International Bank Ltd. appointed by the Eastern Caribbean Supreme Court, under the title McDonald v. The Toronto-Dominion Bank; on July 20, 2023, the Canadian proceeding ended following the Supreme Court of Canada's dismissal of an application for leave to appeal by the Joint Liquidators.

As previously disclosed, in the third quarter of 2024, the Bank and certain of its subsidiaries resolved the investigations by the SEC and the Commodity Futures Trading Commission concerning compliance with records preservation requirements relating to business communications exchanged on unapproved electronic channels. The Bank and its subsidiaries in the aggregate paid penalties totaling US$124.5 million, for which the Bank was fully provisioned, and agreed to various other customary terms similar to those imposed on other financial institutions that have resolved similar investigations.

As previously disclosed, in the second quarter of 2024, the Bank and certain of its subsidiaries reached a settlement in principle relating to a civil matter, pursuant to which the Bank recorded a provision of $274 million.

Refer to Note 23 for disclosures related to tax matters.

(d) COMMITMENTS

Credit-related Arrangements

In the normal course of business, the Bank enters into various commitments and contingent liability contracts. The primary purpose of these contracts is to make funds available for the financing needs of customers. The Bank's policy for requiring collateral security with respect to these contracts and the types of collateral security held is generally the same as for loans made by the Bank.

Financial and performance standby letters of credit represent irrevocable assurances that the Bank will make payments in the event that a customer cannot meet its obligations to third parties and they carry the same credit risk, recourse, and collateral security requirements as loans extended to customers. Performance standby letters of credit are considered non-financial guarantees as payment does not depend on the occurrence of a credit event and is generally related to a non-financial trigger event.

Documentary and commercial letters of credit are instruments issued on behalf of a customer authorizing a third party to draw drafts on the Bank up to a certain amount subject to specific terms and conditions. The Bank is at risk for any drafts drawn that are not ultimately settled by the customer, and the amounts are collateralized by the assets to which they relate.

Commitments to extend credit represent unutilized portions of authorizations to extend credit in the form of loans. A discussion on the types of liquidity facilities the Bank provides to its securitization conduits is included in Note 10.

The values of credit instruments reported as follows represent the maximum amount of additional credit that the Bank could be obligated to extend should contracts be fully utilized.

Credit Instruments

(millions of Canadian dollars)		*As at*
	October 31 2025	October 31 2024
Financial and performance standby letters of credit	**$ 48,348**	$ 44,463
Documentary and commercial letters of credit	**321**	337
Commitments to extend credit[1]		
Original term-to-maturity of one year or less	**96,042**	76,060
Original term-to-maturity of more than one year	**244,078**	245,846
Total	**$ 388,789**	$ 366,706

[1] Commitments to extend credit exclude personal lines of credit and credit card lines, which are unconditionally cancellable at the Bank's discretion at any time.

In addition, as at October 31, 2025, the Bank is committed to fund $617 million (October 31, 2024 – $594 million) of private equity investments.

Long-term Commitments or Leases

The Bank has obligations under long-term non-cancellable leases for premises and equipment. The maturity profile for undiscounted lease liabilities is $31 million for 2026, $128 million for 2027, $186 million for 2028, $359 million for 2029, $482 million for 2030, $5,490 million for 2031 and thereafter. Total lease payments, including $7 million (October 31, 2024 – $19 million) paid for short-term and low-value asset leases, for the year ended October 31, 2025, were $833 million (October 31, 2024 – $829 million).

(e) ASSETS SOLD WITH RECOURSE

In connection with its securitization activities, the Bank typically makes customary representations and warranties about the underlying assets which may result in an obligation to repurchase the assets. These representations and warranties attest that the Bank, as the seller, has executed the sale of assets in good faith, and in compliance with relevant laws and contractual requirements. In the event that they do not meet these criteria, the loans may be required to be repurchased by the Bank.

(f) GUARANTEES

In addition to financial and performance standby letters of credit, the following types of transactions represent the principal guarantees that the Bank has entered into.

