Management's Discussion and Analysis

This Management's Discussion and Analysis (MD&A) is presented to enable readers to assess material changes in the financial condition and operating results of TD Bank Group ("TD" or the "Bank") for the year ended October 31, 2025, compared with the corresponding period in the prior year. This MD&A should be read in conjunction with the audited Consolidated Financial Statements and related Notes for the year ended October 31, 2025. This MD&A is dated December 3, 2025. Unless otherwise indicated, all amounts are expressed in Canadian dollars and have been primarily derived from the Bank's annual Consolidated Financial Statements prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Certain comparative amounts have been revised to conform with the presentation adopted in the current period.

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

Additional information relating to the Bank, including the Bank's Annual Information Form, is available on the Bank's website at http://www.td.com, on SEDAR+ at http://www.sedar.com, and on the U.S. Securities and Exchange Commission's website at http://www.sec.gov (EDGAR filers section).

Caution Regarding Forward-Looking Statements

From time to time, the Bank (as defined in this document) makes written and/or oral forward-looking statements, including in this document, in other filings with Canadian regulators or the United States (U.S.) Securities and Exchange Commission (SEC), and in other communications. In addition, representatives of the Bank may make forward-looking statements orally to analysts, investors, the media, and others. All such statements are made pursuant to the "safe harbour" provisions of, and are intended to be forward-looking statements under, applicable Canadian and U.S. securities legislation, including the U.S. *Private Securities Litigation Reform Act* of 1995. Forward-looking statements include, but are not limited to, statements made in this document, the Management's Discussion and Analysis (2025 MD&A) in the Bank's 2025 Annual Report under the heading "Economic Summary and Outlook", under the headings "Key Priorities for 2026" and "Operating Environment and Outlook" for the Canadian Personal and Commercial Banking, U.S. Retail, Wealth Management and Insurance, and Wholesale Banking segments, and in other statements regarding the Bank's objectives and priorities for 2026 and beyond and strategies to achieve them, the regulatory environment in which the Bank operates, targets and commitments, the Bank's anticipated financial performance and the outlook for the Bank's operations or the Canadian, U.S. and global economies.

Forward-looking statements are typically identified by words such as "will", "would", "should", "suggest", "seek", "believe", "expect", "anticipate", "intend", "ambition", "strive", "confident", "estimate", "forecast", "outlook", "plan", "goal", "commit", "target", "objective", "timeline", possible", "potential", "predict", "project", "foresee", "may", and "could" and similar expressions or variations thereof, or the negative thereof, but these terms are not the exclusive means of identifying such statements. By their very nature, these forward-looking statements require the Bank to make assumptions and are subject to inherent risks and uncertainties, general and specific. Especially in light of the uncertainty related to the physical, financial, economic, political, and regulatory environments, such risks and uncertainties – many of which are beyond the Bank's control and the effects of which can be difficult to predict – may cause actual results to differ materially from the expectations, predictions, forecasts, projections, estimates, targets, or intentions expressed in the forward-looking statements. Examples of such risk factors include: general business and economic conditions in the regions in which the Bank operates; geopolitical risk (including policy, trade and tax-related risks and the potential impact of any new or elevated tariffs or any retaliatory tariffs); inflation, interest rates and recession uncertainty; risks associated with the remediation of the Bank's U.S. *Bank Secrecy Act* (BSA)/anti-money laundering (AML) program and Enterprise AML program; regulatory oversight and compliance risk; the ability of the Bank to execute on long-term strategies, shorter-term key strategic priorities, including the successful completion of acquisitions and dispositions and integration of acquisitions, the ability of the Bank to achieve its financial or strategic objectives with respect to its investments, business retention plans, and other strategic plans; risks associated with the insured deposit account agreement between the Bank and The Charles Schwab Corporation; technology and cyber security risk (including cyber-attacks, data security breaches or technology failures) on the Bank's technologies, systems and networks, those of the Bank's customers (including their own devices), and third parties providing services to the Bank; data risk; model risk; external fraud activity; insider risk; conduct risk; the failure of third parties to comply with their obligations to the Bank or its affiliates, including relating to the care and control of information, and other risks arising from the Bank's use of third-parties; the impact of new and changes to, or application of, current laws, rules and regulations, including consumer protection laws and regulations, tax laws, capital guidelines and liquidity regulatory guidance; environmental and social risk (including climate-related risk); exposure related to litigation and regulatory matters; increased competition from incumbents and new entrants (including Fintechs and big technology competitors); shifts in consumer attitudes and disruptive technology; ability of the Bank to attract, develop, and retain key talent; changes in foreign exchange rates, interest rates, credit spreads, equity prices and commodity prices; downgrade, suspension or withdrawal of ratings assigned by any rating agency, the value and market price of the Bank's common shares and other securities may be impacted by market conditions and other factors; the interconnectivity of financial institutions, including existing and potential international debt crises; increased funding costs and market volatility due to market illiquidity and competition for funding; and critical accounting estimates and changes to accounting standards, policies, and methods used by the Bank; and the occurrence of natural and unnatural catastrophic events and claims resulting from such events. The Bank cautions that the preceding list is not exhaustive of all possible risk factors and other factors could also adversely affect the Bank's results. For more detailed information, please refer to the "Risk Factors that May Affect Future Results" section of the 2025 MD&A, and the sections related to strategic, credit, market (including equity, commodity, foreign exchange, interest rate, and credit spreads), operational (including technology, cyber security, process, systems, data, third-party, fraud, infrastructure, insider and conduct), model, insurance, liquidity, capital adequacy, compliance, financial crime, reputational, environmental and social risk in the "Managing Risk" section of the 2025 MD&A, as may be updated in subsequently filed quarterly reports to shareholders and news releases (as applicable) related to any events or transactions discussed under the headings "Significant Events" or "Update on the Remediation of the U.S. *Bank Secrecy Act* (BSA)/Anti-Money Laundering (AML) Program and Enterprise AML Program" in the relevant MD&A, which applicable releases may be found on www.td.com. All such factors, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements, should be considered carefully when making decisions with respect to the Bank. The Bank cautions readers not to place undue reliance on the Bank's forward-looking statements.

Material economic assumptions underlying the forward-looking statements contained in this document are set out in the 2025 MD&A under the headings "Economic Summary and Outlook" and "Significant Events", under the headings "Key Priorities for 2026" and "Operating Environment and Outlook" for the Canadian Personal and Commercial Banking, U.S. Retail, Wealth Management and Insurance, and Wholesale Banking segments, each as may be updated in subsequently filed quarterly reports to shareholders and news releases (as applicable).

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

This document was reviewed by the Bank's Audit Committee and was approved by the Bank's Board of Directors, on the Audit Committee's recommendation, prior to its release.

TABLE 1: FINANCIAL HIGHLIGHTS		
(millions of Canadian dollars, except where noted)	**2025**	2024
Results of operations		
Total revenue – reported	**$ 67,777**	$ 57,223
Total revenue – adjusted[1]	**61,810**	56,789
Provision for (recovery of) credit losses	**4,506**	4,253
Insurance service expenses (ISE)	**6,089**	6,647
Non-interest expenses – reported	**33,539**	35,493
Non-interest expenses – adjusted[1]	**32,555**	29,148
Net income – reported	**20,538**	8,842
Net income – adjusted[1]	**15,025**	14,277
Financial positions (billions of Canadian dollars)		
Total loans net of allowance for loan losses	**$ 953.0**	$ 949.5
Total assets	**2,094.6**	2,061.8
Total deposits	**1,267.1**	1,268.7
Total equity	**127.8**	115.2
Total risk-weighted assets (RWA)[2]	**636.4**	630.9
Financial ratios		
Return on common equity (ROE) – reported[3]	**17.8 %**	8.2 %
Return on common equity – adjusted[1]	**12.9**	13.6
Return on tangible common equity (ROTCE)[1,3]	**21.9**	11.2
Return on tangible common equity – adjusted[1]	**15.8**	18.0
Efficiency ratio – reported[3]	**49.5**	62.0
Efficiency ratio – adjusted, net of ISE[1,3,4]	**58.4**	58.1
Provision for (recovery of) credit losses as a % of net average loans	**0.47**	0.46
Common share information – reported (Canadian dollars)		
Per share earnings		
Basic	**$ 11.57**	$ 4.73
Diluted	**11.56**	4.72
Dividends per share	**4.20**	4.08
Book value per share[3]	**68.78**	59.59
Closing share price (TSX)[5]	**115.16**	76.97
Shares outstanding (millions)		
Average basic	**1,726.3**	1,758.8
Average diluted	**1,728.0**	1,760.0
End of period	**1,689.5**	1,750.1
Market capitalization (billions of Canadian dollars)	**$ 194.6**	$ 134.7
Dividend yield[3]	**4.6 %**	5.1 %
Dividend payout ratio[3]	**36.2**	86.1
Price-earnings ratio[3]	**10.0**	16.3
Total shareholder return (1 year)[3]	**56.7**	4.5
Common share information – adjusted (Canadian dollars)[1]		
Per share earnings		
Basic	**$ 8.38**	$ 7.82
Diluted	**8.37**	7.81
Dividend payout ratio	**50.0 %**	52.1 %
Price-earnings ratio	**13.8**	9.9
Capital ratios[2]		
Common Equity Tier 1 (CET1) 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
Total Loss Absorbing Capacity (TLAC) ratio	**31.8**	28.7
TLAC Leverage ratio	**8.9**	8.1

[1] The Toronto-Dominion Bank ("TD" or the "Bank") prepares its Consolidated Financial Statements in accordance with IFRS, the current GAAP, and refers to results prepared in accordance with IFRS as the "reported" results. The Bank also utilizes non-GAAP financial measures such as "adjusted" results and non-GAAP ratios to assess each of its businesses and to measure overall Bank performance. To arrive at adjusted results, the Bank adjusts reported results for "items of note". Refer to the "Financial Results Overview" section of this document for further explanation, a list of the items of note, and a reconciliation of adjusted to reported results. Non-GAAP financial measures and ratios used in this document are not defined terms under IFRS and, therefore, may not be comparable to similar terms used by other issuers.

[2] These measures have been included in this document in accordance with the Office of the Superintendent of Financial Institutions Canada's (OSFI's) Capital Adequacy Requirements (CAR), Leverage Requirements, and TLAC guidelines. Refer to the "Capital Position" section of this document for further details.

[3] For additional information about this metric, refer to the Glossary of this document.

[4] Efficiency ratio – adjusted, net of ISE is calculated by dividing adjusted non-interest expenses by adjusted total revenue, net of ISE. Adjusted total revenue, net of ISE – 2025: $55,721 million, 2024: $50,142 million.

[5] Toronto Stock Exchange (TSX) closing market price.

STRATEGIC REVIEW

In fiscal year 2025, the Bank conducted a comprehensive review of its businesses and functions to assess the Bank's positioning, performance, and growth opportunities. This review culminated in a new enterprise strategy that defines the path forward for the Bank. The strategy focuses on deepening client relationships, driving market leadership, and scaling profitably within the Bank's established risk appetite. Also as part of this review, the Bank reaffirmed its commitment to enhancing governance and control functions including its U.S. *Bank Secrecy Act* (BSA) and Anti-Money Laundering (AML) compliance programs (collectively, the "U.S. BSA/AML program") compliance remediation program.

The Bank has, as part of this strategic review, identified opportunities to accelerate growth, including deepening relationships, evolving digital capabilities, allocating capital to high return businesses, structurally reducing costs, increasing fee income, and modernizing infrastructure and processes.

The resulting strategy is intended to deliver durable earnings growth and premium ROE, creating long-term value for the Bank's shareholders within its existing risk appetite. The Bank's ability to achieve these objectives over the medium-term is subject to inherent risks and uncertainties, as discussed in the "Risk Factors That May Affect Future Results" section of this document, and others as noted in the "Caution Regarding Forward-Looking Statements" section of this document.

The Bank's medium-term strategy is anchored in the three strategic pillars and corresponding objectives introduced at its 2025 Investor Day.

<u>Deeper Relationships</u>

- **Deeper Share of Wallet**: Become Canada's leading relationship bank, increasing client depth across TD's footprint by putting clients at the centre, and seamlessly delivering products and services across channels
- **Deeper Digital Engagement**: Transform distribution by scaling digital leadership across businesses and evolving branches into advice centres, while adding specialist capabilities and sales capacity through frontline growth
- **Deeper Fee Income**: Enhance earnings durability by driving profitable growth across the Wealth Management and Insurance, and Wholesale Banking business segments, as well as the Bank's commercial banking business in Canada and the United States

<u>Simpler & Faster</u>

- **Simpler & Faster Client Experiences**: Become a leader in client experience in Canada and the United States, with a focus on making processes simpler and faster
- **Simpler & Faster Operating Model**: Evolve the operating model to reduce management layers, decrease complexity, and speed up decision making while shifting culture towards more leadership accountability
- **Simpler & Faster Technology, Leveraging Artificial Intelligence (AI)**: Enhance technology and data capabilities to ensure platforms are scalable, efficient, and resilient, while capturing revenue and cost efficiencies through the adoption of AI

<u>Disciplined Execution</u>

- **Disciplined Governance & Controls**: Continue to invest to evolve governance, risk and control functions in line with the Bank's scale, complexity, and regulatory requirements
- **Disciplined Cost Management**: Sustainably lower the Bank's expense base by delivering meaningful cost savings over the medium-term through reimagining processes, transforming distribution, and enabling technology and AI deployment
- **Disciplined Capital Management**: Deploy capital with greater discipline to drive franchise leadership and scale, while delivering premium returns, including uplifting returns across U.S. Retail and Wholesale Banking

In conjunction with its strategy, the Bank has established Bank-wide targets[1] including the following:

<u>Fiscal Year 2026 Targets</u>[1]

~13%	**6-8%**	**Positive**	**13%+**
Adj.[2] ROE	Y/Y Adj.[2] EPS Growth	Adj.[2] Operating Leverage[3]	CET1 Ratio[4]

<u>Medium-Term (Fiscal Year 2029) Targets</u>[1]

~16%	**7-10%**	**Positive**	**Strong**	**40-50%**
Adj.[2] ROE	Adj.[2] EPS Growth	Adj.[2] Operating Leverage[3]	CET1 Ratio	Dividend Payout Ratio[5]

[1] The Bank's fiscal 2026 and medium-term financial targets are based on forward-looking assumptions that have inherent risks and uncertainties. Results may vary depending on actual economic conditions, including the level of unemployment, interest rates, and economic growth or contraction, the operating environment, including regulatory requirements, political environment, and competitive landscape, and the Bank's assumptions on future business performance, including credit conditions and performance, inclusive of policy and trade uncertainty and borrower or industry specific credit factors and conditions, and foreign exchange impact. These assumptions are subject to inherent uncertainties and may vary based on factors outside the Bank's control, including those set out at the beginning of this document in the "Caution Regarding Forward-Looking Statements" section. Refer to the "Risk Factors That May Affect Future Results" section of this document for additional information about risks and uncertainties that may impact the Bank's estimates.

[2] The Bank prepares its consolidated financial statements in accordance with IFRS, the current GAAP, and refers to results prepared in accordance with IFRS as the "reported" results. The Bank also utilizes non-GAAP financial measures such as "adjusted" results (i.e., reported results excluding "items of note") and non-GAAP ratios to assess each of its businesses and measure overall Bank performance. The Bank believes that non-GAAP financial measures and non-GAAP ratios provide the reader with a better understanding of how management views the Bank's performance. Non-GAAP financial measures and non-GAAP ratios used in this presentation are not defined terms under IFRS and, therefore, may not be comparable to similar terms used by other issuers. See "Financial Results Overview" section in this document for further explanation, reported basis results, a list of the items of note, and a reconciliation of adjusted to reported results.

[3] Operating leverage is a non-GAAP measure. At the total Bank level, TD calculates operating leverage as the difference between the % change in adjusted revenue (for U.S. Retail in source currency) net of ISE, and adjusted expenses (for U.S. Retail in US$) grossed up by the retailer program partners' share of PCL for the Bank's U.S. strategic card portfolio. Collectively, these adjustments provide a measure of operating leverage that management believes is more reflective of underlying business performance.

[4] Calculated in accordance with the OSFI's Capital Adequacy Requirements guideline.

[5] For additional information about this metric, refer to the Glossary of this document.

SIGNIFICANT EVENTS

a) Sale of Schwab Shares

On February 12, 2025, the Bank sold its entire remaining equity investment in The Charles Schwab Corporation ("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 (US$14.6 billion) and the Bank recognized a net gain on sale of $8.6 billion (US$5.8 billion). This gain is net of the release of related cumulative foreign currency translation from accumulated other comprehensive income (AOCI), the release of AOCI on designated net investment hedging items, direct transaction costs, and taxes. The Bank also recognized $184 million of underwriting fees in its Wholesale segment as a result of TD Securities acting as a lead bookrunner on the transaction.

The transaction increased CET1 capital by 238 basis points (bps). The Bank discontinued recording its share of earnings available to common shareholders from its investment in Schwab following the sale. The Bank continues to have a business relationship with Schwab through the insured deposit account agreement ("Schwab IDA Agreement").

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, which primarily related to employee severance and other personnel-related costs, asset impairment and other rationalization, including certain business wind-downs, and real estate optimization. Next quarter, the Bank expects to incur additional restructuring charges of approximately $125 million pre-tax, and to conclude the restructuring program with total restructuring charges of approximately $825 million pre-tax. The restructuring program generated savings of approximately $100 million pre-tax in 2025. The Bank expects the program to generate total pre-tax fully realized annual program savings of approximately $750 million, including savings from an approximate 3% workforce reduction[6].

UPDATE ON THE REMEDIATION OF THE U.S. BANK SECRECY ACT/ANTI-MONEY LAUNDERING PROGRAM AND ENTERPRISE AML PROGRAM

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. 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 ("FRB"), and the Financial Crimes Enforcement Network ("FinCEN") 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 (C$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 failing to maintain an adequate AML program and failing 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 full terms of the consent orders and plea agreements are available on the Bank's issuer profile on SEDAR+ at www.sedarplus.com.

The Bank is focused on meeting the terms of the consent orders and plea agreements, including meeting the requirements to remediate the Bank's U.S. BSA/AML program. In addition, the Bank is also undertaking remediation of the Bank's enterprise-wide AML/Anti-Terrorist Financing and Sanctions Programs ("Enterprise AML Program").

For additional information on the risks associated with the remediation of the Bank's U.S. BSA/AML program and the Bank's Enterprise AML Program, see the "Risk Factors That May Affect Future Results – Remediation of the Bank's U.S. BSA/AML Program and Enterprise AML Program" section of this document.

Update on the Remediation of the U.S. Bank Secrecy Act/Anti-Money Laundering Program and Enterprise AML Program

The Bank remains focused on remediating its U.S. BSA/AML program to meet the requirements of the Global Resolution. As at December 3, 2025, the Bank has completed the majority of its management remediation actions (the term "management remediation actions" is not a regulatory definition and is considered by the Bank to consist of the root cause assessments, data preparation, design, documentation, frameworks, policies, standards, training, processes, systems, testing and implementation of controls, as well as the hiring of resources); however, significant work and important milestones remain for calendar 2026 and calendar 2027 including the Suspicious Activity Report lookback per the OCC consent order which management expects to complete in calendar 2027. For fiscal 2026, the Bank continues to expect U.S. BSA/AML remediation and related governance and control investments of approximately US$500 million pre-tax[7]. All management remediation actions will be subject to demonstrated sustainability and validation by the Bank's internal audit function (with such activities currently planned for calendar 2026 and calendar 2027), as well as the review by the appointed monitor, and, ultimately, the review and approval of the Bank's U.S. banking regulators and the DOJ. Following such independent reviews, testing, and validation, there could be additional management remediation actions that would take place after calendar 2027 in which case the overall remediation timeline may be extended. In addition, as the Bank undertakes the lookback reviews, the Bank may be

[6] The Bank's expectations regarding the restructuring program are subject to inherent uncertainties and are based on the Bank's assumptions regarding certain factors, including rate of natural attrition, talent re-deployment opportunities, years-of-service, execution timing of actions, decisions to expand on or reduce the restructuring actions (e.g., scope of real estate optimization, additional rationalizations), and foreign exchange translation impacts. Refer to the "Risk Factors That May Affect Future Results" section of this document for additional information about risks and uncertainties that may impact the Bank's estimates.

[7] The total amount expected to be spent on remediation and governance and control investments is subject to inherent uncertainties and may vary based on the scope of work in the U.S. BSA/AML remediation plan which could change as a result of additional findings that are identified as work progresses as well as the Bank's ability to successfully execute against the U.S. BSA/AML remediation program in accordance with the U.S. Retail segment's fiscal 2026 and medium-term plan.

required to further expand the scope of the review, either in terms of the subjects being addressed and/or the time period reviewed. The following graph illustrates the Bank's expected remediation plan and progress on a calendar year basis, based on its work to date:

The Bank's remediation timeline is based on the Bank's current plans, as well as assumptions related to the duration of planning activities, including the completion of external benchmarking and lookback reviews. The Bank's ability to meet its planned remediation milestones assumes that the Bank will be able to successfully execute against its U.S. BSA/AML remediation program plan, which is subject to inherent risks and uncertainties including the Bank's ability to attract and retain key employees, the ability of third parties to deliver on their contractual obligations, the successful development and implementation of required technology solutions, and data availability to complete the required lookback reviews. Furthermore, the execution of the U.S. BSA/AML remediation plan, including these planned milestones, will not be entirely within the Bank's control because of various factors such as (i) the requirement to obtain regulatory approval or non-objection before proceeding with various steps, and (ii) the requirement for the various deliverables to be acceptable to the regulators and/or the monitor. As of the date hereof, the Bank believes that it and its applicable U.S. subsidiaries have taken such actions as are required of them to date under the terms of the consent orders and plea agreements and is not aware of them being in breach of the same. For information about the Bank's AML governance framework, see the "Managing Risk" section of this MD&A.