Credit Enhancements

The Bank guarantees payments to counterparties in the event that third-party credit enhancements supporting asset pools are insufficient.

Indemnification Agreements

In the normal course of operations, the Bank provides indemnification agreements to various counterparties in transactions such as service agreements, leasing transactions, and agreements relating to acquisitions and dispositions. Under these agreements, the Bank is required to compensate counterparties for costs incurred as a result of various contingencies such as changes in laws and regulations and litigation claims. The nature of certain indemnification agreements prevent the Bank from making a reasonable estimate of the maximum potential amount that the Bank would be required to pay such counterparties.

The Bank also indemnifies directors, officers, and other persons, to the extent permitted by law, against certain claims that may be made against them as a result of their services to the Bank or, at the Bank's request, to another entity.

(g) PLEDGED ASSETS AND COLLATERAL

In the ordinary course of business, securities and other assets are pledged against liabilities or contingent liabilities, including repurchase agreements, securitization liabilities, covered bonds, obligations related to securities sold short, and securities borrowing transactions. Assets are also deposited for the purposes of participation in clearing and payment systems and depositories or to have access to the facilities of central banks in foreign jurisdictions, or as security for contract settlements with derivative exchanges or other derivative counterparties.

Details of assets pledged against liabilities and collateral assets held or repledged are shown in the following table:

Sources and Uses of Pledged Assets and Collateral

(millions of Canadian dollars)		*As at*
	October 31 2025	October 31 2024
Sources of pledged assets and collateral		
Bank assets		
Interest-bearing deposits with banks	**$ 5,700**	$ 6,161
Loans	**213,125**	205,337
Securities	**236,430**	240,425
Other assets	**262**	238
	455,517	452,161
Third-party assets[1]		
Collateral received and available for sale or repledging	**439,278**	364,178
Less: Collateral not repledged	**(84,094)**	(73,996)
	355,184	290,182
	810,701	742,343
Uses of pledged assets and collateral[2]		
Derivatives	**18,709**	15,964
Obligations related to securities sold under repurchase agreements	**204,710**	186,777
Securities borrowing and lending	**170,642**	137,292
Obligations related to securities sold short	**37,320**	34,336
Securitization	**44,674**	36,806
Covered bond	**69,695**	76,698
Clearing systems, payment systems, and depositories	**11,048**	10,540
Foreign governments and central banks	**20**	26
Other	**95,851**	124,408
	652,669	622,847
Assets pledged but not encumbered[3]	**158,032**	119,496
Total	**$ 810,701**	$ 742,343

[1] Includes collateral received from reverse repurchase agreements, securities lending, margin loans, and other client activity.
[2] Includes $68 billion of on-balance sheet assets that the Bank has pledged and that the counterparty can subsequently repledge as at October 31, 2025 (October 31, 2024 – $63.7 billion).
[3] Represents assets pledged as pre-positioned collateral or to generate unused borrowing capacity with the U.S. Federal Reserve Bank and the FHLB system.

NOTE 26: RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to directly or indirectly control the other party or exercise significant influence over the other party in making financial or operational decisions. The Bank's related parties include key management personnel, their close family members and their related entities, subsidiaries, associates, joint ventures, and post-employment benefit plans for the Bank's employees.

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

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

As at October 31, 2025, $131 million (October 31, 2024 – $14 million) of related party loans were outstanding from key management personnel, their close family members, and their related entities. This amount also includes balances from certain retired key management personnel.

COMPENSATION

The remuneration of key management personnel was as follows:

Compensation

(millions of Canadian dollars)	*For the years ended October 31*	
	2025	2024
Short-term employee benefits	**$ 52**	$ 30
Post-employment benefits	**3**	1
Share-based payments	**54**	23
Total	**$ 109**	$ 54

In addition, the Bank offers deferred share and other plans to non-employee directors, executives, and certain other key employees. Refer to Note 21 for further details.

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

TRANSACTIONS WITH SUBSIDIARIES, SCHWAB, AND SYMCOR INC.

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

Transactions between the Bank, Schwab, and Symcor Inc. (Symcor) also qualify as related party transactions. As the Bank's entire remaining equity investment in Schwab was sold on February 12, 2025, Schwab is no longer a related party as of October 31, 2025, but was a related party up to the date of sale. There were no significant transactions between the Bank, Schwab, and Symcor during the year ended October 31, 2025, other than as described in the following sections and in Note 12.

i) TRANSACTIONS WITH SCHWAB

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

Insured Deposit Account Agreement

As at October 31, 2025, deposits under the Schwab IDA Agreement were $106 billion (US$76 billion) (October 31, 2024 – $117 billion (US$84 billion)). The Bank paid fees of $405 million related to sweep deposit accounts from November 1, 2024 to February 11, 2025, the period in which Schwab was a related party to the Bank. The Bank paid fees, net of the termination fees received from Schwab, of $908 million during the year ended October 31, 2024.

As at October 31, 2025, amounts receivable from Schwab were $49 million (October 31, 2024 – $12 million). As at October 31, 2025, amounts payable to Schwab were $38 million (October 31, 2024 – $42 million).

ii) TRANSACTIONS WITH SYMCOR

The Bank has one-third ownership in Symcor, a Canadian provider of business process outsourcing services offering a diverse portfolio of integrated solutions in item processing, statement processing and production, and cash management services. The Bank accounts for Symcor's results using the equity method of accounting. During the year ended October 31, 2025, the Bank paid $89 million (October 31, 2024 – $88 million) for these services. As at October 31, 2025, the amount payable to Symcor was $7 million (October 31, 2024 – $6 million).

The Bank and two other shareholder banks have also provided a $100 million unsecured loan facility to Symcor which was undrawn as at October 31, 2025 and October 31, 2024.

NOTE 27: SEGMENTED INFORMATION

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

Canadian Personal and Commercial Banking provides financial products and services to personal, small business and commercial customers, and includes TD Auto Finance Canada. U.S. Retail is comprised of personal and business banking in the U.S., TD Auto Finance U.S., and the U.S. wealth business. On February 12, 2025, the Bank sold its entire remaining equity investment in Schwab. Prior to the sale, the Bank's investment in Schwab was reported in the U.S. Retail segment, refer to Note 12 for further details. Wealth Management and Insurance includes the Canadian wealth business which provides investment products and services to institutional and retail investors, and the insurance business which provides property and casualty insurance, as well as life and health insurance products to customers across Canada. Wholesale Banking provides a wide range of capital markets, investment banking, and corporate banking products and services, including underwriting and distribution of new debt and equity issues, providing advice on strategic acquisitions and divestitures, and meeting the daily trading, funding, and investment needs of the Bank's clients. The Corporate segment includes the effects of certain asset securitization programs, treasury management, elimination of taxable equivalent adjustments and other management reclassifications, corporate level tax items, and residual unallocated revenue and expenses. Effective fiscal 2025, certain U.S. governance and control investments, including costs for U.S. BSA/AML remediation, previously reported in the Corporate segment are now reported in the U.S. Retail segment. Comparative amounts have been reclassified to conform with the presentation adopted in the current period.

The results of each business segment reflect revenue, expenses, and assets generated by the businesses in that segment. Due to the complexity of the Bank, its management reporting model uses various estimates, assumptions, allocations, and risk-based methodologies for funds transfer pricing, inter-segment revenue, income tax rates, capital, indirect expenses and cost transfers to measure business segment results. The basis of allocation and methodologies are reviewed periodically to align with management's evaluation of the Bank's business segments. Transfer pricing of funds is generally applied at market rates. Intersegment revenue is negotiated between each business segment and approximates the fair value of the services provided. Income tax provision or recovery is generally applied to each segment based on a statutory tax rate and may be adjusted for items and activities unique to each segment. Amortization of intangibles acquired as a result of business combinations is included in the Corporate segment. Accordingly, net income for business segments is presented before amortization of these intangibles.