While substantial work remains, the Bank made progress on remediating and strengthening its U.S. BSA/AML program over the first three quarters of fiscal 2025, including:

1) the DOJ and FinCEN approved the use of the same Independent Compliance Monitor on a go-forward basis;
2) improvements to transaction monitoring capabilities with the implementation of a new transaction monitoring system, the introduction of all planned scenarios into that transaction monitoring system as set out in the Bank's U.S. BSA/AML program remediation plan, and the deployment of the first phase of machine learning analysis in this system which will help improve the effectiveness and efficiency of the Bank's investigative teams;
3) enhanced and streamlined investigation practices including the implementation of technology which centralizes all new investigative cases in a single system to provide unified data sets to help manage financial crime risk with a single view of the customer;
4) implemented enhancements to cash deposit requirements at stores;
5) updated and enhanced policies, including those with respect to Know Your Customer (KYC) activities, and introducing revised escalation standards across all of U.S. Financial Crime Risk Management (FCRM);
6) introduced new reporting on workloads that has improved the Bank's ability to forecast resource needs;
7) strengthened controls and assessments relating to new business initiatives, including the establishment of a new Financial Crimes Risk Management subcommittee focused on reviewing and assessing new business products, services and geographies; and
8) the launch of focused training for the first and second lines of defense relating to suspicious customer activity for certain commercial products and services.

Specifically in the fourth quarter of fiscal 2025, the Bank made the following progress:

1) implemented an enhanced, streamlined system and end-to-end process for submitting unusual transaction referrals for frontline colleagues to improve the accuracy and efficiency by which the Bank submits unusual transaction reports;
2) deployed further machine learning enhancements to the Bank's transaction monitoring system to improve the efficacy and accuracy of the Bank's U.S. BSA/AML program;
3) deployed advanced risk detection capability to help identify and mitigate a high-risk criminal activity; and
4) made good progress against the lookback reviews required under the OCC consent order.

Going forward, the Bank's focus will be on continuing to remediate and strengthen its U.S. BSA/AML program, including:

1) continue enhancing its financial crime risk assessment methodologies and processes;
2) the multi-phase deployment of a new KYC strategic platform that will provide a single view of the customer to improve risk assessment capabilities;
3) further deployments of machine learning and specialized AI;
4) continued progress on lookback reviews as required under the OCC and FinCEN consent orders;
5) continued data enhancements with the deployment of dedicated FCRM data environments which will create a single source of truth in support of advanced detection capabilities; and
6) continued training and development of colleagues.

To help ensure that the Bank can continue to support its customers' financial needs in the U.S. while not exceeding the limitation on the combined total assets of the U.S. Bank, the Bank executed multiple U.S. balance sheet restructuring actions in fiscal 2025. Refer to "Update on U.S. Balance Sheet Restructuring" in the U.S. Retail segment section for additional information on these actions. For additional information about expenses associated with the Bank's U.S. BSA/AML program remediation activities, refer to the U.S. Retail segment section.

Strengthening of the Bank's Enterprise AML Program

The Bank continues to undertake remediation of the Enterprise AML Program, including a range of management remediation and enhancement actions (the term "management remediation and enhancement actions" is not a regulatory definition and is considered by the Bank to consist of root cause assessments, data preparation, design, documentation, frameworks, policies, standards, training, processes, systems, testing, and execution of controls, as well as the hiring of resources). While the Bank has made progress on this remediation work, it is a multi-year endeavour and the remediation work remains ongoing. The timing of completion of the remediation work will not be entirely within the Bank's control, and is subject to regulatory feedback, internal review, challenge and validation. As previously disclosed, following the end of the first quarter of fiscal 2025, the Financial Transactions and Reports Analysis Centre of Canada ("FINTRAC") commenced a review of certain remediation steps that the Bank has taken to date to address the FINTRAC violations. This review is ongoing, and subject to the outcome, may result in additional regulatory actions.

The remediation and enhancement of the Enterprise AML Program is exposed to similar risks as noted in respect of the remediation of the Bank's U.S. BSA/AML Program (see also "Remediation of the U.S. BSA/AML Program" above). In particular, as the Bank continues its remediation and improvement activities of the Enterprise AML Program, it expects an increase in identification of reportable transactions and/or events, which will add to the operational backlog in the Bank's Financial Crime Risk Management (FCRM) investigations processing that the Bank currently faces, but is working towards remediating, across the Bank. In addition, on an ongoing basis, the Bank will continue to review and assess whether issues identified in one jurisdiction have an impact in other jurisdictions. Furthermore, the Bank's regulators or law enforcement agencies may identify other issues with the Bank's Enterprise AML Program, which may result in additional regulatory actions. These issues identified through the Bank's own review or by the Bank's regulators or law enforcement agencies may broaden the scope of the remediation and improvements required for the Enterprise AML Program.

While substantial work remains, the Bank made progress on remediating and strengthening the Enterprise AML Program over fiscal 2025, including the following during the first three quarters of fiscal 2025:

1) redesigning the FCRM organizational structure to better enable stronger collaboration, clear ownership, and a more agile response to evolving risk and regulatory expectations, including the consolidation of the Enterprise and the U.S. AML mandates under the leadership of the Global Head of FCRM;
2) completing a comprehensive transaction monitoring coverage assessment to identify areas requiring enhancements;
3) enhancing investigative processes through improved workflow and data management;
4) continued improvements in the Bank's process and procedural guidance, reinforced with targeted training across FCRM and individual business lines;
5) implementing a stronger monitoring and testing standard to improve control coverage and depth; and
6) launching technology initiatives to consolidate electronic document and data availability, to improve quality and timeliness of monitoring and to improve oversight of escalated AML issues.

Specifically in the fourth quarter of fiscal 2025, the Bank made the following progress:

1) continued improvement of the KYC controls to strengthen tracking and regulatory compliance, supporting ongoing customer due diligence efforts;
2) strengthened governance structures and first-line accountability in managing financial crime risks, driving cross-functional collaboration and standardized processes across KYC, Customer Exits and investigative activities;
3) enhanced the AML/Anti-Terrorist Finance Enterprise Policy to align with regulatory amendments; and
4) completed the rollout of the enhanced financial crime risk assessment methodology and related tools to strengthen identification and measurement of FCRM risks across clients, products and transactions, supported by improved data capabilities.

Going forward, the Bank's focus will be on continuing to remediate and strengthen its Enterprise AML Program:

1) continued enhancement and Enterprise-wide adoption of the new centralized case management tool, with the goal of strengthening oversight and investigations of identified FCRM risks;
2) ongoing advancement in transaction monitoring capabilities, including further refinement of customer risk rating methodologies;
3) continued investment in supporting advanced analytics, machine learning, and AI opportunities within FCRM; and
4) control enhancements from the execution of the enhanced financial crime risk assessment methodology and process.

FINANCIAL RESULTS OVERVIEW

CORPORATE OVERVIEW

The Toronto-Dominion Bank and its subsidiaries are collectively known as TD Bank Group ("TD" or the "Bank"). TD is the sixth largest bank in North America by assets and serves more than 28.1 million clients in four key businesses operating in a number of locations in financial centres around the globe: Canadian Personal and Commercial Banking, including TD Canada Trust and TD Auto Finance Canada; U.S. Retail, including TD Bank, America's Most Convenient Bank®, TD Auto Finance U.S., TD Wealth (U.S.), Wealth Management and Insurance, including TD Wealth (Canada), TD Direct Investing, and TD Insurance; and Wholesale Banking, including TD Securities and TD Cowen. TD also ranks among North America's leading digital banks, with more than 13 million active mobile users in Canada and the U.S. TD had $2.1 trillion in assets on October 31, 2025. The Toronto-Dominion Bank trades under the symbol "TD" on the Toronto Stock Exchange and New York Stock Exchange.

ECONOMIC SUMMARY AND OUTLOOK

The global economy remains on track to slow in calendar 2025 with decelerating cyclical momentum reinforced by trade barriers. Higher U.S. tariffs appear likely to persist under the current administration. Inflation expectations have increased as the U.S. tariffs exert upward pressure on prices and complicate global supply chains. This puts global central banks in the challenging position of gauging whether any resulting inflation is a one-time shock or will prove persistent.

The U.S. economy has softened overall in calendar 2025, although growth has been volatile on a quarter-to-quarter basis, buffeted by swings in trade policy and the government shutdown. Smoothing through the volatility, consumer spending has slowed, and residential investment continues to contract, held back by elevated borrowing costs. Government spending is also declining, as cutbacks at the federal level and the U.S. government shutdown have temporarily restrained outlays. Business investment has managed to buck the trend, largely due to increased technology-related spending. TD Economics forecasts that a post-shutdown-related rebound in activity, lower interest rates, tax cuts, and a more business-friendly regulatory environment will lift growth back above 2% in calendar 2026.

U.S. economic data releases have been delayed due to the government shutdown, increasing uncertainty on recent economic trends. As of September 2025, hiring had lost momentum and the unemployment rate had risen to 4.4% – a new cycle high. At its latest meeting in October 2025, the Federal Reserve took further action to ensure against a slowing labour market by cutting its overnight rate by a quarter point to 3.75-4.00%. Inflation has remained somewhat elevated in recent months, but it is expected to cool after the one-time impact of tariffs has passed. TD Economics expects the Federal Reserve to lower the policy rate further over the coming months to 3.00-3.25%, close to most estimates of a "neutral" level. But the pace of interest rate cuts will depend on the evolution of the job and inflation data.

Canada's economy is estimated to have turned in a third straight year of modest economic growth in calendar 2025 as the impact of U.S. import tariffs on Canada's exports offset the boost from lower borrowing costs. The effect of elevated uncertainty around tariff policy has weakened business and consumer confidence about the future, and dampened spending. This soft hiring backdrop is expected to lift the unemployment rate from 6.9% in October 2025 to 7.3% by (calendar) year end. Immigration policy changes have also resulted in slower population and labour force growth, which is expected to limit the rise in the unemployment rate. New federal defense and infrastructure spending, an improvement in the housing market and firmer business investments are expected to drive a moderately stronger growth picture in 2026.

The Canadian central bank lowered its overnight rate to 2.25% in October 2025. Provided inflation evolves in line with the Bank's current forecast, the overnight rate is expected to remain unchanged over the next several quarters. A generally weaker U.S. dollar and a gradual improvement in Canada's economy are expected to lift the Canadian dollar. TD Economics expects the Canadian dollar to appreciate to the 73-74 U.S. cent range by mid-2026, although it is likely to be influenced by the path of U.S. trade policy.

HOW THE BANK REPORTS

The Bank prepares its Consolidated Financial Statements in accordance with IFRS, the current GAAP, and refers to results prepared in accordance with IFRS as "reported" results.

Non-GAAP and Other Financial Measures

In addition to reported results, the Bank also presents certain financial measures, including non-GAAP financial measures that are historical, non-GAAP ratios, supplementary financial measures and capital management measures, to assess its results. Non-GAAP financial measures, such as "adjusted" results, are utilized to assess the Bank's businesses and to measure the Bank's overall performance. To arrive at adjusted results, the Bank adjusts for "items of note", from reported results. Items of note are items which management does not believe are indicative of underlying business performance and are disclosed in Table 3. Non-GAAP ratios include a non-GAAP financial measure as one or more of its components. Examples of non-GAAP ratios include adjusted net interest margin, adjusted basic and diluted earnings per share (EPS), adjusted dividend payout ratio, adjusted efficiency ratio, and adjusted effective income tax rate. The Bank believes that non-GAAP financial measures and non-GAAP ratios provide the reader with a better understanding of how management views the Bank's performance. Non-GAAP financial measures and non-GAAP ratios used in this document are not defined terms under IFRS and, therefore, may not be comparable to similar terms used by other issuers. Supplementary financial measures depict the Bank's financial performance and position, and capital management measures depict the Bank's capital position, and both are explained in this document where they first appear.

U.S. Strategic Cards

The Bank's U.S. strategic cards portfolio is comprised of agreements with certain U.S. retailers pursuant to which TD is the U.S. issuer of private label and co-branded consumer credit cards to their U.S. customers. Under the terms of the individual agreements, the Bank and the retailers share in the profits generated by the relevant portfolios after credit losses. Under IFRS, TD is required to present the gross amount of revenue and provision for credit losses (PCL) related to these portfolios in the Bank's Consolidated Statement of Income. At the segment level, the retailer program partners' share of revenues and credit losses is presented in the Corporate segment, with an offsetting amount (representing the partners' net share) recorded in Non-interest expenses, resulting in no impact to Corporate's reported Net income (loss). The Net income included in the U.S. Retail segment includes only the portion of revenue and credit losses attributable to TD under the agreements.

Investment in The Charles Schwab Corporation and Schwab IDA Agreement

On February 12, 2025, the Bank sold its entire remaining equity investment in Schwab through a registered offering and share repurchase by Schwab. For further details, refer to the "Significant Events – Sale of Schwab Shares" section of this document. The Bank discontinued recording its share of earnings available to common shareholders from its investment in Schwab following the sale.

Prior to the sale, the Bank accounted for its investment in Schwab using the equity method. The U.S. Retail segment reflected the Bank's share of net income from its investment in Schwab. The Corporate segment net income (loss) included amounts for amortization of acquired intangibles, the acquisition and integration charges related to the Schwab transaction, and the Bank's share of restructuring and other charges incurred by Schwab. The Bank's share of Schwab's earnings available to common shareholders was reported with a one-month lag. For further details, refer to Note 12 of the Bank's 2025 Annual Consolidated Financial Statements.

Subsequent to the sale of the Bank's entire remaining equity investment in Schwab, the Bank continues to have a business relationship with Schwab through the Schwab IDA 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 of the Bank's 2025 Annual Consolidated Financial Statements for further details on the Schwab IDA Agreement.

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

TABLE 2: OPERATING RESULTS – Reported

(millions of Canadian dollars)	**2025**	2024
Net interest income	**$ 33,062**	$ 30,472
Non-interest income	**34,715**	26,751
Total revenue	**67,777**	57,223
Provision for credit losses	**4,506**	4,253
Insurance service expenses	**6,089**	6,647
Non-interest expenses	**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	**3,410**	2,691
Share of net income from investment in Schwab	**305**	703
Net income – reported	**20,538**	8,842
Preferred dividends and distributions on other equity instruments	**565**	526
Net income available to common shareholders	**$ 19,973**	$ 8,316

The following table provides a reconciliation between the Bank's adjusted and reported results. For further details refer to the "Significant Events" or "Financial Results Overview" sections of this document.

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

(millions of Canadian dollars)	2025	2024
Operating results – adjusted		
Net interest income[1,2]	**$ 33,303**	$ 30,749
Non-interest income[3]	**28,507**	26,040
Total revenue	**61,810**	56,789
Provision for (recovery of) credit losses	**4,506**	4,253
Insurance service expenses	**6,089**	6,647
Non-interest expenses[4]	**32,555**	29,148
Income before income taxes and share of net income from investment in Schwab	**18,660**	16,741
Provision for (recovery of) income taxes	**3,975**	3,355
Share of net income from investment in Schwab[5]	**340**	891
Net income – adjusted	**15,025**	14,277
Preferred dividends and distributions on other equity instruments	**565**	526
Net income available to common shareholders – adjusted	**14,460**	13,751
Pre-tax adjustments for items of note		
Amortization of acquired intangibles[6]	**(171)**	(290)
Acquisition and integration charges related to the Schwab transaction[4,5]	**–**	(109)
Share of restructuring and other charges from investment in Schwab[5]	**–**	(49)
Restructuring charges[4]	**(686)**	(566)
Acquisition and integration-related charges[4]	**(162)**	(379)
Impact from the terminated First Horizon (FHN) acquisition-related capital hedging strategy[1]	**(205)**	(242)
Gain on sale of Schwab shares[3]	**8,975**	1,022
Balance sheet restructuring[2,3]	**(2,803)**	(311)
Indirect tax matters[2,4]	**–**	(226)
Civil matter provision[4]	**–**	(274)
Federal Deposit Insurance Corporation (FDIC) special assessment[4]	**–**	(442)
Global resolution of the investigations into the Bank's U.S. BSA/AML program[4]	**–**	(4,233)
Less: Impact of income taxes		
Amortization of acquired intangibles	**(33)**	(41)
Acquisition and integration charges related to the Schwab transaction	**–**	(23)
Restructuring charges	**(176)**	(150)
Acquisition and integration-related charges	**(35)**	(82)
Impact from the terminated FHN acquisition-related capital hedging strategy	**(52)**	(60)
Gain on sale of Schwab shares	**407**	–
Balance sheet restructuring	**(676)**	(77)
Indirect tax matters	**–**	(53)
Civil matter provision	**–**	(69)
FDIC special assessment	**–**	(109)
Total adjustments for items of note	**5,513**	(5,435)
Net income available to common shareholders – reported	**$ 19,973**	$ 8,316

[1] After the termination of the merger agreement between the Bank and FHN on May 4, 2023, the residual impact of the strategy is reversed through net interest income (NII) – 2025: ($205) million, 2024: ($242) million, reported in the Corporate segment.

[2] Adjusted net interest income excludes the following items of note:
i. Balance sheet restructuring – 2025: $36 million in respect of U.S. Retail activities, reported in the U.S. Retail segment; and
ii. Indirect tax matters – 2024: $35 million, reported in the Corporate segment.

[3] Adjusted non-interest income excludes the following items of note:
i. The Bank sold common shares of Schwab and recognized a gain on the sale – 2025: $8,975 million, 2024: $1,022 million, reported in the Corporate segment; and
ii. Balance sheet restructuring – 2025: $2,665 million, 2024: $311 million in respect of U.S. Retail activities, reported in the U.S. Retail segment, and 2025: $102 million in respect of other activities, reported in the Corporate segment.

[4] Adjusted non-interest expenses exclude the following items of note:
i. Amortization of acquired intangibles – 2025: $136 million, 2024: $172 million, reported in the Corporate segment;
ii. The Bank's own acquisition and integration charges related to the Schwab transaction – 2024: $88 million, reported in the Corporate segment;
iii. Restructuring charges – 2025: $686 million, compared with 2024: $566 million under a previous program, reported in the Corporate segment;
iv. Acquisition and integration-related charges – 2025: $162 million, 2024: $379 million, reported in the Wholesale Banking segment;
v. Indirect tax matters – 2024: $191 million, reported in the Corporate segment;
vi. Civil matter provision – 2024: $274 million, reported in the Corporate segment;
vii. FDIC special assessment – 2024: $442 million, reported in the U.S. Retail segment; and
viii. Charges for the global resolution of the investigations into the Bank's U.S. BSA/AML program – 2024: $4,233 million, reported in the U.S. Retail segment.

[5] Adjusted share of net income from investment in Schwab excludes the following items of note on an after-tax basis. The earnings impact of these items was reported in the Corporate segment:
i. Amortization of Schwab-related acquired intangibles – 2025: $35 million, 2024: $118 million;
ii. The Bank's share of acquisition and integration charges associated with Schwab's acquisition of TD Ameritrade – 2024: $21 million;
iii. The Bank's share of restructuring charges incurred by Schwab – 2024: $27 million; and
iv. The Bank's share of the FDIC special assessment charge incurred by Schwab – 2024: $22 million.

[6] Amortization of acquired intangibles relates to intangibles acquired as a result of asset acquisitions and business combinations, including the after-tax amounts for amortization of acquired intangibles relating to the share of net income from investment in Schwab, reported in the Corporate segment. Refer to footnotes 4 and 5 for amounts.

TABLE 4: RECONCILIATION OF REPORTED TO ADJUSTED EARNINGS PER SHARE[1]

(Canadian dollars)	2025	2024
Basic earnings per share – reported	**$ 11.57**	$ 4.73
Adjustments for items of note	**(3.19)**	3.09
Basic earnings per share – adjusted	**$ 8.38**	$ 7.82
Diluted earnings per share – reported	**$ 11.56**	$ 4.72
Adjustments for items of note	**(3.19)**	3.09
Diluted earnings per share – adjusted	**$ 8.37**	$ 7.81

[1] EPS is computed by dividing net income available to common shareholders by the weighted-average number of shares outstanding during the period. Numbers may not add due to rounding.

TABLE 5: AMORTIZATION OF INTANGIBLES, NET OF INCOME TAXES		
(millions of Canadian dollars)	**2025**	2024
Schwab[1]	**$ 35**	$ 118
Wholesale Banking related intangibles	**81**	108
Other	**22**	23
Included as items of note	**138**	249
Software and asset servicing rights	**503**	432
Amortization of intangibles, net of income taxes	**$ 641**	$ 681

[1]Included in Share of net income from investment in Schwab.

RETURN ON COMMON EQUITY

The consolidated Bank ROE is calculated as reported net income available to common shareholders as a percentage of average common equity. The consolidated Bank adjusted ROE is calculated as adjusted net income available to common shareholders as a percentage of average common equity. Adjusted ROE is a non-GAAP financial ratio and can be utilized in assessing the Bank's use of equity.

ROE for the business segments is calculated as the segment net income as a percentage of average allocated capital. The Bank's methodology for allocating capital to its business segments is largely aligned with the common equity capital requirements under Basel III. Capital allocated to the business segments was based on 11.5% of CET1 Capital in both fiscal 2024 and 2025.

TABLE 6: RETURN ON COMMON EQUITY		
(millions of Canadian dollars, except as noted)	**2025**	2024
Average common equity	**$ 112,429**	$ 100,979
Net income available to common shareholders – reported	**19,973**	8,316
Items of note, net of income taxes	**(5,513)**	5,435
Net income available to common shareholders – adjusted	**$ 14,460**	$ 13,751
Return on common equity – reported	**17.8 %**	8.2 %
Return on common equity – adjusted	**12.9**	13.6

RETURN ON TANGIBLE COMMON EQUITY

Tangible common equity (TCE) is calculated as common shareholders' equity less goodwill, imputed goodwill and intangibles on the investments in Schwab and other acquired intangible assets, net of related deferred tax liabilities. ROTCE is calculated as reported net income available to common shareholders after adjusting for the after-tax amortization of acquired intangibles, which are treated as an item of note, as a percentage of average TCE. Adjusted ROTCE is calculated using reported net income available to common shareholders, adjusted for all items of note, as a percentage of average TCE. TCE, ROTCE, and adjusted ROTCE can be utilized in assessing the Bank's use of equity. TCE is a non-GAAP financial measure, and ROTCE and adjusted ROTCE are non-GAAP ratios.

TABLE 7: RETURN ON TANGIBLE COMMON EQUITY		
(millions of Canadian dollars, except as noted)	**2025**	2024
Average common equity	**$ 112,429**	$ 100,979
Average goodwill	**18,987**	18,431
Average imputed goodwill and intangibles on investments in Schwab	**1,575**	5,836
Average other acquired intangibles[1]	**427**	560
Average related deferred tax liabilities	**(232)**	(230)
Average tangible common equity	**91,672**	76,382
Net income available to common shareholders – reported	**19,973**	8,316
Amortization of acquired intangibles, net of income taxes	**138**	249
Net income available to common shareholders adjusted for amortization of acquired intangibles, net of income taxes	**20,111**	8,565
Other items of note, net of income taxes	**(5,651)**	5,186
Net income available to common shareholders – adjusted	**$ 14,460**	$ 13,751
Return on tangible common equity	**21.9 %**	11.2 %
Return on tangible common equity – adjusted	**15.8**	18.0

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

IMPACT OF FOREIGN EXCHANGE RATE ON U.S. RETAIL SEGMENT TRANSLATED EARNINGS

The following table reflects the estimated impact of foreign currency translation on key U.S. Retail segment income statement items. The impact is calculated as the difference in translated earnings using the average U.S. to Canadian dollars exchange rates in the periods noted.

TABLE 8: IMPACT OF FOREIGN EXCHANGE RATE ON U.S. RETAIL SEGMENT TRANSLATED EARNINGS

(millions of Canadian dollars, except as noted)	**2025 vs. 2024 Increase (Decrease)**	2024 vs. 2023 Increase (Decrease)
U.S. Retail		
Total revenue – reported	**$ 319**	$ 126
Total revenue – adjusted[1]	**421**	128
Non-interest expenses – reported	**268**	166
Non-interest expenses – adjusted[1]	**268**	70
Net income excluding Schwab – reported, after-tax	**24**	(57)
Net income excluding Schwab – adjusted, after-tax[1]	**100**	39
Share of net income from investment in Schwab[2]	**11**	6
U.S. Retail net income – reported, after-tax	**35**	(51)
U.S. Retail net income – adjusted, after-tax[1]	**111**	45
Earnings per share (Canadian dollars)		
Basic – reported	**$ 0.02**	$ (0.03)
Basic – adjusted[1]	**0.06**	0.02
Diluted – reported	**0.02**	(0.03)
Diluted – adjusted[1]	**0.06**	0.02

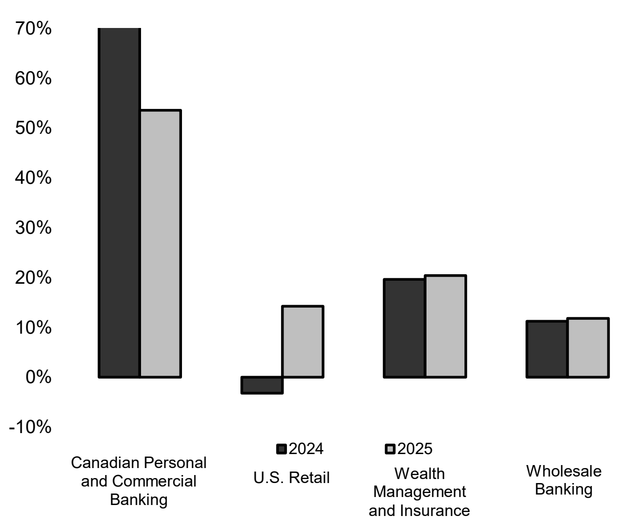
Average foreign exchange rate (equivalent of CAD $1.00)	**2025**	2024
U.S. dollar	**0.714**	0.735

[1] For additional information about the Bank's use of non-GAAP financial measures, refer to "Non-GAAP and Other Financial Measures" in the "Financial Results Overview" section of this document.
[2] Share of net income from investment in Schwab and the foreign exchange impact were reported with a one-month lag.

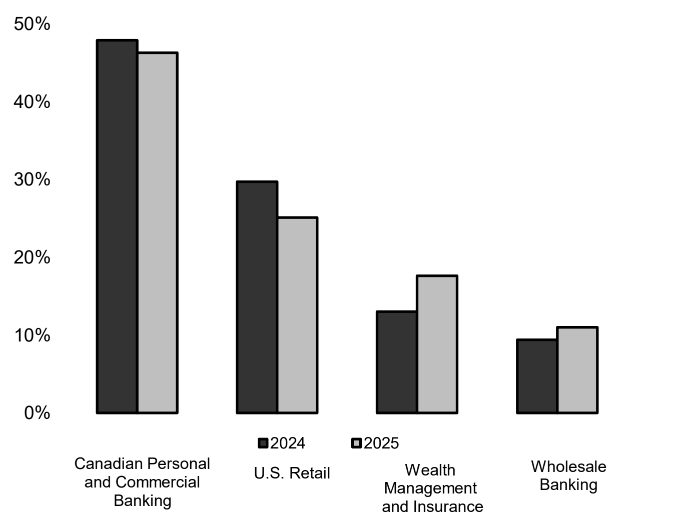
FINANCIAL RESULTS OVERVIEW

Net Income

NET INCOME – REPORTED[8] BY BUSINESS SEGMENT
(as a percentage of total net income)



NET INCOME – ADJUSTED[8,9] BY BUSINESS SEGMENT
(as a percentage of total net income)



Reported net income for the year was $20,538 million, an increase of $11,696 million, compared with $8,842 million last year. The increase primarily reflects the gain on the Schwab sale transaction in the Corporate segment, the impact of charges for the global resolution of the investigations into the Bank's U.S. BSA/AML program last year in U.S. Retail, and higher revenues, partially offset by higher non-interest expenses including higher governance and control investments, and the impact of balance sheet restructuring activities in U.S. Retail. On an adjusted basis, net income for the year was $15,025 million, an increase of $748 million, or 5%, compared with last year. The reported ROE for the year was 17.8%, compared with 8.2% last year. The adjusted ROE for the year was 12.9%, compared with 13.6% last year.

By segment, the increase in reported net income reflects increases in the Corporate segment of $8,011 million, in U.S. Retail of $2,261 million, in Wealth Management and Insurance of $834 million, in Wholesale Banking of $492 million, and in Canadian Personal and Commercial Banking of $98 million.

Reported diluted EPS for the year was $11.56, compared with $4.72 last year. Adjusted diluted EPS for the year was $8.37, an increase of 7%, compared with $7.81 last year.

[8] Amounts exclude Corporate segment.
[9] For additional information about the Bank's use of non-GAAP financial measures, refer to "Non-GAAP and Other Financial Measures" in the "Financial Results Overview" section of this document.

FINANCIAL RESULTS OVERVIEW

Revenue

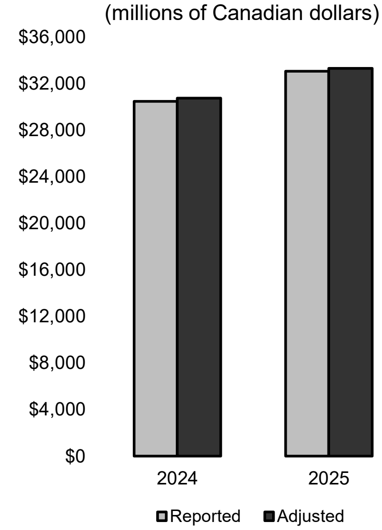
Reported revenue was $67,777 million, an increase of $10,554 million, or 18%, compared with last year. Adjusted revenue was $61,810 million, an increase of $5,021 million, or 9%, compared with last year.

NET INTEREST INCOME

Reported net interest income for the year was $33,062 million, an increase of $2,590 million, or 8%, compared with last year. The increase primarily reflects higher revenue from treasury and balance sheet activities, volume growth in Canadian Personal and Commercial Banking, and the impact of balance sheet restructuring activities and higher deposit margins in U.S. Retail. Adjusted net interest income was $33,303 million, an increase of $2,554 million, or 8%.

By segment, the increase in reported net interest income reflects increases in the Corporate segment of $1,151 million, in Canadian Personal and Commercial Banking of $1,004 million, in U.S. Retail of $768 million, and in Wealth Management and Insurance of $267 million, partially offset by a decrease in Wholesale Banking of $600 million.

NET INTEREST INCOME[10]
(millions of Canadian dollars)



NET INTEREST MARGIN

Net interest margin is calculated by dividing net interest income by average interest-earning assets. This metric is an indicator of the profitability of the Bank's earning assets less the cost of funding. Net interest margin increased by 4 basis points (bps) during the year to 1.76%, compared with 1.72% last year, primarily reflecting higher net interest income, partially offset by higher average interest earning assets from business growth. Average interest earning assets used in the calculation is a non-GAAP financial measure and net interest margin is a non-GAAP ratio. They are not defined terms under IFRS and, therefore, may not be comparable to similar terms used by other issuers.

NON-INTEREST INCOME

Reported non-interest income for the year was $34,715 million, an increase of $7,964 million, or 30%, compared with last year, primarily reflecting the gain on the Schwab sale transaction in the Corporate segment, higher trading-related revenue, underwriting fees and equity commissions in Wholesale Banking, and higher insurance premiums, fee-based revenue, and transaction revenue in Wealth Management and Insurance, partially offset by the impact of balance sheet restructuring activities in U.S. Retail. Adjusted non-interest income was $28,507 million, an increase of $2,467 million, or 9%.

By segment, the increase in reported non-interest income reflects increases in the Corporate segment of $7,782 million, in Wholesale Banking of $1,706 million, and in Wealth Management and Insurance of $760 million, partially offset by decreases in U.S. Retail of $2,176 million and in Canadian Personal and Commercial Banking of $108 million.

TABLE 9: NON-INTEREST INCOME

(millions of Canadian dollars, except as noted)			2025 vs. 2024
	2025	2024	**% change**
Investment and securities services			
Broker dealer fees and commissions	**$ 1,807**	$ 1,522	**19**
Full-service brokerage and other securities services	**2,061**	1,668	**24**
Underwriting and advisory	**1,707**	1,436	**19**
Investment management fees	**694**	669	**4**
Mutual fund management	**2,140**	1,994	**7**
Trust fees	**113**	111	**2**
Total investment and securities services	**8,522**	7,400	**15**
Credit fees	**1,650**	1,898	**(13)**
Trading income (losses)	**4,602**	3,628	**27**
Service charges	**2,788**	2,626	**6**
Card services	**2,905**	2,947	**(1)**
Insurance revenue	**7,737**	6,952	**11**
Other income (loss)	**6,511**	1,300	**401**
Total	**$ 34,715**	$ 26,751	**30**

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

TRADING-RELATED REVENUE

Trading-related revenue is the total of trading income (loss), net interest income on trading positions, and income (loss) from financial instruments designated at fair value through profit or loss (FVTPL). Trading income (loss) includes realized and unrealized gains and losses on trading assets and liabilities. Net interest income on trading positions arises from interest and dividends related to trading assets and liabilities and is reported net of interest expense associated with funding these assets and liabilities in the following table. Trading-related revenue excludes underwriting fees and commissions on securities transactions. Trading-related revenue is a non-GAAP financial measure, which is not a defined term under IFRS and, therefore, may not be comparable to similar terms used by other issuers. Management believes that the trading-related revenue is an appropriate measure of trading performance.

Trading-related revenue by product line depicts trading income for each major trading category.

TABLE 10: TRADING-RELATED REVENUE

(millions of Canadian dollars)	*For the years ended October 31*	
	2025	2024
Trading income (loss)	**$ 4,602**	$ 3,628
Net interest income (loss)[1]	**(1,387)**	(732)
Other[2]	**222**	(193)
Total	**$ 3,437**	$ 2,703
Trading-related TEB adjustment	**61**	79
Total trading-related revenue (TEB)	**$ 3,498**	$ 2,782
By product		
Interest rate and credit	**$ 1,328**	$ 1,147
Foreign exchange	**996**	905
Equity and other	**1,174**	730
Total trading-related revenue (TEB)	**$ 3,498**	$ 2,782

[1] Excludes taxable equivalent basis (TEB).

[2] Includes income (loss) from securities designated at FVTPL that are managed within a trading portfolio of $76 million (2024 – $(208) million) reported in Other Income (Loss) on the 2025 Consolidated Financial Statements and other adjustments.

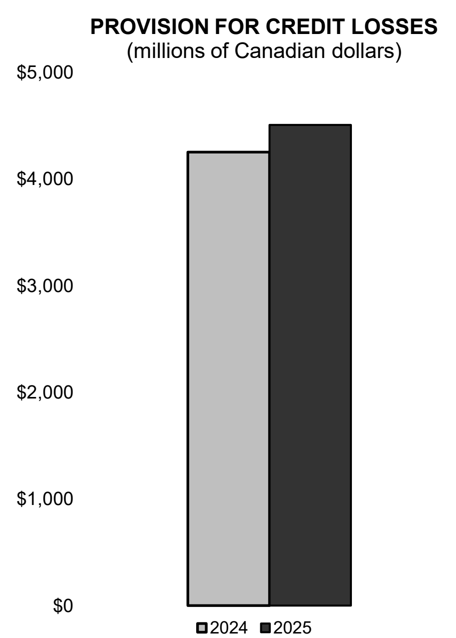
FINANCIAL RESULTS OVERVIEW

Provision for Credit Losses

PCL for the year was $4,506 million, an increase of $253 million compared with last year. PCL – impaired was $4,009 million, an increase of $132 million, largely reflecting credit migration in the Canadian consumer lending portfolios, partially offset by lower provisions in the Wholesale and Canadian commercial lending portfolios. PCL – performing was $497 million, an increase of $121 million compared with last year. The current year performing provisions largely reflect credit impacts from policy and trade uncertainty, and volume growth in Canadian Personal and Commercial Banking, partially offset by lower volume in U.S. Retail. Total PCL as an annualized percentage of credit volume was 0.47%.

By segment, PCL was higher by $388 million in Canadian Personal and Commercial Banking, and lower by $90 million in the Corporate segment, by $27 million in Wholesale Banking, and by $18 million in U.S. Retail.

While results may vary by quarter, and are subject to changes to economic trajectory, the Bank expects total PCL for fiscal 2026 to be in the range of 40 to 50 basis points[11].



[11] The Bank's estimated PCL range is based on forward-looking assumptions that have inherent risks and uncertainties. Results may vary depending on actual economic or credit conditions and performance, such as the level of unemployment, interest rates, economic growth or contraction, and borrower or industry specific credit factors and conditions. The Bank's PCL estimate is subject to risks and uncertainties including those set out in the "Risk Factors That May Affect Future Results" section of this document.

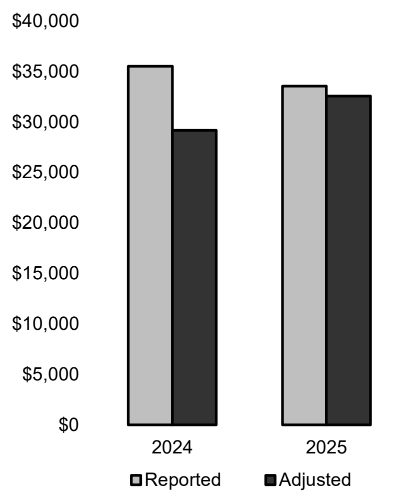
Expenses

NON-INTEREST EXPENSES

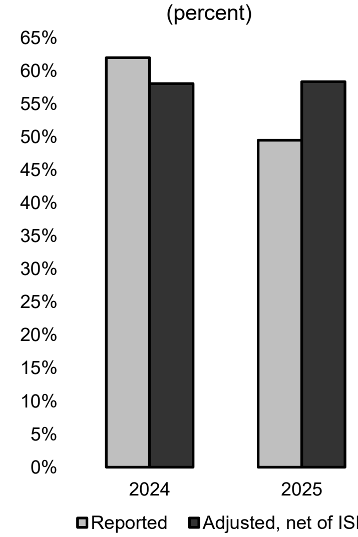
Reported non-interest expenses for the year were $33,539 million, a decrease of $1,954 million, or 6%, compared with last year, primarily reflecting the impact of charges for the global resolution of the investigations into the Bank's U.S. BSA/AML program last year and the FDIC special assessment charge last year, partially offset by higher spend supporting business growth initiatives, including employee-related expenses, and higher governance and control investments, including costs of US$507 million for U.S. BSA/AML remediation. On an adjusted basis, non-interest expenses were $32,555 million, an increase of $3,407 million, or 12%[13], primarily reflecting higher spend supporting business growth initiatives, including employee-related expenses, and higher governance and control investments. The Bank is above its previously disclosed guidance that its adjusted non-interest expense growth for fiscal 2025, assuming fiscal 2024 levels of variable compensation, foreign exchange translation, and U.S. strategic cards portfolio impact, would be at the upper end of the 5% to 7% range[14]. Elevated expense growth was driven by investments in the business to drive future growth, including acceleration of strategic investments, supported by strong revenue growth.

By segment, the decrease in reported non-interest expenses reflects a decrease in U.S. Retail of $3,542 million, partially offset by increases in Wholesale Banking of $472 million, in Wealth Management and Insurance of $413 million, in Canadian Personal and Commercial Banking of $372 million, and in the Corporate segment of $331 million.

NON-INTEREST EXPENSES[12,13]
(millions of Canadian dollars)



EFFICIENCY RATIO[12,13]
(percent)



INSURANCE SERVICE EXPENSES (ISE)

Insurance service expenses for the year were $6,089 million. This represents a decrease of $558 million, or 8%, compared with last year, driven by $916 million of estimated losses from catastrophe claims in the prior year, partially offset by higher claims severity.

EFFICIENCY RATIO

The efficiency ratio measures operating efficiency and is calculated by dividing non-interest expenses by total revenue. A lower ratio indicates a more efficient business operation. Adjusted efficiency ratio is calculated in the same manner using adjusted non-interest expenses and total revenue.

The reported efficiency ratio was 49.5%, compared with 62.0% last year. The adjusted efficiency ratio, net of ISE, was 58.4%, compared with 58.1% last year.

[12] For additional information about the Bank's use of non-GAAP financial measures, refer to "Non-GAAP and Other Financial Measures" in the "Financial Results Overview" section of this document.
[13] In fiscal 2025, variable compensation in Wholesale Banking and Wealth Management, foreign exchange translation, and gross-up of the retailer program partners' share of PCL for the Bank's U.S. strategic card portfolio ("SCP Impact"), in the aggregate, accounted for approximately one-third of the year over-year 12% increase in adjusted non-interest expenses.
[14] Consistent with previously disclosed methodology, in estimating the Bank's expense growth expectations, the Bank assumed that the following three factors on the Bank's fiscal 2025 adjusted expenses would be the same as the Bank's fiscal 2024 adjusted expenses: (i) variable compensation in Wholesale Banking and Wealth Management, (ii) foreign exchange translation, and (iii) SCP Impact.

TABLE 11: NON-INTEREST EXPENSES AND EFFICIENCY RATIO[1]

(millions of Canadian dollars, except as noted)			2025 vs. 2024
	2025	2024	**% change**
Salaries and employee benefits			
Salaries	**$ 10,520**	$ 9,920	**6**
Incentive compensation	**5,106**	4,481	**14**
Pension and other employee benefits	**2,601**	2,332	**12**
Total salaries and employee benefits	**18,227**	16,733	**9**
Occupancy			
Depreciation and impairment losses	**1,086**	1,048	**4**
Rent and maintenance	**875**	910	**(4)**
Total occupancy	**1,961**	1,958	**–**
Technology and equipment			
Equipment, data processing and licenses	**2,572**	2,379	**8**
Depreciation and impairment losses	**300**	277	**8**
Total technology and equipment	**2,872**	2,656	**8**
Amortization of other intangibles	**780**	702	**11**
Communication and marketing	**1,643**	1,516	**8**
Restructuring charges	**686**	566	**21**
Brokerage-related and sub-advisory fees	**528**	498	**6**
Professional, advisory and outside services	**4,288**	3,064	**40**
Other expenses	**2,554**	7,800	**(67)**
Total expenses	**$ 33,539**	$ 35,493	**(6)**
Efficiency ratio – reported	**49.5 %**	62.0 %	**(1,250) bps**
Efficiency ratio – adjusted, net of ISE[1]	**58.4**	58.1	**30**

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

FINANCIAL RESULTS OVERVIEW
Taxes

Reported total income and other taxes increased by $618 million, or 12.1%, compared with last year, reflecting an increase in income tax expense of $719 million, or 26.7%, and a decrease in other taxes of $101 million, or 4.2%. Adjusted total income and other taxes increased by $710 million from last year, or 12.7%, reflecting an increase in income tax expense of $620 million, or 18.5%, and an increase in other taxes of $90 million, or 4.0%.

The Bank's reported effective income tax rate was 14.4% for 2025, compared with 24.8% last year. The year-over-year decrease primarily reflects the tax impact associated with the sale of Schwab shares in the current year and the non-deductible charges for the global resolution of the investigations into the Bank's U.S. BSA/AML program in the prior year. For a reconciliation of the Bank's effective income tax rate with the Canadian statutory income tax rate, refer to Note 23 of the 2025 Consolidated Financial Statements.

The Bank reported its investment in Schwab using the equity method of accounting. Schwab's tax expense (2025: $90 million; 2024: $215 million) was not part of the Bank's effective tax rate.

To allow for an after-tax calculation of adjusted income, the adjusted provision for income taxes is calculated by adjusting the taxes for each item of note using the applicable income tax rate of the relevant legal entity. The adjusted effective income tax rate is calculated as the adjusted provision for income taxes before other taxes as a percentage of adjusted net income before taxes. The Bank's adjusted effective income tax rate for 2025 was 21.3%, compared with 20.0% last year. The year-over-year increase primarily reflects the impact of higher adjusted pre-tax income, Pillar Two taxes, and lower tax-exempt dividend income. Adjusted results are not defined terms under IFRS and, therefore, may not be comparable to similar terms used by other issuers.