Non-interest income is earned by the Bank primarily through investment and securities services, credit fees, trading income, service charges, card services, and insurance revenues. Revenues from investment and securities services are earned predominantly in the Wealth Management and Insurance segment. Revenues from credit fees are primarily earned in the Wholesale Banking and Canadian Personal and Commercial Banking segments. Trading income is earned within Wholesale Banking. Both service charges and card services revenue are mainly earned in the U.S. Retail and Canadian Personal and Commercial Banking segments. Insurance revenue is earned in the Wealth Management and Insurance 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, primarily dividends, is adjusted to its equivalent before-tax value. Using TEB allows the Bank to measure income from all securities and loans consistently and makes for a more meaningful comparison of net interest income with similar institutions. The TEB adjustment reflected in Wholesale Banking is reversed in the Corporate segment.

The following table summarizes the segment results for the years ended October 31, 2025 and October 31, 2024.

Results by Business Segment[1]

(millions of Canadian dollars)	Canadian Personal and Commercial Banking	U.S. Retail	Wealth Management and Insurance	Wholesale Banking[2]	Corporate[2]	Total
						For the years ended
						October 31, 2025
Net interest income (loss)	**$ 16,701**	**$ 12,368**	**$ 1,493**	**$ (18)**	**$ 2,518**	**$ 33,062**
Non-interest income (loss)	**3,985**	**(63)**	**13,069**	**8,410**	**9,314**	**34,715**
Total revenue	**20,686**	**12,305**	**14,562**	**8,392**	**11,832**	**67,777**
Provision for (recovery of) credit losses	**2,143**	**1,514**	**–**	**290**	**559**	**4,506**
Insurance service expenses	**–**	**–**	**6,089**	**–**	**–**	**6,089**
Non-interest expenses	**8,382**	**9,599**	**4,698**	**6,048**	**4,812**	**33,539**
Income (loss) before income taxes and share of net income from investment in Schwab	**10,161**	**1,192**	**3,775**	**2,054**	**6,461**	**23,643**
Provision for (recovery of) income taxes	**2,844**	**(472)**	**986**	**444**	**(392)**	**3,410**
Share of net income from investment in Schwab[3,4]	**–**	**277**	**–**	**–**	**28**	**305**
Net income (loss)	**$ 7,317**	**$ 1,941**	**$ 2,789**	**$ 1,610**	**$ 6,881**	**$ 20,538**
						October 31, 2024
Net interest income (loss)	$ 15,697	$ 11,600	$ 1,226	$ 582	$ 1,367	$ 30,472
Non-interest income (loss)	4,093	2,113	12,309	6,704	1,532	26,751
Total revenue	19,790	13,713	13,535	7,286	2,899	57,223
Provision for (recovery of) credit losses	1,755	1,532	–	317	649	4,253
Insurance service expenses	–	–	6,647	–	–	6,647
Non-interest expenses	8,010	13,141	4,285	5,576	4,481	35,493
Income (loss) before income taxes and share of net income from investment in Schwab	10,025	(960)	2,603	1,393	(2,231)	10,830
Provision for (recovery of) income taxes	2,806	69	648	275	(1,107)	2,691
Share of net income from investment in Schwab[3,4]	–	709	–	–	(6)	703
Net income (loss)	$ 7,219	$ (320)	$ 1,955	$ 1,118	$ (1,130)	$ 8,842

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

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

[3] 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 Federal Deposit Insurance Corporation special assessment charge were recorded in the Corporate segment.

[4] The Bank's share of Schwab's earnings was reported with a one-month lag. Refer to Note 12 for further details.

Total Assets by Business Segment

(millions of Canadian dollars)	Canadian Personal and Commercial Banking	U.S. Retail	Wealth Management and Insurance	Wholesale Banking	Corporate	Total
						As at October 31, 2025
Total assets	**$ 616,115**	**$ 530,729**	**$ 25,231**	**$ 754,391**	**$ 168,092**	**$ 2,094,558**
						As at October 31, 2024
Total assets	$ 584,468	$ 606,572	$ 23,217	$ 686,795	$ 160,699	$ 2,061,751

RESULTS BY GEOGRAPHY

For reporting of geographic results, segments are grouped into Canada, United States, and Other international. Transactions are primarily recorded in the location responsible for recording the revenue or assets. This location frequently corresponds with the location of the legal entity through which the business is conducted and the location of the customer.