TABLE 12: INCOME AND OTHER TAXES – Reconciliation of Reported to Adjusted Provision for Income and Other Taxes

(millions of Canadian dollars, except as noted)	2025	2024
Provision for income taxes – reported	**$ 3,410**	$ 2,691
Total adjustments for items of note	**565**	664
Provision for income taxes – adjusted	**3,975**	3,355
Other taxes		
Payroll	**1,000**	909
Capital and premium	**249**	231
GST, HST, and provincial sales[1]	**800**	1,002
Municipal and business	**265**	273
Total other taxes – reported	**2,314**	2,415
Total adjustments for items of note related to indirect tax matters	**–**	(191)
Total other taxes – adjusted	**2,314**	2,224
Total taxes – adjusted	**$ 6,289**	$ 5,579
Effective income tax rate – reported	**14.4 %**	24.8 %
Effective income tax rate – adjusted	**21.3**	20.0

[1] Goods and services tax (GST) and Harmonized sales tax (HST).

International Tax Reform – Pillar Two Global Minimum Tax

On December 20, 2021, the Organisation for Economic Co-operation and Development (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.

FINANCIAL RESULTS OVERVIEW
Quarterly Financial Information

FOURTH QUARTER 2025 PERFORMANCE SUMMARY

Reported net income for the quarter was $3,280 million, a decrease of $355 million, or 10%, compared with the fourth quarter last year, primarily reflecting the prior year's gain on sale of Schwab shares in the Corporate segment, higher non-interest expenses including higher governance and control investments, and the impact of balance sheet restructuring activities in U.S. Retail and the Corporate segment, partially offset by higher revenues and lower insurance service expenses. On an adjusted basis, net income for the quarter was $3,905 million, an increase of $700 million, or 22%. Reported diluted EPS for the quarter was $1.82, a decrease of 8%, compared with $1.97 in the fourth quarter of last year. Adjusted diluted EPS for the quarter was $2.18, an increase of 27%, compared with $1.72 in the fourth quarter of last year.

Reported revenue for the quarter was $15,494 million, relatively flat compared with the fourth quarter last year. Adjusted revenue for the quarter was $16,028 million, an increase of $1,131 million, or 8%, compared with the fourth quarter last year.

Reported net interest income for the quarter was $8,545 million, an increase of $605 million, or 8%, compared with the fourth quarter last year, primarily reflecting higher revenue from treasury and balance sheet activities in the Corporate segment, volume growth in Canadian Personal and Commercial Banking, and the impact of balance sheet restructuring activities and higher deposit margins, partially offset by an adjustment for client deposit rates in U.S. Retail. Adjusted net interest income for the quarter was $8,594 million, an increase of $560 million, or 7%. By segment, the increase in reported net interest income reflects increases in the Corporate segment of $337 million, in Canadian Personal and Commercial Banking of $246 million, in U.S. Retail of $241 million, and in Wealth Management and Insurance of $68 million, partially offset by a decrease in Wholesale Banking of $287 million.

Reported non-interest income for the quarter was $6,949 million, a decrease of $625 million, or 8%, compared with the fourth quarter last year, primarily driven by the prior year's gain on sale of Schwab shares in the Corporate segment and reinsurance recoveries for prior year catastrophe claims in Wealth Management and Insurance, partially offset by higher trading-related revenue, underwriting fees, advisory fees and equity commissions in Wholesale Banking, and higher insurance premiums, fee-based revenue, and transaction revenue in Wealth Management and Insurance. Adjusted non-interest income was $7,434 million, an increase of $571 million, or 8%. By segment, the decrease in reported non-interest income reflects decreases in the Corporate segment of $1,120 million, in

Wealth Management and Insurance of $217 million, and in Canadian Personal and Commercial Banking of $5 million, partially offset by increases in Wholesale Banking of $716 million and in U.S. Retail of $1 million.

PCL for the quarter was $982 million, a decrease of $127 million compared with the fourth quarter last year. PCL – impaired was $943 million, a decrease of $210 million, or 18%, largely reflecting lower provisions in the business and government lending portfolios. PCL – performing was $39 million, compared with a recovery of $44 million in the fourth quarter last year. The performing provisions this quarter were largely related to the adoption impact of a model update in the Canadian credit card portfolio, partially offset by an improvement to the Canadian and U.S. macroeconomic forecasts, and lower volume in U.S. Retail. Total PCL for the quarter as an annualized percentage of credit volume was 0.41%.

By segment, PCL was lower by $110 million in Wholesale Banking, by $85 million in U.S. Retail, by $39 million in the Corporate segment, and higher by $107 million in Canadian Personal and Commercial Banking.

Insurance service expenses for the quarter were $1,602 million, a decrease of $762 million, or 32%, compared with the fourth quarter last year, primarily reflecting lower estimated losses from catastrophe claims.

Reported non-interest expenses for the quarter were $8,808 million, an increase of $758 million, or 9%, compared with the fourth quarter last year, primarily reflecting higher spend supporting business growth initiatives, including employee-related expenses, and higher governance and control investments, including costs of US$155 million for U.S. BSA/AML remediation. Adjusted non-interest expenses for the quarter were $8,540 million, an increase of $809 million, or 10%, compared with the fourth quarter last year. By segment, the increase in reported non-interest expenses reflects increases in Wholesale Banking of $223 million, in U.S. Retail of $176 million, in the Corporate segment of $151 million, in Wealth Management and Insurance of $132 million, and in Canadian Personal and Commercial Banking of $76 million.

The Bank's reported effective tax rate was 20.0% for the quarter, compared with 13.4% in the same quarter last year. The year-over-year increase primarily reflects the tax impact of the items of note in the prior year.

The Bank's adjusted effective tax rate was 20.4% for the quarter, compared with 18.8% in the same quarter last year. The year-over-year increase primarily reflects the impact of higher adjusted pre-tax income and Pillar Two taxes.

QUARTERLY TREND ANALYSIS

Subject to the impact of seasonal trends and items of note, the Bank's reported earnings were up 132% in 2025, compared with last year, reflecting stabilizing macroeconomic conditions, the gain on the Schwab sale transaction, and the impact of charges for the global resolution of the investigations into the Bank's U.S. BSA/AML program last year. As the year progressed, the Bank benefited from higher market-related revenues in the Wholesale Banking and Wealth Management and Insurance segments, volume growth in Canadian Personal and Commercial Banking, reflecting a declining rate environment, and higher net interest income earned from the Schwab sale. Insurance service expenses were lower, reflecting higher estimated losses from catastrophe claims in the prior year. Credit impacts from policy and trade uncertainty contributed to higher PCLs. Expenses were higher, reflecting governance and control investments and spend supporting business growth initiatives, including employee-related expenses. The Bank's quarterly earnings were impacted by, among other things, seasonality, the number of days in a quarter, the economic environment in Canada and the U.S., and foreign currency translation.

TABLE 13: QUARTERLY RESULTS								
(millions of Canadian dollars, except as noted)								*For the three months ended*
				2025				2024
	Oct. 31	**Jul. 31**	**Apr. 30**	**Jan. 31**	Oct. 31	Jul. 31	Apr. 30	Jan. 31
Net interest income	**$ 8,545**	**$ 8,526**	**$ 8,125**	**$ 7,866**	$ 7,940	$ 7,579	$ 7,465	$ 7,488
Non-interest income	**6,949**	**6,771**	**14,812**	**6,183**	7,574	6,597	6,354	6,226
Total revenue	**15,494**	**15,297**	**22,937**	**14,049**	15,514	14,176	13,819	13,714
Provision for (recovery of) credit losses	**982**	**971**	**1,341**	**1,212**	1,109	1,072	1,071	1,001
Insurance service expenses	**1,602**	**1,563**	**1,417**	**1,507**	2,364	1,669	1,248	1,366
Non-interest expenses	**8,808**	**8,522**	**8,139**	**8,070**	8,050	11,012	8,401	8,030
Provision for (recovery of) income taxes	**822**	**905**	**985**	**698**	534	794	729	634
Share of net income from investment in Schwab	**–**	**–**	**74**	**231**	178	190	194	141
Net income (loss) – reported	**3,280**	**3,336**	**11,129**	**2,793**	3,635	(181)	2,564	2,824
Pre-tax adjustments for items of note[1]								
Amortization of acquired intangibles	**34**	**33**	**43**	**61**	60	64	72	94
Acquisition and integration charges related to the Schwab transaction	**–**	**–**	**–**	**–**	35	21	21	32
Share of restructuring and other charges from investment in Schwab	**–**	**–**	**–**	**–**	–	–	–	49
Restructuring charges	**190**	**333**	**163**	**–**	–	110	165	291
Acquisition and integration-related charges	**44**	**32**	**34**	**52**	82	78	102	117
Impact from the terminated FHN acquisition-related capital hedging strategy	**49**	**55**	**47**	**54**	59	62	64	57
Gain on sale of Schwab shares	**–**	**–**	**(8,975)**	**–**	(1,022)	–	–	–
Balance sheet restructuring	**485**	**262**	**1,129**	**927**	311	–	–	–
Indirect tax matters	**–**	**–**	**–**	**–**	226	–	–	–
Civil matter provision	**–**	**–**	**–**	**–**	–	–	274	–
FDIC special assessment	**–**	**–**	**–**	**–**	(72)	–	103	411
Global resolution of the investigations into the Bank's U.S. BSA/AML program	**–**	**–**	**–**	**–**	52	3,566	615	–
Total pre-tax adjustments for items of note[1]	**802**	**715**	**(7,559)**	**1,094**	(269)	3,901	1,416	1,051
Less: Impact of income taxes	**177**	**180**	**(56)**	**264**	161	74	191	238
Net income – adjusted[1]	**3,905**	**3,871**	**3,626**	**3,623**	3,205	3,646	3,789	3,637
Preferred dividends and distributions on other equity instruments	**191**	**88**	**200**	**86**	193	69	190	74
Net income available to common shareholders – adjusted[1]	**$ 3,714**	**$ 3,783**	**$ 3,426**	**$ 3,537**	$ 3,012	$ 3,577	$ 3,599	$ 3,563
(Canadian dollars, except as noted)								
Basic earnings (loss) per share								
Reported	**$ 1.82**	**$ 1.89**	**$ 6.28**	**$ 1.55**	$ 1.97	$ (0.14)	$ 1.35	$ 1.55
Adjusted[1]	**2.19**	**2.20**	**1.97**	**2.02**	1.72	2.05	2.04	2.01
Diluted earnings (loss) per share								
Reported	**1.82**	**1.89**	**6.27**	**1.55**	1.97	(0.14)	1.35	1.55
Adjusted[1]	**2.18**	**2.20**	**1.97**	**2.02**	1.72	2.05	2.04	2.00
Return on common equity – reported	**10.7 %**	**11.3 %**	**39.1 %**	**10.1 %**	13.4 %	(1.0) %	9.5 %	10.9 %
Return on common equity – adjusted[1]	**12.8**	**13.2**	**12.3**	**13.2**	11.7	14.1	14.5	14.1
(billions of Canadian dollars, except as noted)								
Average total assets	**$ 2,102**	**$ 2,112**	**$ 2,156**	**$ 2,063**	$ 2,035	$ 1,968	$ 1,938	$ 1,934
Average interest-earning assets[2]	**1,863**	**1,855**	**1,894**	**1,883**	1,835	1,778	1,754	1,729
Net interest margin – reported	**1.82 %**	**1.82 %**	**1.76 %**	**1.66 %**	1.72 %	1.70 %	1.73 %	1.72 %
Net interest margin – adjusted[1]	**1.83**	**1.83**	**1.78**	**1.67**	1.74	1.71	1.75	1.74

[1] For explanations of items of note, refer to the "Significant Events" and "Non-GAAP Financial Measures – Reconciliation of Adjusted to Reported Net Income" table in the "Financial Results Overview" sections of this document.

[2] Average interest-earning assets used in the calculation of net interest margin is a non-GAAP financial measure. Refer to "Non-GAAP and Other Financial Measures" in the "Financial Results Overview" section and the Glossary of this document for additional information about this metric.

Business Focus

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

Canadian Personal and Commercial Banking serves approximately 16 million clients in Canadian Personal and Business banking. The Personal Bank is a premier retail banking franchise delivering personalized solutions through a full suite of products and services across deposits, investing, payments, and lending. The Bank's clients are supported by a network of 1,051 branches, 3,370 automated teller machines (ATM), Mobile Mortgage Specialists, contact centers, and digital sales and servicing. Business Banking is a premier, client-centric franchise that delivers deep sector expertise, valuable advice, and a broad range of products and services to meet the needs of business owners. It leverages the Bank's national network of branches, commercial banking centers, digital channels and contact centers, and provides retail auto loans through auto dealerships across Canada.

U.S. Retail includes the Bank's personal, business banking and wealth management operations in the U.S. U.S. Retail serves over 10 million customers in stores from Maine to Florida, and via auto dealerships and credit card partner business locations nationwide. Personal Banking provides a full range of financial products and services to customers through a network of 1,100 stores, 2,401 ATMs, contact centres, and digital sales and servicing. Business banking offers a diversified range of products and services to help businesses meet their financing, investment, cash management, international trade, and day-to-day banking needs. Wealth Management provides wealth products and services to retail clients. Prior to the sale of its entire equity investment in Schwab on February 12, 2025, the contribution from the Bank's investment in Schwab was reported as equity in net income of an investment in Schwab.

Wealth Management and Insurance serves over 6 million customers across the wealth and insurance businesses in Canada. Wealth Management offers wealth solutions to retail clients in Canada through the self-directed brokerage, advice-based, and asset management businesses. Wealth Management also offers asset management products to institutional clients in Canada and globally. Insurance offers property and casualty insurance through direct channels and to members of affinity groups, as well as life and health insurance products to customers across Canada.

Wholesale Banking actively serves over 10,000 corporate, government, and institutional unique clients across North America, Europe, and Asia-Pacific. Operating under the brand names TD Securities and TD Cowen, Wholesale Banking offers global markets and corporate and investment banking services to its corporate, government, and institutional clients. It also provides market access and wholesale banking solutions for the Bank's business banking, wealth and retail operations and their clients.

Corporate segment is comprised of service and control functions, including Technology Solutions, Shared Services, Treasury and Balance Sheet Management, Marketing, Human Resources, Finance, Risk Management, Compliance, Financial Crimes Risk Management, Legal, Real Estate, Internal Audit, and Others. Certain costs relating to these functions are allocated to operating business segments. The basis of allocation and methodologies are reviewed periodically to align with management's evaluation of the Bank's business segments.

Results of each business segment reflect revenue, expenses, assets, and liabilities generated by the businesses in that segment. Where applicable, the Bank measures and evaluates the performance of each segment based on adjusted results and ROE, and for those segments the Bank indicates that the measure is adjusted. For further details, refer to Note 27 of the 2025 Consolidated Financial Statements. 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.

Net interest income within Wholesale Banking is calculated on a TEB, which means that the value of non-taxable or tax-exempt income, including 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 increase to net interest income and provision for income taxes reflected in Wholesale Banking results is reversed in the Corporate segment. The TEB adjustment for the year was $61 million (October 31, 2024 – $79 million).

On February 12, 2025, the Bank sold its entire remaining equity investment in Schwab. Prior to the sale, the Bank accounted for its investment in Schwab using the equity method and the share of net income from investment in Schwab was reported in the U.S. Retail segment. Amounts for amortization of acquired intangibles, the acquisition and integration charges related to the Schwab transaction, and the Bank's share of restructuring and other charges incurred by Schwab were recorded in the Corporate segment. Refer to "Significant Events – Sale of Schwab Shares" for further details. Effective fiscal 2025, discussions of the U.S. Retail segment's performance exclude Schwab.

The "Key Priorities for 2026" section for each business segment, provided on the following pages, is based on the Bank's views and assumptions, including those set out in the "Economic Summary and Outlook" section and the actual outcome may be materially different. For more information regarding the factors, assumptions, and risks that may impact the Bank's views, refer to the "Caution Regarding Forward-Looking Statements" and "Risk Factors That May Affect Future Results" sections of this document.

TABLE 14: RESULTS BY SEGMENT[1]												
(millions of Canadian dollars)	**Canadian Personal and Commercial Banking**		**U.S. Retail**		**Wealth Management and Insurance**		**Wholesale Banking[2]**		**Corporate[2]**		**Total**	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
Net interest income (loss)	**$ 16,701**	$ 15,697	**$ 12,368**	$ 11,600	**$ 1,493**	$ 1,226	**$ (18)**	$ 582	**$ 2,518**	$ 1,367	**$ 33,062**	$ 30,472
Non-interest income (loss)	**3,985**	4,093	**(63)**	2,113	**13,069**	12,309	**8,410**	6,704	**9,314**	1,532	**34,715**	26,751
Total revenue	**20,686**	19,790	**12,305**	13,713	**14,562**	13,535	**8,392**	7,286	**11,832**	2,899	**67,777**	57,223
Provision for (recovery of) credit losses – impaired	**1,710**	1,555	**1,499**	1,437	**–**	–	**185**	247	**615**	638	**4,009**	3,877
Provision for (recovery of) credit losses – performing	**433**	200	**15**	95	**–**	–	**105**	70	**(56)**	11	**497**	376
Total provision for (recovery of) credit losses	**2,143**	1,755	**1,514**	1,532	**–**	–	**290**	317	**559**	649	**4,506**	4,253
Insurance service expenses	**–**	–	**–**	–	**6,089**	6,647	**–**	–	**–**	–	**6,089**	6,647
Non-interest expenses	**8,382**	8,010	**9,599**	13,141	**4,698**	4,285	**6,048**	5,576	**4,812**	4,481	**33,539**	35,493
Income (loss) before income taxes	**10,161**	10,025	**1,192**	(960)	**3,775**	2,603	**2,054**	1,393	**6,461**	(2,231)	**23,643**	10,830
Provision for (recovery of) income taxes	**2,844**	2,806	**(472)**	69	**986**	648	**444**	275	**(392)**	(1,107)	**3,410**	2,691
Share of net income from investment in Schwab	**–**	–	**277**	709	**–**	–	**–**	–	**28**	(6)	**305**	703
Net income (loss) – reported	**7,317**	7,219	**1,941**	(320)	**2,789**	1,955	**1,610**	1,118	**6,881**	(1,130)	**20,538**	8,842
Pre-tax adjustments for items of note												
Amortization of acquired intangibles	**–**	–	**–**	–	**–**	–	**–**	–	**171**	290	**171**	290
Acquisition and integration charges related to the Schwab transaction	**–**	–	**–**	–	**–**	–	**–**	–	**–**	109	**–**	109
Share of restructuring and other charges from investment in Schwab	**–**	–	**–**	–	**–**	–	**–**	–		49	**–**	49
Restructuring charges	**–**	–	**–**	–	**–**	–	**–**	–	**686**	566	**686**	566
Acquisition and integration-related charges	**–**	–	**–**	–	**–**	–	**162**	379	**–**	–	**162**	379
Impact from the terminated FHN acquisition-related capital hedging strategy	**–**	–	**–**	–	**–**	–	**–**	–	**205**	242	**205**	242
Gain on sale of Schwab shares	**–**	–	**–**	–	**–**	–	**–**	–	**(8,975)**	(1,022)	**(8,975)**	(1,022)
Balance sheet restructuring	**–**	–	**2,701**	311	**–**	–	**–**	–	**102**	–	**2,803**	311
Indirect tax matters	**–**	–	**–**	–	**–**	–	**–**	–	**–**	226	**–**	226
Civil matter provision	**–**	–	**–**	–	**–**	–	**–**	–	**–**	274	**–**	274
FDIC special assessment	**–**	–	**–**	442	**–**	–	**–**	–	**–**	–	**–**	442
Global resolution of the investigations into the Bank's U.S. BSA/AML program	**–**	–	**–**	4,233	**–**	–	**–**	–	**–**	–	**–**	4,233
Total pre-tax adjustments for items of note	**–**	–	**2,701**	4,986	**–**	–	**162**	379	**(7,811)**	734	**(4,948)**	6,099
Less: Impact of income taxes	**–**	–	**674**	186	**–**	–	**35**	82	**(144)**	396	**565**	664
Net income (loss) – adjusted[3]	**$ 7,317**	$ 7,219	**$ 3,968**	$ 4,480	**$ 2,789**	$ 1,955	**$ 1,737**	$ 1,415	**$ (786)**	$ (792)	**$ 15,025**	$ 14,277
Average common equity[4]	**$ 23,749**	$ 21,618	**$ 44,700**	$ 44,415	**$ 6,296**	$ 6,141	**$ 16,699**	$ 15,821	**$ 20,985**	$ 12,984	**$ 112,429**	$ 100,979
Risk-weighted assets[5]	**206,667**	185,704	**240,254**	271,959	**15,115**	14,185	**134,203**	122,584	**40,185**	36,468	**636,424**	630,900

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

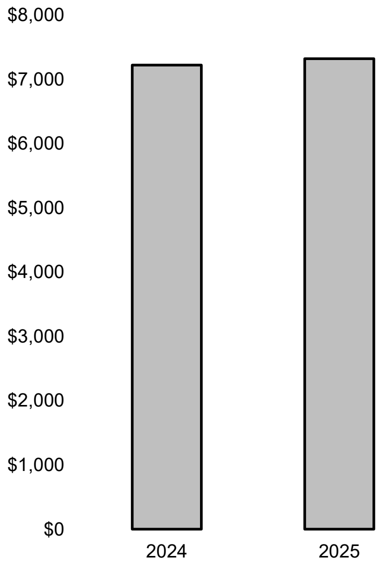
[4] For additional information about this metric, refer to the Glossary of this document.

[5] Effective fiscal 2025, risk-weighted assets associated with investments in insurance are allocated to the Corporate segment. Comparative period information has been adjusted to reflect the updated presentation.

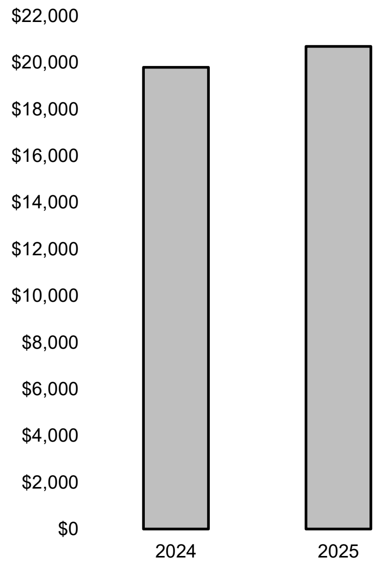
Canadian Personal and Commercial Banking

Canadian Personal and Commercial Banking offers a full range of financial products and services to approximately 16 million clients in the Bank's personal and commercial banking businesses in Canada.