Results by Geography

(millions of Canadian dollars)	*For the years ended October 31*	*As at October 31*
	2025	**2025**
	Total revenue	**Total assets**
Canada	**$ 33,916**	**$ 1,167,980**
United States	**29,706**	**753,258**
Other international	**4,155**	**173,320**
Total	**$ 67,777**	**$ 2,094,558**
	2024	2024
Canada	$ 31,453	$ 1,146,243
United States	22,097	749,353
Other international	3,673	166,155
Total	$ 57,223	$ 2,061,751

NOTE 28: INTEREST INCOME AND EXPENSE

The following tables present interest income and interest expense by basis of accounting measurement.

Interest Income

(millions of Canadian dollars)	*For the years ended October 31*	
	2025	2024
Measured at amortized cost[1]	**$ 74,659**	$ 80,581
Measured at FVOCI – Debt instruments[1]	**4,342**	3,743
	79,001	84,324
Measured or designated at FVTPL	**8,282**	8,742
Measured at FVOCI – Equity instruments	**338**	323
Total	**$ 87,621**	$ 93,389

[1] Interest income is calculated using EIRM.

Interest Expense

(millions of Canadian dollars)	*For the years ended October 31*	
	2025	2024
Measured at amortized cost[1,2]	**$ 43,268**	$ 50,382
Measured or designated at FVTPL	**11,291**	12,535
Total	**$ 54,559**	$ 62,917

[1] Interest expense is calculated using EIRM.
[2] Includes interest expense on lease liabilities for the year ended October 31, 2025 of $163 million (October 31, 2024 – $151 million).

NOTE 29: CREDIT RISK

Concentration of credit risk exists where a number of borrowers or counterparties are engaged in similar activities, are located in the same geographic area or have comparable economic characteristics. Their ability to meet contractual obligations may be similarly affected by changing economic, political or other conditions. The Bank's portfolio could be sensitive to changing conditions in particular geographic regions.

Concentration of Credit Risk

(millions of Canadian dollars, except as noted)						*As at*
		Loans[1,2]		**Credit Instruments[3,4]**		**Derivative financial instruments[5,6]**
	October 31 2025	October 31 2024	**October 31 2025**	October 31 2024	**October 31 2025**	October 31 2024
Canada	**69 %**	66 %	**30 %**	32 %	**28 %**	28 %
United States	**30**	33	**67**	64	**33**	32
United Kingdom	**–**	–	**1**	1	**9**	9
Europe – other	**–**	–	**2**	2	**22**	21
Other international	**1**	1	**–**	1	**8**	10
Total	**100 %**	100 %	**100 %**	100 %	**100 %**	100 %
	$ 953,300	$ 949,779	**$ 388,789**	$ 366,706	**$ 72,333**	$ 69,970