NET INCOME
(millions of Canadian dollars)



TOTAL REVENUE
(millions of Canadian dollars)



AVERAGE DEPOSITS
(billions of Canadian dollars)

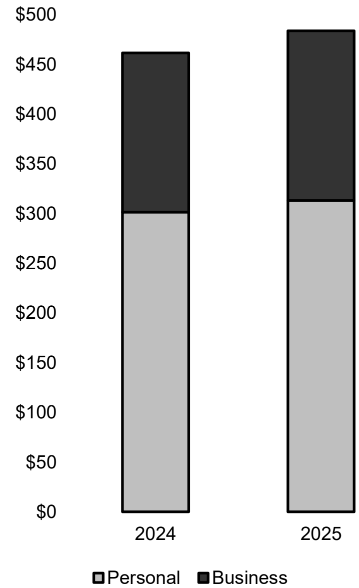


TABLE 15: REVENUE		
(millions of Canadian dollars)	**2025**	2024
Personal banking	**$ 14,500**	$ 13,828
Business banking	**6,186**	5,962
Total	**$ 20,686**	$ 19,790

KEY PRODUCT GROUPS

Personal Banking

- Personal Deposits – chequing, savings, and investment products for retail clients.
- Real Estate Secured Lending (RESL) – lending products secured by residential properties.
- Credit Cards and Consumer Lending – proprietary and co-branded credit cards, and unsecured financing products.

Business Banking

- Commercial Banking – borrowing, deposit and cash management solutions for businesses across a range of industries.
- Small Business Banking – financial products and services for small businesses.
- Auto Finance – financing solutions for prime and non-prime retail borrowers secured by automobiles, recreational and leisure vehicles, and commercial loans (including floor plan financing) for automotive dealers.
- Merchant Solutions – point-of-sale technology and payment solutions for large and small businesses.

INDUSTRY PROFILE

The personal and business banking industries in Canada are mature and highly competitive, consisting of large chartered banks, regional banks and credit unions, as well as non-traditional competitors competing in specific products and channels. These industries offer products including borrowing, deposits, cash management, and financing solutions. Products are distributed through retail branches, commercial banking centers, contact centers, digital, and other specialized distribution channels. Market leaders deliver comprehensive products and services, proactive advice that meets clients' needs, differentiated client experience, prudent risk management, and disciplined expense management.

STRATEGIC OBJECTIVES, ACCOMPLISHMENTS AND PRIORITIES

BUSINESS STRATEGY	BUSINESS HIGHLIGHTS IN 2025
Deeper Relationships	• TD ranked #1 in percentage of total Canadians who named TD as their primary bank[15] • Outgrew Canadian population growth in net client acquisition[16] • Continued to maintain strong market share positions and gained momentum: – Ranked #1 position in personal core deposits[17] – Gained year-over-year market share in total personal deposits[17] – Gained year-over-year market share in cards through acquisition and deepening of client relationships[18] – Grew the RESL business through specialization and speed, with year-over-year market share gains[17] • Strengthened partnership between Canadian Personal and Commercial Banking and Wealth Management, leading to accelerated growth in funded referrals and deeper relationships • Record digital sales in day-to-day products (personal chequing, savings, and cards): – Achieved a digital record with 8.6 million Canadian Personal and Commercial Banking users active on mobile in the past 90 days[19] – Ranked #1 for average digital reach of any bank in Canada based on ComScore[20] • Continued to advance key credit card partnerships, with a long-term extension of our exclusive co-brand credit card partnership with Amazon in Canada and a unique 6-month complimentary Uber One membership to eligible credit cardholders • Expanded distribution in Business Banking, adding over 200 new frontline bankers • In Small Business Banking, launched an AI-driven model that identifies clients' potential product needs, allowing the Bank to offer a tailored pre-approved solution • Record annual retail auto originations, with ~90% in Super Prime and Prime segments • TD Auto Finance ranked #1 in two segments of the J.D. Power 2025 Canada Dealer Financing Satisfaction Study: #1 for Dealer Satisfaction among Non-Prime Non-Captive Automotive Financing Lenders for an eighth consecutive year; and #1 among Non-Captive Prime Lenders with Retail Credit for the second year in a row[21]
Simpler & Faster	• Developed and implemented AI-powered Knowledge Management Solution to accelerate service delivery in our contact centers and branches • Transitioned all commercial bankers within Business Banking to new customer relationship management and credit underwriting platforms, unlocking efficiencies • TD was recognized as a Financial Service Excellence shared award winner for “Customer Service Excellence”[22], “Branch Service Excellence”[23], “Mobile Banking Excellence”[24], “Live Agent Telephone Banking Excellence”[25], and “Automated Telephone Banking Excellence”[26] among the Big 5 Banks[27] in the 2025 Ipsos Customer Service Index (CSI) study[28]
Disciplined Execution	• Continued momentum in new cards acquisition, while maintaining peer-leading credit quality[29] • Entered a strategic relationship with Fiserv to provide their market leading payment technology and Clover products to TD Merchant Solutions clients while also streamlining operations, reducing costs, and boosting product penetration • Initiated cost-saving measures by upgrading platforms, simplifying operations, and enhancing real estate, vendor, and workforce strategies as discussed in the section “Significant Events – Restructuring Charges”

[15] Ranking based on percentage of Canadian Banking clients surveyed, who indicate TD as their primary financial institution: Ipsos Canadian Financial Monitor, June 2025.
[16] Net client acquisition data as of fiscal 2025.
[17] Market share rankings based on the most current data available from OSFI for personal non-term (core) deposits, total personal deposits, and RESL as of September 2025.
[18] Market share based on Peer Quarterly Earnings Disclosure as of Q3 2025. Peers include Bank of Montreal, Canadian Imperial Bank of Commerce, Royal Bank of Canada, and Scotiabank (excluding The Toronto-Dominion Bank).
[19] As of October 2025, including Personal, Direct Investing, and Business Banking. Active mobile users are users who have logged in via their mobile device at least once in the last 90 days.
[20] ComScore MMX® Multi-Platform, Desktop & Mobile, Total audience, 3-month average ending September 2025.
[21] TD Auto Finance received the highest score in the retail Non-Captive segment (2018-2021), and the retail Non-Captive Non-Prime segment (2022-2025) in the J.D. Power Canada Dealer Financing Satisfaction Studies, which measure Canadian auto dealers’ satisfaction with their auto finance providers. TD Auto Finance also received the highest score in the retail Non-Captive Prime segment in the J.D. Power 2024-2025 Canada Dealer Financing Satisfaction Studies, which measure Canadian auto dealers’ satisfaction with their auto finance providers. Visit jdpower.com/awards for more details.
[22] TD Canada Trust shared in the Customer Service Excellence award in the 2025 Ipsos Study.
[23] TD Canada Trust shared in the Branch Banking Excellence award in the 2025 Ipsos Study.
[24] TD Canada Trust shared in the Mobile Banking Excellence award in the 2025 Ipsos Study.
[25] TD Canada Trust shared in the Live Agent Telephone Banking Excellence award in the 2025 Ipsos Study.
[26] TD Canada Trust shared in the Automated Telephone Banking Excellence award in the 2025 Ipsos Study.
[27] Big 5 Banks consist of Bank of Montreal, Canadian Imperial Bank of Commerce, Royal Bank of Canada, Scotiabank, and The Toronto-Dominion Bank.
[28] Ipsos 2025 Financial Service Excellence Awards are based on ongoing quarterly Customer Service Index (CSI) survey results. Ipsos announces annual winners across 11 categories in October after fielding for the final quarter-ends in September.
[29] Peer leading 90 day+ Delinquency Rates per Peer Quarterly Financial Disclosures Q3 2025. Peers include Bank of Montreal, Canadian Imperial Bank of Commerce, Royal Bank of Canada, and Scotiabank.

KEY PRIORITIES FOR 2026

- Deeper Relationships:
  - In Personal Banking, continue outgrowing the Canadian population in net client acquisition and be the leader in core banking and primacy
  - Maintain leadership in retail core deposit market share
  - Further deepen client relationships across Personal Banking, Business Banking, and Wealth Management
  - Transform RESL homebuying and retention through specialization and speed while delivering strong returns
  - Expand distribution within Business Banking through accelerating investments in frontline bankers and increasing focus on relationship banking

- Simpler & Faster:
  - Deliver client-focused outcomes by modernizing and automating processes and platforms, and leveraging AI (predictive, generative, and agentic) to deliver efficient, seamless, and personalized experiences for clients and colleagues
  - Deliver simpler and faster client experiences which include faster onboarding and mobile first experiences
  - Apply AI to boost automatic-adjudication rates in TD Auto Finance and Small Business Banking, improving client response times, and reducing manual workload
  - Integrate automation and AI into Commercial credit processes to shorten underwriting cycles and improve time to market
  - Invest in talent for specialized advice across RESL, trade finance, and several industry verticals in Commercial Banking

- Disciplined Execution:
  - Leverage automation, digital tools and AI-at-scale to drive cost savings and improve efficiency
  - Redesign key business processes and streamline operations to realize cost reduction, and deliver disciplined expense management through resource optimization and third-party spend reduction

TABLE 16: CANADIAN PERSONAL AND COMMERCIAL BANKING

(millions of Canadian dollars, except as noted)	**2025**	2024
Net interest income	**$ 16,701**	$ 15,697
Non-interest income	**3,985**	4,093
Total revenue	**20,686**	19,790
Provision for (recovery of) credit losses – impaired	**1,710**	1,555
Provision for (recovery of) credit losses – performing	**433**	200
Total provision for (recovery of) credit losses	**2,143**	1,755
Non-interest expenses	**8,382**	8,010
Provision for (recovery of) income taxes	**2,844**	2,806
Net income	**$ 7,317**	$ 7,219
Selected volumes and ratios		
Return on common equity[1]	**30.8 %**	33.4 %
Net interest margin (including on securitized assets)[2]	**2.82**	2.82
Efficiency ratio	**40.5**	40.5
Number of Canadian Retail branches at period end	**1,051**	1,060
Average number of full-time equivalent staff[3]	**32,611**	33,660

1 Capital allocated to the business segment was based on 11.5% CET1 Capital in fiscal 2025 and 2024.

2 Net interest margin is calculated by dividing net interest income by average interest-earning assets. Average interest-earning assets used in the calculation of net interest margin is a non-GAAP financial measure. Refer to “Non-GAAP and Other Financial Measures” in the “Financial Results Overview” section and the Glossary of this document for additional information about this metric.

3 Effective the third quarter of 2025, call center operations have been realigned from the Corporate segment to the businesses, providing end-to-end ownership of customer experience. The change mainly impacts the Canadian Personal and Commercial Banking segment. Average number of full-time equivalent staff has been restated for comparative periods.

REVIEW OF FINANCIAL PERFORMANCE

Canadian Personal and Commercial Banking net income for the year was $7,317 million, an increase of $98 million, or 1%, compared with last year, reflecting higher revenue, partially offset by higher PCL and non-interest expenses. ROE for the year was 30.8%, compared with 33.4% last year.

Revenue for the year was $20,686 million, an increase of $896 million, or 5%, compared with last year. Net interest income was $16,701 million, an increase of $1,004 million, or 6%, primarily reflecting volume growth. Average loan volumes increased $24 billion, or 4%, reflecting 4% growth in personal loans and 6% growth in business loans. Average deposit volumes increased $22 billion, or 5%, reflecting 4% growth in personal deposits and 6% growth in business deposits. Net interest margin was 2.82%, flat to the prior year. Non-interest income was $3,985 million, a decrease of $108 million, or 3%, reflecting lower fees due to the transition of Bankers’ Acceptances (BAs) to Canadian Overnight Repo Rate Average (CORRA)-based loans in the prior year, the impact of which is offset in net interest income, partially offset by higher fee revenue.

PCL for the year was $2,143 million, an increase of $388 million compared with last year. PCL – impaired was $1,710 million, an increase of $155 million, or 10%, largely reflecting credit migration in the consumer lending portfolios, partially offset by lower provisions in the commercial lending portfolio. PCL – performing was $433 million, an increase of $233 million compared with last year. The current year performing provisions largely reflect credit impacts from policy and trade uncertainty, the adoption impact of a model update in the credit card portfolio, and volume growth. Total PCL as an annualized percentage of credit volume was 0.36%, an increase of 5 basis points (bps) compared with last year.

Non-interest expenses for the year were $8,382 million, an increase of $372 million, or 5%, compared with last year. The increase reflects higher technology costs, employee-related expenses, and other operating expenses.

The efficiency ratio for the year was 40.5%, flat compared with last year.

OPERATING ENVIRONMENT AND OUTLOOK

For the second straight year, Canada’s economy is expected to record subdued but positive expansion in fiscal 2026. Conditions in trade-exposed industries are likely to remain challenging as adjustment continues in the face of ongoing U.S. trade uncertainty. More broadly, consumer and business spending are expected to benefit from a relatively stable near-term outlook for both inflation and interest rates. While hiring is expected to remain soft in the coming year, more pronounced weakness in the labour force due to tighter immigration policies is expected to gradually pressure the unemployment rate down beginning in the second fiscal quarter of 2026. Within the national resale housing market, sales and average prices are expected to record further modest gains, helped in part by pent-up demand from first-time and move-up buyers. As we look forward to the first quarter of fiscal 2026, we expect net interest margin to remain relatively stable[30].

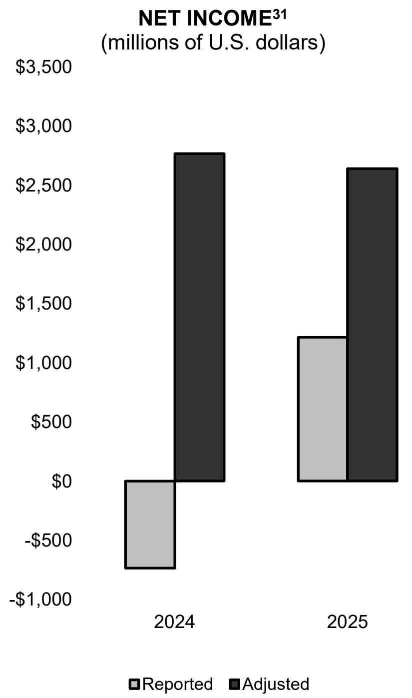
30 The Bank’s Q1 2026 net interest margin expectations for the segment are based on the Bank’s assumptions regarding factors such as Bank of Canada rate cuts, competitive market dynamics, and deposit reinvestment rates and maturity profiles, and are subject to inherent risks and uncertainties, including those set out in the “Risk Factors That May Affect Future Results” section of this document.

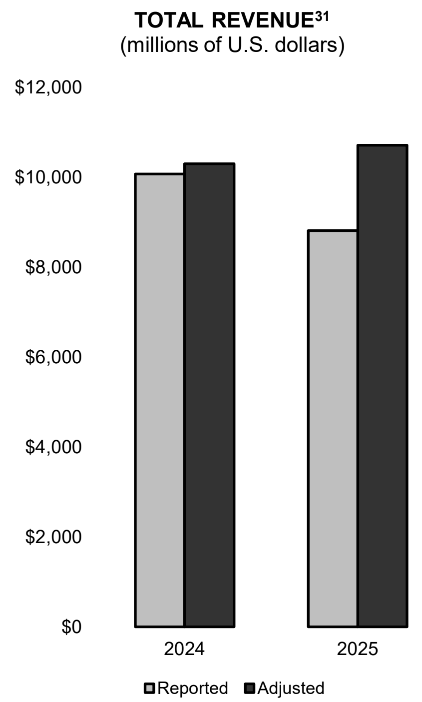
Canadian Personal and Commercial Banking is focused on continuing to manage expenses with discipline to drive cost efficiency and to create the capacity to invest for the future. TD's client-centric and digitally-enabled Canadian Personal and Commercial Banking franchise is well-positioned to execute on its growth opportunities.

BUSINESS SEGMENT ANALYSIS

U.S. Retail

U.S. Retail offers a full range of financial products and services to over 10 million customers in the Bank's U.S. personal, business banking and wealth management operations. Prior to the sale of its entire equity investment in Schwab on February 12, 2025, U.S. Retail included an investment in Schwab.





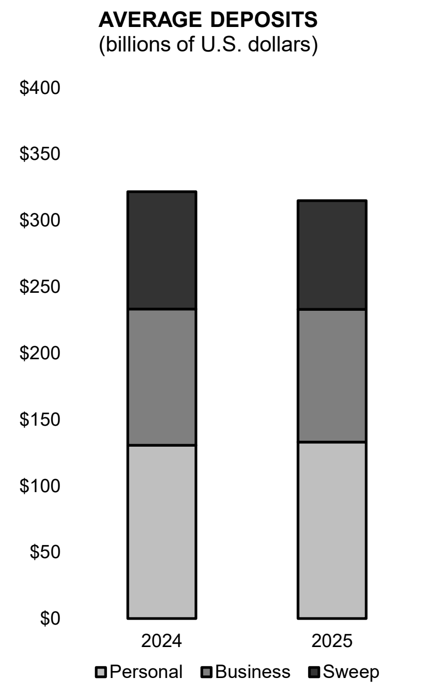


TABLE 17: REVENUE – Reported[1]				
(millions of dollars)	Canadian dollars		U.S. dollars	
	2025	2024	**2025**	2024
Personal Banking	**$ 8,908**	$ 8,466	**$ 6,381**	$ 6,219
Business Banking	**4,742**	4,331	**3,397**	3,181
Wealth	**508**	483	**364**	355
Other[2]	**(1,853)**	433	**(1,327)**	319
Total	**$ 12,305**	$ 13,713	**$ 8,815**	$ 10,074

[1] Excludes equity in net income of an investment in Schwab.
[2] Other revenue consists primarily of revenue items of note, revenue from the Schwab IDA Agreement and from investing activities.

KEY PRODUCT GROUPS

Personal Banking

- Personal Deposits – chequing, savings, and certificates of deposit products and payment solutions for retail customers offered through multiple delivery channels.
- Consumer Lending – financing products, including residential mortgages, home equity and unsecured lending solutions for retail customers.
- Credit Cards Services – TD-branded credit cards for retail customers, private label and co-brand credit cards alongside strategic relationships with leading national retailers.
- Retail Auto Finance – indirect retail financing through a network of auto dealers.

Business Banking

- Commercial Banking – borrowing, deposit and cash management solutions for U.S. businesses and governments across a wide range of industries and specialty banking segments.
- Small Business Banking – borrowing, deposit and cash management solutions for small businesses including merchant services and TD-branded credit cards.

Wealth

- Wealth Advice – wealth management advice, financial planning solutions, estate and trust planning, and insurance and annuity products for mass affluent, high net worth and institutional clients, delivered by store-based financial advisors, a robo-advisory platform, and a multi-custodial securities-based collateral lending platform.

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

INDUSTRY PROFILE

The U.S. personal and business banking industry is highly competitive and includes several very large financial institutions, as well as regional banks, small community and savings banks, finance companies, credit unions, and other providers of financial services. The wealth management industry includes national and regional banks, insurance companies, independent mutual fund companies, brokers, and independent asset management companies. The personal and business banking and wealth management industries also include non-traditional competitors, including non-financial companies expanding into financial services. These industries serve individuals, businesses, and governments and offer products and financial technology solutions to support customer needs in deposits, lending, payments, cash management, financial advice, and asset management. Products may be distributed through a single distribution channel or across multiple channels, including physical locations, ATMs, and telephone and digital and mobile channels. Certain businesses also serve customers through indirect channels. Traditional competitors are embracing new technologies, including AI, and strengthening their focus on providing enhanced customer experiences, insights and security. Non-traditional competitors including direct banks, financial technology companies and private credit institutions have gained momentum and are increasingly collaborating with banks or leveraging data through open banking to develop new products and services. The keys to profitability continue to be attracting and retaining client relationships with differentiated service, offering comprehensive products, advice and service quickly and seamlessly across distribution channels, optimizing funding sources and costs, investing strategically while maintaining expense discipline, and managing risk prudently.