1 Of the total loans the only industry segment which equalled or exceeded 5% of the total concentration as at October 31, 2025 was real estate 10% (October 31, 2024 – 10%).
2 Includes loans that are measured at FVOCI.
3 As at October 31, 2025, the Bank had commitments and contingent liability contracts in the amount of $389 billion (October 31, 2024 – $367 billion). Included are commitments to extend credit totalling $340 billion (October 31, 2024 – $322 billion), of which the credit risk is dispersed as detailed in the table above.
4 Of the commitments to extend credit, industry segments which equalled or exceeded 5% of the total concentration were as follows as at October 31, 2025: financial institutions 22% (October 31, 2024 – 19%); power and utilities 11% (October 31, 2024 – 11%); government, public sector entities and education 7% (October 31, 2024 – 7%); automotive 7% (October 31, 2024 – 7%); professional and other services 8% (October 31, 2024 – 8%); sundry manufacturing and wholesale 7% (October 31, 2024 – 7%); telecommunications, cable and media 5% (October 31, 2024 – 5%).
5 As at October 31, 2025, the current replacement cost of derivative financial instruments, excluding the impact of master netting agreements and collateral, amounted to $72 billion (October 31, 2024 – $70 billion). Based on the location of the ultimate counterparty, the credit risk was allocated as detailed in the table above. The table excludes the fair value of exchange traded derivatives.
6 The largest concentration by counterparty type was with financial institutions (including non-banking financial institutions), which accounted for 74% of the total as at October 31, 2025 (October 31, 2024 – 66%). The second largest concentration was with governments, which accounted for 16% of the total as at October 31, 2025 (October 31, 2024 – 24%). No other industry segment exceeded 5% of the total.

The following table presents the maximum exposure to credit risk of financial instruments, before taking account of any collateral held or other credit enhancements.

Gross Maximum Credit Risk Exposure

(millions of Canadian dollars)		*As at*
	October 31 2025	October 31 2024
Cash and due from banks	**$ 7,512**	$ 6,437
Interest-bearing deposits with banks	**109,417**	169,930
Securities[1]		
Financial assets designated at fair value through profit or loss		
Government and government-insured securities	**3,473**	3,056
Other debt securities	**3,513**	3,361
Trading		
Government and government-insured securities	**43,957**	46,575
Other debt securities	**23,270**	22,482
Retained interest	**1**	1
Non-trading securities at fair value through profit or loss		
Government and government-insured securities	**333**	271
Other debt securities	**5,346**	1,376
Securities at fair value through other comprehensive income		
Government and government-insured securities	**101,234**	78,422
Other debt securities	**21,800**	10,830
Debt securities at amortized cost		
Government and government-insured securities	**182,488**	205,098
Other debt securities	**57,951**	66,517
Securities purchased under reverse purchase agreements	**247,078**	208,217
Derivatives[2]	**82,972**	78,061
Loans		
Residential mortgages	**314,706**	331,284
Consumer instalment and other personal	**256,840**	226,333
Credit card	**39,370**	38,542
Business and government	**342,096**	353,390
Trading loans	**30,032**	23,518
Non-trading loans at fair value through profit or loss	**344**	3,057
Loans at fair value through other comprehensive income	**288**	230
Amounts receivable from brokers, dealers, and clients	**27,345**	22,115
Other assets	**12,318**	12,761
Total assets	**1,913,684**	1,911,864
Credit instruments[3]	**388,789**	366,706
Unconditionally cancellable commitments to extend credit	**468,663**	450,574
Total credit exposure	**$ 2,771,136**	$ 2,729,144

[1] Excludes equity securities.
[2] The carrying amount of the derivative assets represents the maximum credit risk exposure related to derivative contracts.
[3] The balance represents the maximum amount of additional funds that the Bank could be obligated to extend should the contracts be fully utilized. The actual maximum exposure may differ from the amount reported above. Refer to Note 25 for further details.

NOTE 30: REGULATORY CAPITAL

The Bank manages its capital in accordance with guidelines established by OSFI. The regulatory capital guidelines measure capital in relation to credit, market, and operational risks. The Bank has various capital policies, procedures, and controls which it utilizes to achieve its goals and objectives. The Bank is designated as a domestic systemically important bank (D-SIB) and a global systemically important bank (G-SIB).

The Bank's capital management objectives are:

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

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

Basel III Capital Framework

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

Capital Position and Capital Ratios

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

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

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

Canadian banks designated as D-SIBs are required to comply with OSFI's minimum targets for risk-based capital and leverage ratios. The minimum targets include a D-SIB surcharge and Domestic Stability Buffer (DSB) for CET1, Tier 1, Total Capital and risk-based Total Loss Absorbing Capacity (TLAC) ratios. The DSB level was increased to 3.5% as of November 1, 2023, and as a result the published regulatory minimum targets are set at 11.5%, 13.0%, 15.0% and 25.0%, respectively. The OSFI target includes the greater of the D-SIB or G-SIB surcharge, both of which are currently 1% for the Bank. The OSFI target for leverage requires D-SIBs to hold a leverage ratio buffer of 0.50% in addition to the existing minimum requirement. This sets the published regulatory minimum targets for leverage and TLAC leverage ratios at 3.5% and 7.25%, respectively.

The Bank complied with all minimum risk-based capital and leverage ratio requirements set by OSFI during the year ended October 31, 2025.

The following table summarizes the Bank's regulatory capital position as at October 31, 2025 and October 31, 2024.

Regulatory Capital Position

(millions of Canadian dollars, except as noted)		*As at*
	October 31 2025	October 31 2024
Capital		
Common Equity Tier 1 Capital	**$ 93,579**	$ 82,714
Tier 1 Capital	**104,502**	93,248
Total Capital	**116,866**	105,745
Risk-weighted assets used in the calculation of capital ratios	**636,424**	630,900
Capital and leverage ratios		
Common Equity Tier 1 Capital ratio	**14.7 %**	13.1 %
Tier 1 Capital ratio	**16.4**	14.8
Total Capital ratio	**18.4**	16.8
Leverage ratio	**4.6**	4.2
TLAC Ratio	**31.8**	28.7
TLAC Leverage Ratio	**8.9**	8.1

NOTE 31: INFORMATION ON SUBSIDIARIES

The following is a list of the directly or indirectly held significant subsidiaries.

SIGNIFICANT SUBSIDIARIES[1]

(millions of Canadian dollars)		**October 31, 2025**
North America	**Address of Head or Principal Office[2]**	**Carrying value of shares owned by the Bank[3]**
Meloche Monnex Inc.	Montreal, Québec	$ 3,202
Security National Insurance Company	Montreal, Québec	
Primmum Insurance Company	Toronto, Ontario	
TD Direct Insurance Inc.	Toronto, Ontario	
TD General Insurance Company	Toronto, Ontario	
TD Home and Auto Insurance Company	Toronto, Ontario	
TD Wealth Holdings Canada Limited	Toronto, Ontario	12,683
TD Asset Management Inc.	Toronto, Ontario	
GMI Servicing Inc.	Winnipeg, Manitoba	
TD Waterhouse Private Investment Counsel Inc.	Toronto, Ontario	
TD Waterhouse Canada Inc.	Toronto, Ontario	
TD Auto Finance (Canada) Inc.	Toronto, Ontario	4,542
TD Group US Holdings LLC	Wilmington, Delaware	75,699
Toronto Dominion Holdings (U.S.A.), Inc.	New York, New York	
Cowen Inc.	New York, New York	
Cowen Structured Holdings LLC	New York, New York	
Cowen Structured Holdings Inc.	New York, New York	
TD Arranged Services LLC	New York, New York	
RCG LV Pearl, LLC	New York, New York	
Cowen Financial Products LLC	New York, New York	
Cowen Holdings, Inc.	New York, New York	
Cowen CV Acquisition LLC	New York, New York	
Cowen Execution Holdco LLC	New York, New York	
Westminster Research Associates LLC	New York, New York	
RCG Insurance Company	New York, New York	
TD Prime Services LLC	New York, New York	
TD Financial Products LLC	Chicago, Illinois	
TD Securities (USA) LLC	New York, New York	
Toronto Dominion (Texas) LLC	New York, New York	
Toronto Dominion (New York) LLC	New York, New York	
Toronto Dominion Investments LLC	New York, New York	
TD Bank US Holding Company	Cherry Hill, New Jersey	
Epoch Investment Partners, Inc.	New York, New York	
TD Bank USA, National Association	Cherry Hill, New Jersey	
TD Bank, National Association	Cherry Hill, New Jersey	
TD Equipment Finance, Inc.	Mt. Laurel, New Jersey	
TD Private Client Wealth LLC	New York, New York	
TD Public Finance LLC	New York, New York	
TD Wealth Management Services Inc.	Mt. Laurel, New Jersey	
TD Investment Services Inc.	Toronto, Ontario	68
TD Life Insurance Company	Toronto, Ontario	180
TD Mortgage Corporation	Toronto, Ontario	14,052
TD Pacific Mortgage Corporation	Vancouver, British Columbia	
The Canada Trust Company	Toronto, Ontario	
TD Securities Inc.	Toronto, Ontario	3,589
TD Vermillion Holdings Limited	Toronto, Ontario	24,279
TD Reinsurance (Barbados) Inc.	St. James, Barbados	
International		
Ramius Enterprise Luxembourg Holdco S.à.r.l.	Luxembourg, Luxembourg	49
Cowen Reinsurance S.A.	Luxembourg, Luxembourg	
TD Ireland Unlimited Company	Dublin, Ireland	2,973
TD Global Finance Unlimited Company	Dublin, Ireland	
TD Securities (Japan) Co. Ltd.	Tokyo, Japan	12
Toronto Dominion Australia Limited	Sydney, Australia	107
TD Bank Europe Limited	London, England	1,420
Toronto Dominion International Pte. Ltd.	Singapore, Singapore	10,701
TD Execution Services Limited	London, England	
Toronto Dominion (South East Asia) Limited	Singapore, Singapore	1,813