STRATEGIC OBJECTIVES, ACCOMPLISHMENTS AND PRIORITIES

BUSINESS STRATEGY	BUSINESS HIGHLIGHTS IN 2025
Deeper Relationships	• Increased Bankcard balances 12% YoY, and acquired the most new accounts since fiscal 2018, powered by the introduction of the Gen2 deposit-based underwriting machine-learning model that allows better targeting of opportunities and extension of credit to more clients than traditional underwriting methods • Increased Assets under Management (AUM) 23% YoY, with mass affluent balances up 21% YoY, reflecting a focus on delivering an enhanced relationship banking service and advice • Delivered digital sales and service capabilities which drove all-time highs in Digital Sales[32] share (36%), Digital Adoption[33] (58%) and Self-Serve Transactions[34] (85%), by providing clients a more holistic self-servicing experience to expand store colleagues' capacity to provide advice • Re-imagined retail distribution model by transforming stores into advice centers, completing renovation on the 178th Next Generation store (16% of total stores), with ~90% having dedicated Wealth space • Increased Middle Market loan balances 8% YoY, expanding partnerships with TD Securities to deliver approximately US$77 million of OneTD fees in U.S. Retail Commercial Banking • TD's Florida market ranked #1 overall in 2025 J.D. Power Retail Banking Satisfaction[35] • TD ranked #1 in total number of approved U.S. Small Business Administration (SBA) loans in the Bank's Maine to Florida footprint for the 9th consecutive year[36] • TD Auto Finance ranked #1 in Dealer Satisfaction among National Prime Credit Non-Captive Automotive Finance Lenders for 6th consecutive year in J.D. Power 2025 U.S. Dealer Financing Satisfaction Study[37]
Simpler & Faster	• Executed balance sheet restructuring activities and achieved the 10% asset reduction target, creating ~US$52 billion of headroom to the asset limitation to meet the evolving needs of clients, while simplifying the franchise and driving profitable growth. Exited ~US$22 billion of non-core loans since inception of the program: – Completed the sale of the US$9 billion Correspondent Mortgage portfolio – Initiated the wind down of the US$3 billion Retail Card Services, Point of Sale financing business – Exiting commercial auto, supply chain financing and select export import and commercial bank relationships that are not profitable or aligned with the Bank's core franchise – Deployed excess cash and proceeds from loan sales to pay down bank borrowings • Completed the planned investment portfolio repositioning program, as outlined in the "Update on U.S. Balance Sheet Restructuring Activities" section in this MD&A, generating a net interest income benefit of US$500 million pre-tax in fiscal 2025 • Opened Layer 6 GenAI research and development center in New York, focused on leveraging AI leadership advantage to automate operational processes, improve cost to serve and support front-line colleagues with real-time insights to provide more personalized advice and increase productivity • Delivered enhanced digital capabilities to streamline customer interactions including the credit card application process for existing retail customers and Small Business Banking clients, and real-time debit card disputes
Disciplined Execution	• Made progress against U.S. BSA/AML Program remediation as outlined in the "Update on the Remediation of the U.S. Bank Secrecy Act/Anti-Money Laundering Program and Enterprise AML Program" section in this MD&A • Delivered ~$200 million of incremental productivity expense savings in fiscal 2025, through optimization of the Bank's stores, balance sheet, corporate real estate, workforce and vendor efficiencies as outlined in the "Significant Events – Restructuring Charges" section in this MD&A • Reduced risk-weighted assets as part of U.S. balance sheet restructuring activities supporting total U.S. Retail adjusted ROE growth of 180 bps in fiscal 2025

[32] Digital sales based on U.S. consumer banking and small business banking.
[33] Active digital users as a percentage of total customer base. Active digital users are users who have logged in online or via their mobile device at least once in the last 90 days.
[34] Self-serve share of transactions represents all financial transactions that are processed through unassisted channels (Online, Phone, Mobile, ATM and Phone IVR).
[35] TD Bank received the highest score in a tie in Florida in the J.D. Power 2025 U.S. Retail Banking Satisfaction Study, which measure customers' satisfaction with their primary bank. Visit jdpower.com/awards for more details
[36] For 2025, TD Bank ranked #1 in Small Business Administration (SBA) lending in the Maine to Florida footprint for ninth consecutive year. Lenders ranked by the U.S. SBA based on the SBA's data for the units of loans approved during the period October 1, 2024 to September 30, 2025.
[37] TDAF is ranked #1 in Dealer Satisfaction among National Prime Credit Non-Captive Automotive Finance Lenders for 6th consecutive year in the J.D. Power 2025 U.S. Dealer Financing Satisfaction Study. Visit jdpower.com/awards for more details

KEY PRIORITIES FOR 2026

- U.S. Retail's top priority remains remediating the U.S. BSA/AML program and strengthening the governance and control environment. Refer to the "Update on the Remediation of the U.S. Bank Secrecy Act/Anti-Money Laundering Program and Enterprise AML Program" section in this MD&A for additional information.
- Deeper Relationships:
  - Continue the reimagination of retail distribution model by bolstering digital sales and servicing capabilities to increase digital adoption and provide capacity for store colleagues to provide advice, while upgrading store formats to the Next Generation design
  - Scale the credit cards franchise through increasing penetration of the U.S. Bank's deposit base with the support of Gen2 underwriting, and expand the Nordstrom partnership to gain servicing control and build out scalable capabilities to be a traditional co-brand partner of choice
  - Deepen penetration of mass affluent clients by scaling the Financial Advisor workforce, delivering high-quality referrals from re-imagined retail distribution channels, and tailor investment products and services
  - Accelerate commercial bank profitability and deepen client relationships by capturing greater deposit and fee opportunities including expanding lead-agent positions, and partner with TD Securities to offer unique opportunities to Middle Market and Specialty segment clients
- Simpler & Faster:
  - Continue the execution of balance sheet restructuring efforts that simplify the business
  - Deploy AI to automate operational processes and provide productivity and enhanced insights for front-line colleagues
  - Transform data and technology architecture to deliver a scalable, cloud-native, modular environment
- Disciplined Execution:
  - Deliver the medium-term cumulative cost reduction target
  - Optimize store network, drive unit cost improvement and re-engineer processes, lower third party spend, and reduce the cost to operate the core infrastructure

<u>Update on U.S. Balance Sheet Restructuring Activities</u>

Following the announcement of the Global Resolution on October 10, 2024, the Bank executed balance sheet restructuring activities to help ensure the Bank can continue to support customers' financial needs in the U.S., while not exceeding the limitation on the combined total assets of TD Bank, N.A. and TD Bank USA, N.A. (the "U.S. Bank"). Since the fourth quarter of fiscal 2024, and through fiscal 2025, the Bank sold US$31.9 billion of bonds, resulting in an aggregate loss of US$1,592 million pre-tax. The net interest income benefit from these sales and reinvestment of proceeds was US$500 million pre-tax in fiscal 2025 and is expected to be approximately US$550 million pre-tax in fiscal 2026[38].

In addition, the Bank reduced the U.S. Bank's assets by more than 10% from the asset level as of September 30, 2024, largely by selling or winding down $22 billion of non-scalable or non-core U.S. loan portfolios that did not align with the U.S. Retail segment's focused strategy or have lower returns on investment. This reduction in assets reduced the total Bank's net interest income by approximately US$100 million pre-tax in fiscal 2025 and is expected to reduce net interest income by approximately US$280 million pre-tax in fiscal 2026[39].

During the year, the Bank used proceeds from the sale of the loans, investment maturities, and cash on hand, to pay down US$43 billion of short-term borrowings. Accordingly, as of October 31, 2025, the combined total assets of the U.S. Bank were US$382 billion.

As of September 30, 2025, the combined total assets of the U.S. Bank, as measured in accordance with the OCC Consent Order which utilizes the average of spot balances of June 30, 2025, and September 30, 2025, was US$388 billion.

In the aggregate, total losses associated with the Bank's U.S. balance sheet restructuring activities from October 10, 2024, through October 31, 2025, are US$2,128 million pre-tax and US$1,597 million after-tax. As of October 31, 2025, the Bank has largely completed its U.S. balance sheet restructuring activities and no additional losses associated with this program are expected in fiscal 2026[40].

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[38] The expected amount of net interest income benefit is subject to risks and uncertainties and are based on assumptions regarding market factors and conditions which are not entirely within the Bank's control.

[39] The Bank's estimates regarding net interest income impacts are based on assumptions regarding the timing of when the sale of the remaining assets are completed or when the remaining loan portfolios are wound down.

[40] The Bank's expectations regarding U.S. balance sheet restructuring related losses are based on forward-looking assumptions that have inherent risk and uncertainties. Results may vary depending on factors both within and outside the Bank's control. Refer to the "Risk Factors That May Affect Future Results" section of this document for additional information about risks and uncertainties that may impact the Bank's estimates.

TABLE 18: U.S. RETAIL		
(millions of dollars, except as noted)		
Canadian Dollars	**2025**	2024
Net interest income – reported	**$ 12,368**	$ 11,600
Net interest income – adjusted[1,2]	**12,404**	11,600
Non-interest income – reported	**(63)**	2,113
Non-interest income – adjusted[1,3]	**2,602**	2,424
Total revenue – reported	**12,305**	13,713
Total revenue – adjusted[1,2,3]	**15,006**	14,024
Provision for (recovery of) credit losses – impaired	**1,499**	1,437
Provision for (recovery of) credit losses – performing	**15**	95
Total provision for (recovery of) credit losses	**1,514**	1,532
Non-interest expenses – reported	**9,599**	13,141
Non-interest expenses – adjusted[1,4]	**9,599**	8,466
Provision for (recovery of) income taxes – reported	**(472)**	69
Provision for (recovery of) income taxes – adjusted[1]	**202**	255
U.S. Retail net income (loss) excluding Schwab – reported	**1,664**	(1,029)
U.S. Retail net income excluding Schwab – adjusted[1]	**3,691**	3,771
Share of net income from investment in Schwab[5,6]	**277**	709
U.S. Retail net income (loss) – reported	**$ 1,941**	$ (320)
U.S. Retail net income – adjusted[1]	**3,968**	4,480
U.S. Dollars		
Net interest income – reported	**$ 8,833**	$ 8,520
Net interest income – adjusted[1,2]	**8,858**	8,520
Non-interest income – reported	**(18)**	1,554
Non-interest income – adjusted[1,3]	**1,859**	1,780
Total revenue – reported	**8,815**	10,074
Total revenue – adjusted[1,2,3]	**10,717**	10,300
Provision for (recovery of) credit losses – impaired	**1,065**	1,056
Provision for (recovery of) credit losses – performing	**15**	70
Total provision for (recovery of) credit losses	**1,080**	1,126
Non-interest expenses – reported	**6,852**	9,631
Non-interest expenses – adjusted[1,4]	**6,852**	6,220
Provision for (recovery of) income taxes – reported	**(331)**	52
Provision for (recovery of) income taxes – adjusted[1]	**144**	188
U.S. Retail net income (loss) excluding Schwab – reported	**1,214**	(735)
U.S. Retail net income excluding Schwab – adjusted[1]	**2,641**	2,766
Share of net income from investment in Schwab[5,6]	**196**	523
U.S. Retail net income (loss) – reported	**$ 1,410**	$ (212)
U.S. Retail net income – adjusted[1]	**2,837**	3,289
Selected volumes and ratios		
U.S. Retail return on common equity excluding Schwab – reported[7]	**3.9 %**	(2.5) %
U.S. Retail return on common equity excluding Schwab – adjusted[1,7]	**8.5**	9.4
U.S. Retail return on common equity – reported[7]	**4.4 %**	(0.7) %
U.S. Retail return on common equity – adjusted[1,7]	**8.9**	10.1
Net interest margin – reported[1,8]	**3.08**	2.95
Net interest margin – adjusted[1,8]	**3.09**	2.95
Efficiency ratio – reported	**77.7**	95.6
Efficiency ratio – adjusted[1]	**63.9**	60.4
Assets under administration (billions of U.S. dollars)[9]	**$ 46**	$ 43
Assets under management (billions of U.S. dollars)[9]	**10**	8
Number of U.S. retail stores	**1,100**	1,132
Average number of full-time equivalent staff	**28,715**	27,842

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

[2] Adjusted net interest income excludes the following item of note:
i. Balance sheet restructuring (impact of loan hedge rebalancing before the close of the correspondent loan sale) – 2025: $36 million or US$25 million ($26 million or US$19 million after-tax).

[3] Adjusted non-interest income excludes the following item of note:
i. Balance sheet restructuring – 2025: $2,665 million or US$1,877 million ($2,001 million or US$1,408 million after-tax), 2024: $311 million or US$226 million ($234 million or US$170 million after-tax).

[4] Adjusted non-interest expenses exclude the following items of note:
i. FDIC special assessment – 2024: $442 million or US$323 million ($333 million or US$243 million after-tax); and
ii. Charges for the global resolution of the investigations into the Bank's U.S. BSA/AML program – 2024: $4,233 million or US$3,088 million (before and after-tax).

[5] The Bank's share of Schwab's earnings was reported with a one-month lag. Refer to Note 12 of the 2025 Consolidated Financial Statements for further details.

[6] The after-tax amounts for amortization of acquired intangibles, the Bank's share of acquisition and integration charges associated with Schwab's acquisition of TD Ameritrade, the Bank's share of Schwab's restructuring charges, and the Bank's share of Schwab's FDIC special assessment charge were recorded in the Corporate segment.

[7] Capital allocated to the business segment was 11.5% CET1 Capital.

[8] Net interest margin is calculated by dividing U.S. Retail segment's net interest income by average interest-earning assets excluding the impact related to sweep deposits arrangements and the impact of intercompany deposits and cash collateral, which management believes better reflects segment performance. In addition, the value of tax-exempt interest income is adjusted to its equivalent before-tax value. Net interest income and average interest-earning assets used in the calculation are non-GAAP financial measures. For additional information about the Bank's use of non-GAAP financial measures, refer to "Non-GAAP and Other Financial Measures" in the "Financial Results Overview" section of this document.

[9] For additional information about this metric, refer to the Glossary of this document.

On February 12, 2025, the Bank sold its entire remaining equity investment in Schwab. Prior to the sale, the Bank accounted for its investment in Schwab using the equity method and the share of net income from investment in Schwab was reported in the U.S. Retail segment. Amounts for amortization of acquired intangibles, the acquisition and integration charges related to the Schwab transaction, and the Bank's share of restructuring and other charges incurred by Schwab were recorded in the Corporate segment. Refer to "Significant Events" for further details. Effective fiscal 2025, discussions of the U.S. Retail segment's performance exclude Schwab.

REVIEW OF FINANCIAL PERFORMANCE

U.S. Retail reported net income was $1,664 million (US$1,214 million), an increase of $2,693 million (US$1,949 million), compared with last year, excluding Schwab earnings of $277 million (US$196 million) in the current year and $709 million (US$523 million) in the prior year, primarily reflecting the impact of the charges for the global resolution of the investigations into the Bank's U.S. BSA/AML program last year, higher revenue, and lower PCL in the current year, partially offset by the impact of U.S. balance sheet restructuring activities, higher governance and control investments, including costs for U.S. BSA/AML remediation, and an adjustment for client deposit rates. U.S. Retail adjusted net income was $3,691 million (US$2,641 million), a decrease of $80 million (US$125 million), or 2% (5% in U.S. dollars), compared with last year, primarily reflecting higher governance and control investments, including costs for U.S. BSA/AML remediation, and an adjustment for client deposit rates, partially offset by the impact of U.S. balance sheet restructuring activities, higher revenue, and lower PCL. The reported and adjusted annualized ROE excluding Schwab for the year were 3.9% and 8.5%, respectively, compared with -2.5% and 9.4%, respectively, last year.

Reported revenue for the year was US$8,815 million, a decrease of US$1,259 million, or 12%, compared with last year. On an adjusted basis, revenue for the year was US$10,717 million, an increase of US$417 million, or 4%. Reported net interest income of US$8,833 million, increased US$313 million, or 4%, and adjusted net interest income of US$8,858 million, increased US$338 million, or 4%, largely reflecting the impact of U.S. balance sheet restructuring activities and higher deposit margins, partially offset by an adjustment for client deposit rates. Reported net interest margin of 3.08%, increased 13 bps, and adjusted net interest margin of 3.09% increased 14 bps, due to U.S. balance sheet restructuring activities and higher deposit margins. Reported non-interest loss of US$18 million, a decrease of US$1,572 million, compared with last year, reflecting the impact of U.S. balance sheet restructuring activities, partially offset by higher fee income. On an adjusted basis, non-interest income of US$1,859 million increased US$79 million, or 4%, compared with last year, reflecting higher fee income.

Average loan volumes decreased US$9 billion, or 5%, compared with last year. Personal loans decreased 4% and business loans decreased 5%, reflecting U.S. balance sheet restructuring activities. Excluding the impact of the loan portfolios identified for sale or run-off under our U.S. balance sheet restructuring program, average loan volumes increased US$4 billion, or 2%[41,42]. Average deposit volumes decreased US$7 billion, or 2%, reflecting a 7% decrease in sweep deposits and a 3% decrease in business deposits, partially offset by a 2% increase in personal deposits.

Assets under administration (AUA) were US$46 billion as at October 31, 2025, an increase of US$3 billion, or 7%, compared with last year, and assets under management (AUM) were US$10 billion as of October 31, 2025, an increase of US$2 billion, or 25%, compared with last year, both reflecting net asset growth and market appreciation.

PCL for the year was US$1,080 million, a decrease of US$46 million, or 4%, compared with last year. PCL – impaired was US$1,065 million, an increase of US$9 million, or 1%, largely reflecting credit migration in the commercial lending portfolio, partially offset by lower provisions in the consumer lending portfolios. PCL – performing was US$15 million, a decrease of US$55 million, or 79%, compared with last year. The current year performing provisions largely reflect credit impacts from policy and trade uncertainty, partially offset by lower volume and the adoption impact of a model update in the credit card portfolio. U.S. Retail PCL including only the Bank's share of PCL in the U.S. strategic cards portfolio, as an annualized percentage of credit volume was 0.60%, flat compared with last year.

Effective fiscal 2025, U.S. Retail segment non-interest expenses include certain U.S. governance and control investments, including costs for U.S. BSA/AML remediation which were previously reported in the Corporate segment. Comparative amounts have been reclassified to conform with the presentation adopted in the current period. Reported non-interest expenses for the period were US$6,852 million, a decrease of US$2,779 million, or 29%, compared with last year, reflecting the impact of charges for the global resolution of the investigations into the Bank's U.S. BSA/AML program last year, partially offset by higher governance and control investments including costs of US$507 million for U.S. BSA/AML remediation, and higher employee-related expenses, in the current year. On an adjusted basis, non-interest expenses increased US$632 million, or 10%, reflecting higher governance and control investments, including costs for U.S. BSA/AML remediation, and higher employee-related expenses. For fiscal 2026, non-interest expenses are expected to grow in the mid-single digit range[43].

The reported and adjusted efficiency ratios for the year were 77.7% and 63.9%, respectively, compared with 95.6% and 60.4%, respectively, last year.

OPERATING ENVIRONMENT AND OUTLOOK

Fiscal 2026 is expected to be a highly complex year for the U.S. banking industry, reflecting an uncertain macroeconomic backdrop, evolving competitive landscape, and a deregulatory trend. Notwithstanding geopolitical and economic uncertainty and indications of declining consumer confidence, the U.S. economy has remained resilient, supported by sustained business investment and consumer spending. Competitive pressures continue to intensify as traditional and non-traditional financial institutions compete for market share while investment in transformational technology accelerates.

U.S. Retail's top priority is the continued execution against its U.S. BSA/AML remediation program and the strengthening of its governance and control infrastructure. In addition, in order to continue to meet the evolving needs of its clients while complying with, and maintaining an ample buffer to, the asset limitation set out in the OCC consent order, the Bank will continue to reduce previously identified non-core loans that do not align with U.S. Retail's focused strategy or have lower returns.

U.S. Retail will direct the increased capital capacity created by this non-core loan reduction to fund growth in more profitable core business lines where U.S. Retail has opportunities to deepen relationships, drive growth in deposits and diversify revenue streams. In addition, U.S. Retail will continue to drive disciplined execution of structural cost reductions. Net interest margin is expected to moderately expand in the first quarter of fiscal 2026[44].

THE CHARLES SCHWAB CORPORATION

Refer to Note 12 of the 2025 Consolidated Financial Statements for further information on Schwab.

[41] Loan portfolios identified for sale or run-off include the Point of Sale finance business which services third party retailers, correspondent lending, export and import lending, commercial auto dealer portfolio, and other non-core portfolios. 2025 average loan volumes: US$184 billion (2024: US$192 billion). 2025 average loan volumes of loan portfolios identified for sale or run-off: US$24 billion (2024: US$36 billion). 2025 average loan volumes excluding loan portfolios identified for sale or run-off: US$160 billion (2024: US$156 billion).

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

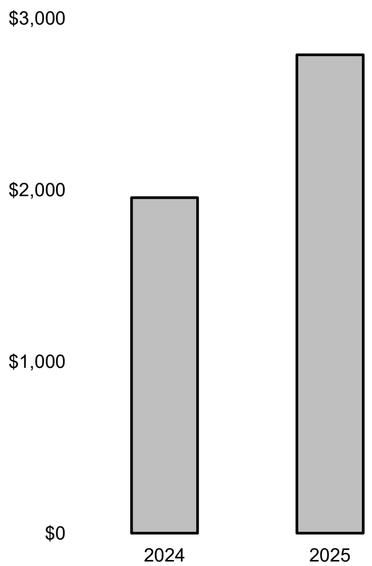
[43] The Bank's expectations regarding expense growth are based on the assumptions regarding certain factors, including the Bank's ability to successfully execute against its governance and control initiatives, including U.S. BSA/AML remediation, the timing of business investments, and productivity and restructuring savings. Refer to the "Risk Factors That May Affect Future Results" section of this document for additional information about risks and uncertainties that may impact the Bank's estimates.

[44] The Bank's Q1 2026 net interest margin expectations for the segment are based on the Bank's assumptions regarding interest rates, deposit reinvestment rates, average asset levels, execution of planned restructuring opportunities, and other variables, and are subject to inherent risks and uncertainties, including those set out in the "Risk Factors That May Affect Future Results" section of this document.

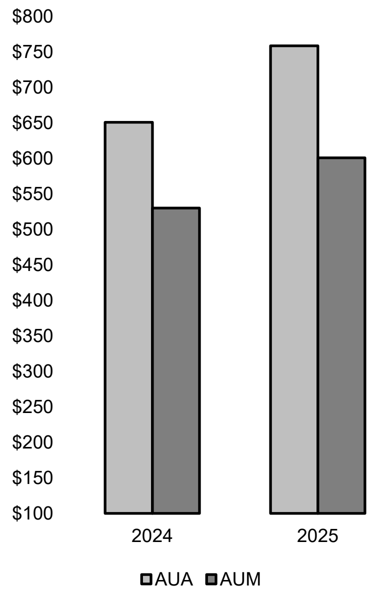
Wealth Management and Insurance

Wealth Management and Insurance provides wealth solutions and insurance protection to over 6 million customers in Canada and asset management products to institutional clients in Canada and globally.

NET INCOME
(millions of Canadian dollars)



AUA / AU[45]
(billions of Canadian dollars)



INSURANCE PREMIUMS
(millions of Canadian dollars)

TABLE 19: REVENUE				
(millions of Canadian dollars)		**2025**		2024
Wealth Management	**$**	**7,012**	$	6,042
Insurance[1]		**7,550**		7,493
Total	**$**	**14,562**	$	13,535

[1] Includes recoveries from reinsurers for catastrophe claims of nil (2024: $718 million)

KEY PRODUCT GROUPS

Wealth Management

- Direct Investing – platforms and resources for self-directed retail investors to facilitate research, investment management and trading in a range of investment products through online, phone and mobile channels.
- Wealth Advice – wealth management advice and financial planning solutions for mass affluent, high net worth and ultra high net worth clients, integrated with other Wealth businesses and the broader Bank.
- Asset Management – public and private market investment management solutions for retail and institutional clients, including a diversified suite of investment products designed to provide attractive risk-adjusted returns.

Insurance

- Property and Casualty – home, auto and small business insurance provided through direct channels and to members of affinity groups such as professional associations, post-secondary institutions such as universities and colleges, and employer groups.
- Life and Health – credit protection for Canadian Personal and Business Banking borrowing customers, life and health insurance products, credit card balance protection, and travel insurance products, distributed through customer-assisted and direct to consumer channels.

INDUSTRY PROFILE

The Canadian wealth management industry includes banks, insurance companies, independent asset managers, direct-to-consumer providers, independent financial advisors and planners, and full-service and discount brokerages. Growth relies on the ability to provide differentiated and integrated wealth solutions and holistic financial advice to retail and institutional investors while keeping pace with technological change and regulatory requirements. The property and casualty insurance industry in Canada is fragmented and competitive, consisting of numerous personal and commercial line writers offering products through broker, captive agent and direct distribution channels, while the life and health insurance industry is comprised of several large life and health insurers, and also includes several banks that provide life and health insurance. We expect that providing innovative digital capabilities and solutions will be a key differentiator for customers buying and servicing their insurance policies through direct channels.

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

STRATEGIC OBJECTIVES, ACCOMPLISHMENTS AND PRIORITIES

BUSINESS STRATEGY	BUSINESS HIGHLIGHTS IN 2025
Deeper Relationships	• Continued to increase client depth across TD to seamlessly meet clients' needs across channels, leading to record flows from Personal Banking to Wealth Management and within Wealth Management, and record flows from TD Direct Investing to Advice • Maintained strong market share positions and gained momentum across the businesses: – TD Direct Investing ranks #1 in market share of revenue and total assets[46] – TD Asset Management reinforced its position as #1 institutional asset manager in Canada[47] and continued to expand its institutional presence, winning new mandates domestically and globally – TD Asset Management was among the fastest growing ETF manufacturers in the industry – TD Private Investment Advice increased market share, outperforming bank-owned peers and the overall channel – TD Insurance ranked #1 as Canada's Leading Direct Distribution personal lines insurer and leader in the Affinity market in Canada[48], and #3 rank as personal home & auto insurer in Canada[49] • Wealth Management expanded co-location of Private Bankers in Retail branches and Commercial Banking Centres and expanded Private Banking Direct and Financial Planning Direct, broadening clients' access to specialist capabilities • Wealth Management recognized with multiple awards, reflecting the strength of the business, products, and platforms: – TD Direct Investing was ranked #1 Digital Brokerage in Canada by The Globe and Mail[50] for the third consecutive year – TD Asset Management recognized in 7 categories at the 2025 Canada London Stock Exchange Group Lipper Fund Awards[51] – TD Asset Management received 24 Fundata FundGrade A+® Awards • TD Insurance maintained focus on deepening client relationships, partnering with Wealth Management to better protect high-net-worth clients with travel, home and auto insurance products • TD Insurance's Affinity partnerships remain a core differentiator, with TD Insurance ranked #1 in the General Insurance Affinity market and leveraging these relationships to extend reach into valuable client segments • General Insurance ran an innovative Pole Pillow Campaign, with coverage from over 100+ media publications, generating over 22 million total impressions and 100% positive sentiment, and strengthening TD Insurance's #1 Rank in Awareness for Home & Auto Insurance[52]
Simpler & Faster	• Enabled digital onboarding for all TD Wealth Financial Planning account types, with 90% of all accounts now onboarded digitally • Introduced capability for Wealth clients using the TD App to access Omni Dial through Easy Trade, enabling automatic authentication and reducing call times • Leveraged digital authentication and expanded eSign capabilities in TD Direct Investing, driving a significant drop in calls referred to the Retail branch • Introduced new services, features and capabilities to enhance client experience: – Enhanced TD Direct Investing self-serve and live chat capabilities – Launched TD Active Trader mobile app for Android and TD Advanced Dashboard mobile app – Launched a new High Net Worth planning tool in Advice – Broadened TD Asset Management ETF offerings and launched a new private market alternatives fund • TD Insurance remained Canada's leading digital direct insurer, with over 75% of customers digitally engaged, more than 40% of eligible Home & Auto transactions completed online, and the TD Insurance app recognized as "Canada's Top-Rated Home and Auto Insurance App" by Apple and Google[53] • Launched a new usage-based auto insurance program to deliver proactive, personalized driving advice to clients and reward safe driving habits
Disciplined Execution	• Continued to invest in Wealth Management operations, enhancing advisor and client experience through improved efficiency, productivity and reduced operational risk • Strengthened control environment to systematically address business risks • Maintained a robust reinsurance program and became the first Canadian insurer to sponsor a CAD denominated catastrophe bond, providing additional sources of capital protection against losses from severe weather events • Extended complimentary Wildfire Defense Systems coverage to more clients in Alberta and Saskatchewan to build resiliency against climate-related disruptions

[46] Investor Economics, Retail Distribution Report, June 2025
[47] Investor Economics, Managed Money Report, Spring 2025
[48] Rankings based on data available from OSFI, Insurers, Insurance Bureau of Canada, and Provincial Regulators as of December 2024
[49] Based on market data released by MSA research for the six months period ended June 30, 2025
[50] Globe and Mail, February 2025
[51] 2025 Canada London Stock Exchange Group Lipper Fund Awards: https://lipperfundawards.com/Awards/Canada/2025/Fund
[52] Ipsos, TD Insurance ranking, English Canada past 12 months ending June 2025 among Home & Auto insurance holders or next 12 months purchase intenders
[53] Based on ratings on the App Store and Google Play as of September 15, 2025

KEY PRIORITIES FOR 2026

- Deeper Relationships:
  - Deepen client relationships across TD through partnerships between Canadian Personal Banking, Wealth Management, Insurance and Canadian Business Banking to satisfy client needs holistically while adhering to the Bank Act (Canada)
  - Expand distribution by deploying advisor talent acquisitions and development programs
  - Accelerate client acquisition through investments in Easy Trade and Active Trader platforms in Wealth Management and continued success in Insurance's marketing sophistication

- Simpler & Faster:
  - Continue to leverage AI capabilities and end-to-end use of analytics to deliver personalized and engaging experiences and advice, enhance advisor capacity and improve productivity, and in insurance claims fraud detection to accelerate profitable growth
  - Further advance digital client onboarding and account funding to enhance online, same-day and self-serve capabilities
  - Enhance advisor capacity by leveraging AI to improve productivity
  - Complete the unification of Wealth Management's discretionary advice businesses and client migration

- Disciplined Execution:
  - Sustainably lower expense base by re-envisioning Insurance business processes to further enable AI opportunities and leverage the advantage of TD Insurance's low cost direct to consumer model
  - Deliver disciplined expense management by expanding digital client onboarding in Wealth Management, productivity initiatives and structural cost reduction while continuing to invest in risk and control infrastructure
  - Provide Insurance clients with sound advice and support they need to prepare for the impacts of climate change

TABLE 20: WEALTH MANAGEMENT AND INSURANCE

(millions of Canadian dollars, except as noted)	2025	2024
Net interest income	**$ 1,493**	$ 1,226
Non-interest income[1]	**13,069**	12,309
Total revenue	**14,562**	13,535
Insurance service expenses[2]	**6,089**	6,647
Non-interest expenses	**4,698**	4,285
Provision for (recovery of) income taxes	**986**	648
Net income	**$ 2,789**	$ 1,955
Selected volumes and ratios		
Return on common equity	**44.3 %**	31.8 %
Return on common equity – Wealth Management[3]	**62.1**	52.0
Return on common equity – Insurance	**24.2**	10.7
Efficiency ratio	**32.3**	31.7
Efficiency ratio, net of ISE[4]	**55.4**	62.2
Assets under administration (billions of Canadian dollars)[5]	**$ 759**	$ 651
Assets under management (billions of Canadian dollars)	**601**	530
Average number of full-time equivalent staff	**15,411**	15,219

[1] Includes recoveries from reinsurers for catastrophe claims of nil (2024: $718 million).
[2] Includes estimated losses related to catastrophe claims of $101 million (2024: $1,223 million).
[3] Capital allocated to the business segment was 11.5% CET1 Capital.
[4] Efficiency ratio, net of ISE is calculated by dividing non-interest expenses by total revenue, net of ISE. Total revenue, net of ISE – 2025: $8,473 million, 2024: $6,888 million. Total revenue, net of ISE is a non-GAAP financial measure. Refer to "Non-GAAP and Other Financial Measures" in the "Financial Results Overview" section and the Glossary of this document for additional information about this metric.
[5] Includes AUA administered by TD Investment Services Inc. which is part of the Canadian Personal and Commercial Banking segment.

REVIEW OF FINANCIAL PERFORMANCE

Wealth Management and Insurance net income for the year was $2,789 million, an increase of $834 million, or 43%, compared with last year, reflecting lower estimated losses from catastrophe claims and higher revenue from both businesses, partially offset by higher non-interest expenses. Wealth Management net income for the year was $2,070 million, an increase of $434 million, or 27%, compared with last year, and Insurance net income for the year was $719 million, an increase of $400 million, compared with last year. The ROE for the year was 44.3%, compared with 31.8% last year. Wealth Management ROE for the year was 62.1%, compared with 52.0% last year, and Insurance ROE for the year was 24.2% compared with 10.7% last year.

Revenue for the year was $14,562 million. This represents an increase of $1,027 million, or 8%, compared with last year. Non-interest income was $13,069 million. This represents an increase of $760 million, or 6%, compared with last year, reflecting higher insurance premiums, fee-based revenue, and transaction revenue in the current year, partially offset by the impact of $718 million in reinsurance recoveries for catastrophe claims in the prior year. Net interest income was $1,493 million, an increase of $267 million, or 22%, compared with last year, reflecting higher deposit volumes and margins.

AUA were $759 billion as at October 31, 2025, an increase of $108 billion, or 17%, compared with last year, reflecting market appreciation and net asset growth. AUM were $601 billion as at October 31, 2025, an increase of $71 billion, or 13%, compared with last year, primarily reflecting market appreciation and net asset growth.

Insurance service expenses for the year were $6,089 million. This represents a decrease of $558 million, or 8%, compared with last year, driven by $916 million of estimated losses from catastrophe claims in the prior year, partially offset by higher claims severity in the current year.

Non-interest expenses for the year were $4,698 million, an increase of $413 million, or 10%, compared with last year, reflecting higher variable compensation, and higher technology spend supporting business growth.

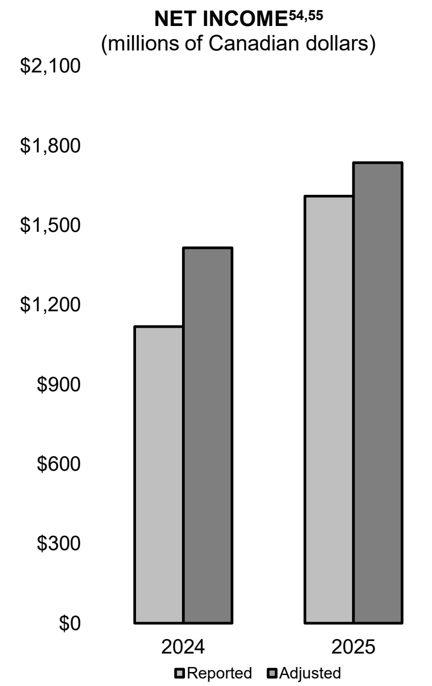
The efficiency ratio for the year was 32.3%, compared with 31.7% last year. The efficiency ratio, net of ISE for the year was 55.5%, compared with 62.2% last year.

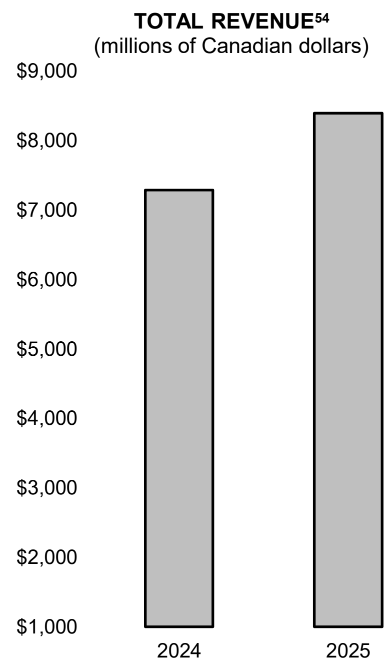
OPERATING ENVIRONMENT AND OUTLOOK
Market conditions are expected to be challenging in fiscal 2026 with subdued economic growth in the face of ongoing U.S. trade uncertainty. Wealth Management and Insurance's continued focus on its strategic priorities and investments in leading digital platforms is expected to help offset headwinds on fees from rising competition and increased claims severity. Wealth Management and Insurance will continue to support and deepen relationships with clients, leveraging AI capabilities to deliver personalization at scale and enable simple, intuitive experiences. The businesses will continue to deliver high-quality advice, educational content and innovative financial products to customers, with disciplined execution to navigate the changing environment.

BUSINESS SEGMENT ANALYSIS

Wholesale Banking

Operating under the brand names of TD Securities and TD Cowen, Wholesale Banking offers global markets and corporate and investment banking services to corporate, government, and institutional clients in key global financial centres across North America, Europe and Asia-Pacific.





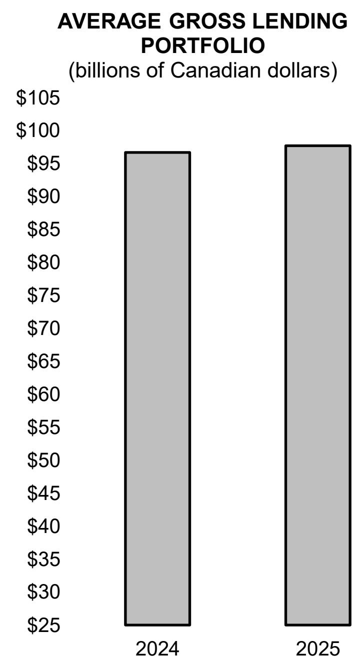


TABLE 21: REVENUE

(millions of Canadian dollars)	**2025**	2024
Global markets	**$ 5,336**	$ 4,218
Corporate and investment banking	**3,189**	3,104
Other	**(133)**	(36)
Total	**$ 8,392**	$ 7,286

LINES OF BUSINESS
- Global Markets – sales, trading and research, debt and equity underwriting, client securitization, prime services, and trade execution services[55].
- Corporate and Investment Banking – corporate lending and syndications, debt and equity underwriting, M&A and capital markets advisory services, trade finance, cash management, investment portfolios, and related activities[55].
- Other – investment portfolios and other accounting adjustments.

INDUSTRY PROFILE
The wholesale banking sector is a mature, highly competitive market comprised of banks, large global investment firms, and independent investment banks and broker dealers. Wholesale Banking provides global markets and corporate and investment banking services to corporate, government, and institutional clients. Firms continue to focus on generating client-driven trading revenue and investment banking fee income alongside strategic deployment of their balance sheet. Firms are also investing in technology to support advancements in markets infrastructure, platforms and systems, and growing levels of electronic trading across all markets. Competition is expected to remain intense and longer term, wholesale banks with a diversified client-focused business model, a full suite of products and services, and the ability to manage costs and capital effectively will be well-positioned to achieve attractive returns for shareholders.

[54] For additional information about the Bank's use of non-GAAP financial measures, refer to "Non-GAAP and Other Financial Measures" in the "Financial Results Overview" section of this document.
[55] Certain revenue streams are shared between Global Markets and Corporate and Investment Banking lines of business in accordance with an established agreement.

STRATEGIC OBJECTIVES, ACCOMPLISHMENTS AND PRIORITIES

BUSINESS STRATEGY	BUSINESS HIGHLIGHTS IN 2025
Deeper Relationships	• Completed the integration of Cowen, with clients now facing a single dealer that delivers a robust product suite and holistic client solutions • Achieved four consecutive quarters with over $2 billion revenue • Corporate & Investment Banking continued to deliver its strong client franchise and full-service capabilities with multiple award recognitions and notable transactions: – Continued to expand its product suite by building a leading convertibles platform with marquee wins, and delivered innovative debt capital markets solutions for pre-capitalized securities – Ranked #1 in Canadian Loan Syndications and #2 in Canadian Corporate Debt Underwriting[56] – Achieved Top 10 ranking in key U.S. strategic growth areas, ranking #8 in U.S. Equity Underwriting, and #8 in U.S. Convertibles[56] – Awarded Canada's Best Investment Bank for Debt Capital Markets by Euromoney Awards for Excellence 2025 – Recognized at The Digital Banker Transaction Banking Innovation Awards 2025 for Best Bank for Trade Finance – Canada, and Outstanding Use of Technology in Trade Finance – North America – Sole Bookrunner on GameStop Corp.'s US$2.25 billion zero-coupon convertible bond offering, the largest sole bookrunner convertible offering in the U.S. since 2016 – Led the NextEra Energy Capital Holdings $2 billion three-part offering, the largest corporate Maple bond transaction in 2025 – $605 million unregistered block trade of Newmont Corporation's 13% interest in Orla Mining, TD's largest bookrunner equity transaction in the mining sector – Joint Bookrunner on the inaugural debt issuance from the Climate Investment Funds Capital Markets Mechanism, a US$500 million bond offering • Global Markets delivered strong growth through its broad product offering, and deep institutional relationships: – Continued to expand U.S. Prime Services by enhancing cash prime services, streamlining global clearing, and progressing the build for arranged financing and synthetic prime capabilities – Scaled TDS Automated Trading in investment grade credit to become a Top 5 market participant[57] – TD became the first Canadian bank to offer algorithmic swap trading, enhancing product offerings for key clients – Recognized for excellence across the industry, including named Canada's Best FX Bank – 2025 by Euromoney, voted #1 Overall Commodities Dealer by Energy Risk Commodities Rankings 2025 – Ranked #3 overall in the 2025 Extel Canada Research Survey, and #2 in Washington Research and Communications Infrastructure in the 2025 U.S. Extel All-American Research Survey – Ranked #6 overall for U.S. Corporate Access by Buy-Side investors, and #1 in U.S. Healthcare Corporate Access in Extel's 2025 U.S. Corporate Access Survey (Buy-Side View)
Simpler & Faster	• Unified Global Markets leadership across Equities and Fixed Income, Currencies and Commodities, and realigned Corporate & Investment Banking leadership to create seamless client coverage • Deployed technology to enhance client and colleague experiences: – Launched AI Front Office Assistant, a research chatbot that aggregates insights to improve productivity and enhance client service – Advanced initiative to increase speed for client onboarding by enhancing internal workflow tracking systems and building automated onboarding tools – Simplified client experience with TD One Portal, which provides a single sign-on to access TD Securities products and services • Streamlined processes for new product approvals to enable faster time to market and upgraded core infrastructure and systems to modernize operating platforms
Disciplined Execution	• Strengthened risk and control frameworks by adding executive talent in key risk areas and enhancing regulatory responsiveness by improving organizational alignment • Enhanced first line risk management function through policy review, implemented enhanced governance programs, and adopted automation for testing and optimizing control inventory • Implemented framework to identify capital redeployment opportunities and drive higher client relationship returns • Launched cost-savings initiatives including modernizing platforms, simplifying business processes, and optimizing real estate, vendor and workforce strategy as outlined in the section "Significant Events – Restructuring Charges"

KEY PRIORITIES FOR 2026

- Deeper Relationships
  - Deepen client relationships in corporate and investment banking to drive revenue by aligning balance sheet and resources to key focus sectors
  - Progress the global integrated platforms, including global transaction banking and prime services solutions, to deliver a seamless client experience with innovative, best-in-class products and solutions
  - Enhance fixed income product suite and strengthen e-trading capabilities across Global Markets
  - Advance leading cash equities market share with enhanced product cross-sell and platform capabilities, and continue to align partnerships across the business to provide holistic cross product derivatives solutions for clients
- Simpler & Faster
  - Continue to simplify organizational structure and hire top talent
  - Continue to upgrade core systems to simplify processes and modernize infrastructure
- Disciplined Execution
  - Strengthen risk and control foundation by improving agility and responsiveness for regulatory compliance, automating processes, and enhancing risk management capabilities
  - Lower structural costs through moderation of expenses, process simplification and technology modernization, real estate and vendor optimization, and AI-driven efficiency gains
  - Advance disciplined approach to capital deployment through client level returns focus and strategic balance sheet deployment

[56] For the 12 months ended October 31, 2025. Source: Bloomberg.
[57] For the 12 months ended October 31, 2025, based on internal tracking.

TABLE 22: WHOLESALE BANKING		
(millions of Canadian dollars, except as noted)	**2025**	2024
Net interest income (TEB)	**$ (18)**	$ 582
Non-interest income	**8,410**	6,704
Total revenue	**8,392**	7,286
Provision for (recovery of) credit losses – impaired	**185**	247
Provision for (recovery of) credit losses – performing	**105**	70
Total provision for (recovery of) credit losses	**290**	317
Non-interest expenses – reported	**6,048**	5,576
Non-interest expenses – adjusted[1,2]	**5,886**	5,197
Provision for (recovery of) income taxes (TEB) – reported	**444**	275
Provision for (recovery of) income taxes (TEB) – adjusted[1]	**479**	357
Net income – reported	**$ 1,610**	$ 1,118
Net income – adjusted[1]	**1,737**	1,415
Selected volumes and ratios		
Trading-related revenue (TEB)[3]	**$ 3,498**	$ 2,782
Average gross lending portfolio (billions of Canadian dollars)[4]	**97.7**	96.7
Return on common equity – reported[5]	**9.6 %**	7.1 %
Return on common equity – adjusted[1,5]	**10.4**	8.9
Efficiency ratio – reported	**72.1**	76.5
Efficiency ratio – adjusted[1]	**70.1**	71.3
Average number of full-time equivalent staff	**7,169**	7,042

1. For additional information about the Bank's use of non-GAAP financial measures, refer to "Non-GAAP and Other Financial Measures" in the "Financial Results Overview" section of this document.
2. Adjusted non-interest expenses exclude the acquisition and integration-related charges for the Cowen acquisition – 2025: $162 million ($127 million after-tax), 2024: $379 million ($297 million after-tax).
3. Includes net interest income (loss) (TEB) of $(1,326) million (2024 – $(653) million), and trading income (loss) of $4,824 million (2024 – $3,435 million). Trading-related revenue (TEB) is a non-GAAP financial measure. Refer to "Non-GAAP and Other Financial Measures" in the "Financial Results Overview" section and the Glossary of this document for additional information about this metric.
4. Includes gross loans relating to Wholesale Banking, excluding letters of credit, cash collateral, credit default swaps, and allowance for credit losses.
5. Capital allocated to the business segment was 11.5% CET1 Capital.