[1] Unless otherwise noted, The Toronto-Dominion Bank, either directly or through its subsidiaries, owns 100% of the entity and/or 100% of any issued and outstanding voting securities and non-voting securities of the entities listed.
[2] Each subsidiary is incorporated or organized in the country in which its head or principal office is located.
[3] Carrying amounts are prepared for purposes of meeting the disclosure requirements of Section 308 (3)(a)(ii) of the *Bank Act (Canada)*. Intercompany transactions may be included herein which are eliminated for consolidated financial reporting purposes.

SUBSIDIARIES WITH RESTRICTIONS TO TRANSFER FUNDS
Certain of the Bank's subsidiaries have regulatory requirements to fulfil, in accordance with applicable law, in order to transfer funds, including paying dividends to, repaying loans to, or redeeming subordinated debentures issued to, the Bank. These customary requirements include, but are not limited to:

- Local regulatory capital and/or surplus adequacy requirements;
- Basel requirements under Pillar 1 and Pillar 2;
- Local regulatory approval requirements; and
- Local corporate and/or securities laws.

Pursuant to the terms of the orders that TD Bank USA, N.A. (TDBUSA) and TDBNA (collectively the "U.S. Bank") entered into with the OCC, the Boards of Directors of the U.S. Bank are required to certify to the OCC that the U.S. Bank has allocated appropriate resources and staffing to the remediation required by the orders before declaring or paying dividends, engaging in share repurchases, or making any other capital distribution. In addition, pursuant to the terms of the cease and desist order that the Bank, TDGUS and TDBUSH entered into with the Federal Reserve, the Boards of Directors of the Bank, TDGUS and TDBUSH are required to certify to the Federal Reserve that appropriate resources and staffing have been allocated to remediation, as required by the order, before declaring or paying any dividends, engaging in share repurchases, or making any other capital distributions. If the Bank, the U.S. Bank, TDGUS or TDBUSH are unable to so certify, then there would be restrictions on (i) the payment of dividends or making of any other capital distributions, or (ii) the repurchase of shares by these entities.

As at October 31, 2025, the net assets of subsidiaries subject to regulatory or CAR was approximately $107 billion (October 31, 2024 – $109 billion), before intercompany eliminations.

In addition to regulatory requirements outlined above, the Bank may be subject to significant restrictions on its ability to use the assets or settle the liabilities of members of its group. Key contractual restrictions may arise from the provision of collateral to third parties in the normal course of business, for example through secured financing transactions; assets securitized which are not subsequently available for transfer by the Bank; and assets transferred into other consolidated and unconsolidated structured entities. The impact of these restrictions has been disclosed in Notes 9 and 25.