REVIEW OF FINANCIAL PERFORMANCE

Wholesale Banking reported net income for the year was $1,610 million, an increase of $492 million, or 44%, compared with the prior year, primarily reflecting higher revenues and lower PCL, partially offset by higher non-interest expenses and higher income taxes. On an adjusted basis, net income was $1,737 million, an increase of $322 million, or 23%.

Revenue for the period was $8,392 million, an increase of $1,106 million, or 15%, compared with the prior year, primarily reflecting higher trading-related revenue, underwriting fees, including fees associated with the sale of Schwab shares, and equity commissions, partially offset by the net change in fair value of loan underwriting commitments.

PCL was $290 million, a decrease of $27 million compared with last year. PCL – impaired was $185 million, a decrease of $62 million, reflecting a lower pace of credit migration in the current year. PCL – performing was $105 million, an increase of $35 million. The current year performing provision reflects credit impacts from policy and trade uncertainty.

Reported non-interest expenses for the year were $6,048 million, an increase of $472 million, or 8%, compared with the prior year, primarily reflecting higher variable compensation, front office costs, spend supporting business growth, including technology, volume-related expenses, and the impact of foreign exchange translation, partially offset by lower acquisition and integration-related costs, and payments related to the U.S. record keeping and trading regulatory matters recorded last year. On an adjusted basis, non-interest expenses were $5,886 million, an increase of $689 million, or 13%. Effective November 1, 2025 there will no longer be any acquisition and integration-related charges related to the Cowen acquisition in Wholesale Banking[58].

OPERATING ENVIRONMENT AND OUTLOOK

The operating environment has improved in fiscal 2025 and the outlook for fiscal 2026 is constructive, although risks remain driven by economic and trade uncertainty as well as geopolitical and sustainability considerations. These factors may impact corporate and investor sentiment and market conditions which make Wholesale Banking results difficult to forecast. TD Securities is confident in its increasingly diversified and client-focused business model and believes it is well positioned for growth.

[58] The Bank's expectations regarding acquisition and integration-related charges related to the acquisition of Cowen are based on forward-looking assumptions that have inherent risk and uncertainties. Results may vary depending on factors both within and outside the Bank's control. Refer to the "Risk Factors That May Affect Future Results" section of this document for additional information about risks and uncertainties that may impact the Bank's estimates.

BUSINESS SEGMENT ANALYSIS

Corporate

Corporate segment is comprised of service and control functions. Certain costs relating to these functions are allocated to operating business segments. The basis of allocation and methodologies are reviewed periodically to align with management's evaluation of the Bank's business segments.

TABLE 23: CORPORATE

(millions of Canadian dollars)		**2025**		2024
Net income (loss) – reported	**$**	**6,881**	$	(1,130)
Adjustments for items of note				
Amortization of acquired intangibles		**171**		290
Acquisition and integration charges related to the Schwab transaction		**–**		109
Share of restructuring and other charges from investment in Schwab		**–**		49
Restructuring charges		**686**		566
Impact from the terminated FHN acquisition-related capital hedging strategy		**205**		242
Gain on sale of Schwab shares		**(8,975)**		(1,022)
Balance sheet restructuring		**102**		–
Indirect tax matters		**–**		226
Civil matter provision		**–**		274
Less: impact of income taxes on items of note		**(144)**		396
Net income (loss) – adjusted[1]	**$**	**(786)**	$	(792)
Decomposition of items included in net (loss) – adjusted				
Net corporate expenses[2]	**$**	**(1,815)**	$	(1,246)
Other		**1,029**		454
Net income (loss) – adjusted[1]	**$**	**(786)**	$	(792)
Selected volumes				
Average number of full-time equivalent staff[3]		**18,312**		17,995

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

[2] For additional information about this metric, refer to the Glossary of this document.

[3] Effective the third quarter of 2025, call center operations have been realigned from the Corporate segment to the businesses, providing end-to-end ownership of customer experience. The change mainly impacts the Canadian Personal and Commercial Banking segment. Average number of full-time equivalent staff has been restated for comparative periods.

Corporate segment includes expenses related to service and control functions, the impact of treasury and balance sheet management activities, certain enterprise level tax items, and intercompany items such as elimination of TEB and the retailer program partners' share of the results of the U.S. strategic cards portfolio.

Corporate segment's reported net income for the year was $6,881 million, compared with a net loss of $1,130 million last year. The higher net income primarily reflects the gain on the Schwab sale transaction and higher revenue from treasury and balance sheet management activities, partially offset by higher net corporate expenses. Net corporate expenses increased $569 million, primarily reflecting continued investments in governance and controls. The adjusted net loss for the year was $786 million, compared with $792 million last year.

2024 FINANCIAL RESULTS OVERVIEW

Summary of 2024 Performance

NET INCOME

Reported net income for the year was $8,842 million, a decrease of $1,792 million, or 17%, compared with last year. The decrease primarily reflects the impact of the charges for the global resolution of the investigations into the Bank's U.S. BSA/AML program in U.S. Retail, higher non-interest expenses, including higher governance and control investments, higher insurance service expenses and higher PCL, partially offset by higher revenues, the prior year impact in the Corporate segment of the Stanford litigation settlement, the lower current period impact of the terminated FHN acquisition-related capital hedging strategy, and the current year gain on sale of Schwab shares in the Corporate segment. On an adjusted basis, net income for the year was $14,277 million, a decrease of $718 million, or 5%, compared with last year. The reported ROE for the year was 8.2%, compared with 9.9% last year. The adjusted ROE for the year was 13.6%, compared with 14.2% last year.

Reported diluted EPS for the year was $4.72, a decrease of 14%, compared with $5.52 last year. Adjusted diluted EPS for the year was $7.81, a decrease of 1%, compared with $7.91 last year.

Reported revenue was $57,223 million, an increase of $6,533 million, or 13%, compared with last year. Adjusted revenue was $56,789 million, an increase of $4,752 million, or 9%, compared with last year.

NET INTEREST INCOME

Reported net interest income for the year was $30,472 million, an increase of $528 million, or 2%, compared with last year. The increase primarily reflects volume growth and higher deposit margins in Canadian Personal and Commercial Banking, partially offset by lower net interest income in Wholesale Banking. Adjusted net interest income was $30,749 million, an increase of $355 million, or 1%.

NON-INTEREST INCOME

Reported non-interest income for the year was $26,751 million, an increase of $6,005 million, or 29%, compared with last year, primarily reflecting higher lending revenue, trading-related revenue, underwriting fees, and equity commissions in Wholesale Banking, the prior period impact of the terminated FHN acquisition-related capital hedging strategy and the current year gain on sale of Schwab shares in the Corporate segment, higher insurance premiums, the impact of reinsurance recoveries for catastrophe claims, and higher fee-based and transaction revenue in Wealth Management and Insurance. Adjusted non-interest income was $26,040 million, an increase of $4,397 million, or 20%.

PROVISION FOR CREDIT LOSSES
PCL for the year was $4,253 million, an increase of $1,320 million compared with last year. PCL – impaired was $3,877 million, an increase of $1,391 million, reflecting credit migration in the non-retail and consumer lending portfolios. PCL – performing was $376 million, a decrease of $71 million. The current year performing provisions largely reflect current credit conditions including credit migration, and volume growth. Total PCL as an annualized percentage of credit volume was 0.46%.

INSURANCE SERVICE EXPENSES
Insurance service expenses for the year were $6,647 million. This represents an increase of $1,633 million, or 33%, compared with last year, of which $916 million, or 18%, was driven by estimated losses from catastrophe claims. The remaining increase reflects less favourable prior years' claims development and increased claims severity.

NON-INTEREST EXPENSES
Reported non-interest expenses for the year were $35,493 million, an increase of $5,638 million, or 19%, compared with last year, primarily reflecting the impact of charges for the global resolution of the investigations into the Bank's U.S. BSA/AML program in U.S. Retail, investments in risk and control infrastructure, higher employee-related expenses, including TD Cowen, the FDIC special assessment in U.S. Retail, and higher technology spend supporting business growth, partially offset by the prior year impacts of the Stanford litigation settlement and the payment related to termination of the First Horizon transaction in the Corporate segment. On an adjusted basis, non-interest expenses were $29,148 million, an increase of $2,631 million, or 10%.

PROVISION FOR INCOME TAXES
Reported total income and other taxes decreased by $42 million, or 0.8%, compared with last year, reflecting a decrease in income tax expense of $427 million, or 13.7%, partially offset by an increase in other taxes of $385 million, or 19%. Adjusted total income and other taxes decreased by $102 million from last year, or 1.8%, reflecting a decrease in income tax expense of $296 million, or 8.1%, and an increase in other taxes of $194 million, or 9.6%.

The Bank's reported effective income tax rate was 24.8% for 2024, compared with 24.2% last year. The year-over-year increase primarily reflects the tax impact of the non-deductible charges for the global resolution of the investigations into the Bank's U.S. BSA/AML program and lower tax-exempt dividend income, partially offset by the favourable tax impact associated with the gain on sale of Schwab shares, while the prior year tax rate was significantly impacted by adjustments associated with the implementation of the Canada Recovery Dividend and the Canadian federal tax rate increase as well as the terminated First Horizon transaction. For a reconciliation of the Bank's effective income tax rate with the Canadian statutory income tax rate, refer to Note 24 of the 2024 Consolidated Financial Statements.

The Bank reported its investment in Schwab using the equity method of accounting. Schwab's tax expense (2024: $215 million; 2023: $279 million) was not part of the Bank's effective tax rate.

BALANCE SHEET
Total assets were $2,062 billion as at October 31, 2024, an increase of $107 billion, from October 31, 2023. The impact of foreign exchange translation from the depreciation in the Canadian dollar increased total assets by $3 billion. The increase in total assets reflects an increase in cash and interest-bearing deposits with banks of $71 billion, loans, net of allowances for loan losses of $53 billion, trading loans, securities, and other of $24 billion, financial assets at fair value through other comprehensive income of $24 billion, securities purchased under reverse repurchase agreements of $4 billion and financial assets designated at fair value through profit or loss of $1 billion. The increase was partially offset by a decrease in debt securities at amortized cost of $37 billion, other assets of $23 billion, derivative assets of $9 billion and non-trading financial assets at fair value through profit or loss of $1 billion.

Total liabilities were $1,947 billion as at October 31, 2024, an increase of $104 billion from October 31, 2023. The impact of foreign exchange translation from the depreciation in the Canadian dollar increased total liabilities by $3 billion. The increase in total liabilities reflects an increase in deposits of $71 billion, obligations related to securities sold under repurchase agreements of $35 billion, financial liabilities designated at fair value through profit or loss of $16 billion and subordinated notes and debentures of $2 billion. The increase was partially offset by a decrease in other liabilities of $16 billion, derivative liabilities of $3 billion and trading deposits of $1 billion.

Equity was $115 billion as at October 31, 2024, an increase of $3 billion from October 31, 2023. The increase reflects gains in accumulated other comprehensive income, partially offset by lower retained earnings. The increase in accumulated other comprehensive income is primarily driven by gains on cash flow hedges and the Bank's share of the other comprehensive income from investment in Schwab. The retained earnings decreased as the net income for the year is more than offset by the dividends paid and the premium on the repurchase of common shares.

GROUP FINANCIAL CONDITION

Balance Sheet Review

TABLE 24: SELECTED CONSOLIDATED BALANCE SHEET ITEMS

(millions of Canadian dollars)		*As at*
	October 31, 2025	October 31, 2024
Assets		
Cash and Interest-bearing deposits with banks	**$ 116,929**	$ 176,367
Trading loans, securities, and other	**220,136**	175,770
Non-trading financial assets at fair value through profit or loss	**7,395**	5,869
Derivatives	**82,972**	78,061
Financial assets designated at fair value through profit or loss	**6,986**	6,417
Financial assets at fair value through other comprehensive income	**126,369**	93,897
Debt securities at amortized cost, net of allowance for credit losses	**240,439**	271,615
Securities purchased under reverse repurchase agreements	**247,078**	208,217
Loans, net of allowance for loan losses	**953,012**	949,549
Investment in Schwab	**–**	9,024
Other	**93,242**	86,965
Total assets	**$ 2,094,558**	$ 2,061,751
Liabilities		
Trading deposits	**$ 37,882**	$ 30,412
Derivatives	**79,356**	68,368
Financial liabilities designated at fair value through profit or loss	**197,635**	207,914
Deposits	**1,267,104**	1,268,680
Obligations related to securities sold under repurchase agreements	**221,150**	201,900
Subordinated notes and debentures	**10,733**	11,473
Other	**152,871**	157,844
Total liabilities	**1,966,731**	1,946,591
Total equity	**127,827**	115,160
Total liabilities and equity	**$ 2,094,558**	$ 2,061,751

Total assets were $2,095 billion as at October 31, 2025, an increase of $33 billion, from October 31, 2024. The impact of foreign exchange translation from the depreciation in the Canadian dollar increased total assets by $8 billion.

The increase in total assets reflects an increase in trading loans, securities, and other of $44 billion, securities purchased under reverse repurchase agreements of $39 billion, financial assets at fair value through other comprehensive income of $32 billion, other assets of $6 billion, derivative assets of $5 billion, loans, net of allowances for loan losses of $3 billion, non-trading financial assets at fair value through profit or loss of $2 billion, and financial assets designated at fair value through profit or loss of $1 billion. The increase was partially offset by a decrease in cash and interest-bearing deposits with banks of $59 billion, debt securities at amortized cost of $31 billion, and investment in Schwab of $9 billion.

Cash and interest-bearing deposits with banks decreased $59 billion primarily reflecting cash management activities and the reduction of excess liquidity in relation to the U.S. balance sheet restructuring activities, partially offset by proceeds from the sale of Schwab.

Trading loans, securities, and other increased $44 billion primarily in commodities held-for-trading, equity securities, and securitized mortgages.

Non-trading financial assets at fair value through profit or loss increased $2 billion primarily reflecting new investments.

Derivative assets increased $5 billion primarily reflecting changes in mark-to-market values of equity and commodity contracts.

Financial assets designated at fair value through profit or loss increased $1 billion primarily reflecting purchases, partially offset by maturities and sales.

Financial assets at fair value through other comprehensive income increased $32 billion primarily reflecting new investments primarily in government securities and asset-backed securities, partially offset by maturities and sales.

Debt securities at amortized cost, net of allowance for credit losses decreased $31 billion primarily reflecting maturities and sales as a result of the U.S. balance sheet restructuring activities, partially offset by new investments and the impact of foreign exchange translation.

Securities purchased under reverse repurchase agreements increased $39 billion primarily reflecting an increase in volume.

Loans, net of allowance for loan losses increased $3 billion primarily reflecting volume growth in consumer instalment and other personal loans and the impact of foreign exchange translation, partially offset by the impact of deconsolidation of U.S. asset-backed commercial paper (ABCP) conduits, sale of U.S. residential mortgage loans (correspondent lending loans) in relation to the U.S. balance sheet restructuring activities and other volume reductions in residential mortgages.

Investment in Schwab decreased by $9 billion, which reflects the sale of the Bank's entire remaining equity investment in Schwab on February 12, 2025.

Other assets increased $6 billion primarily reflecting increase in amounts receivable from brokers, dealers and clients due to higher volumes of pending trades.

Total liabilities were $1,967 billion as at October 31, 2025, an increase of $20 billion from October 31, 2024. The impact of foreign exchange translation from the depreciation in the Canadian dollar increased total liabilities by $8 billion.

The increase in total liabilities reflects an increase in obligations related to securities sold under repurchase agreements of $19 billion, derivative liabilities of $11 billion, and trading deposits of $7 billion. The increase was partially offset by a decrease in financial liabilities designated at fair value through profit or loss of $10 billion, other liabilities of $5 billion, deposits of $1 billion and subordinated notes and debentures of $1 billion.

Trading deposits increased $7 billion primarily reflecting new issuances, partially offset by maturities.

Derivative liabilities increased $11 billion primarily reflecting changes in mark-to-market values of equity and commodity contracts.

Financial liabilities designated at fair value through profit or loss decreased $10 billion primarily reflecting maturities, partially offset by new issuances and the impact of foreign exchange translation.

Deposits decreased $1 billion primarily reflecting lower volume in bank deposits, including higher payments on advances to Federal Home Loan Bank (FHLB), partially offset by higher volumes in business and government and personal deposits, and the impact of foreign exchange translation.

Obligations related to securities sold under repurchase agreements increased $19 billion primarily reflecting an increase in volume and the impact of foreign exchange translation.

Subordinated notes and debentures decreased $1 billion reflecting redemptions, partially offset by new issuances.

Other liabilities decreased $5 billion primarily reflecting the impact of deconsolidation of U.S. ABCP conduits, decrease in provisions for investigations related to the Bank's U.S. BSA/AML program due to payments, partially offset by increase in volume in securitization liabilities and obligations related to securities sold short.

Equity was $128 billion as at October 31, 2025, an increase of $13 billion from October 31, 2024. The increase primarily reflects an increase in retained earnings and gains in accumulated other comprehensive income. The retained earnings increased as a result of higher net income primarily driven by the sale of investment in Schwab, partially offset by the dividends paid and the premium on the repurchase of common shares. The increase in accumulated other comprehensive income is primarily driven by gains on cash flow hedges and the Bank's share of the other comprehensive income from investment in Schwab.

GROUP FINANCIAL CONDITION

Credit Portfolio Quality

AT A GLANCE OVERVIEW

- **Loans, net of allowance for loan losses were $953 billion, an increase of $4 billion compared with last year.**
- **Impaired loans net of Stage 3 allowances were $3,832 million, an increase of $425 million compared with last year.**
- **Provision for credit losses was $4,506 million, compared with $4,253 million last year.**
- **Total allowance for credit losses including off-balance sheet positions increased by $604 million to $9,745 million.**

LOAN PORTFOLIO

The Bank increased its loans net of allowance for loan losses by $4 billion compared to the prior year, primarily reflecting volume growth in the real estate secured lending and Canadian commercial portfolios, partially offset by lower loans in the U.S. Retail segment reflecting the impact of balance sheet restructuring activities and foreign exchange.

While the majority of the Bank's credit risk exposure is related to loans, the Bank also engaged in activities that have off-balance sheet credit risk. These include credit instruments and derivative financial instruments, as explained in Note 29 of the 2025 Consolidated Financial Statements.

CONCENTRATION OF CREDIT RISK

The Bank's loan portfolio continued to be concentrated in Canadian and U.S. consumer lending, comprised of residential mortgages, consumer instalment and other personal loans, and credit card loans, representing 64% of total loans net of Stage 3 allowances, compared with 63% in the prior year. During the year, these portfolios increased by $15 billion, or 3%, and totaled $615 billion at year end. Residential mortgages represented 33% of total loans net of Stage 3 allowances in 2025, compared with 35% in the prior year. Consumer instalment and other personal loans, and credit card loans were 31% of total loans net of Stage 3 allowances in 2025, compared with 28% in the prior year.

The Bank's business and government loan portfolio was 36% of total loans net of Stage 3 allowances, compared with 37% in the prior year. The largest business and government sector concentrations in Canada were the Real estate and Financial sectors, which comprised 6% and 2% of net loans, respectively. Real estate and Financial sectors were the largest U.S. sector concentrations in 2025, representing 4% and 3% of net loans, respectively.

Geographically, the credit portfolio remained concentrated in Canada. In 2025, the percentage of loans net of Stage 3 allowances held in Canada was 69%, compared with 66% in the prior year. The largest Canadian regional exposure was in Ontario, which represented 41% of total loans net of Stage 3 allowances for 2025, compared with 39% in the prior year.

The remaining credit portfolio was predominantly in the U.S., which represented 30% of loans net of Stage 3 allowances, compared with 33% in the prior year. Exposures to other geographic regions were relatively small. The largest U.S. regional exposures were in New York and New England which represented 6% and 4% of total loans net of Stage 3 allowances, respectively, compared with 6% and 5%, respectively, in the prior year.

Under IFRS 9, *Financial Instruments* (IFRS 9), the Bank calculates allowances for expected credit losses (ECLs) on debt securities at amortized cost (DSAC) and debt securities at fair value through other comprehensive income (FVOCI). The Bank has $363 billion in such debt securities of which $363 billion are performing securities (Stage 1 and 2) and none are impaired. The allowance for credit losses on DSAC and debt securities at FVOCI was $2 million and $2 million, respectively.

TABLE 25: LOANS, NET OF STAGE 3 ALLOWANCE FOR LOAN LOSSES BY INDUSTRY SECTOR[1,2]

(millions of Canadian dollars, except as noted)

				As at	Percentage of total	
			October 31 2025	October 31 2024	**October 31 2025**	October 31 2024
	Gross loans	**Stage 3 allowances for loan losses impaired**	**Net loans**	Net loans		
Canada						
Residential mortgages	**$ 267,469**	**$ 45**	**$ 267,424**	$ 273,041	**28.0 %**	28.6 %
Consumer instalment and other personal						
HELOC[3]	**147,927**	**37**	**147,890**	123,005	**15.6**	12.9
Indirect Auto	**32,094**	**100**	**31,994**	29,739	**3.3**	3.1
Other	**21,032**	**51**	**20,981**	19,837	**2.2**	2.1
Credit card	**21,867**	**106**	**21,761**	20,420	**2.0**	2.0
Total personal	**490,389**	**339**	**490,050**	466,042	**51.1**	48.7
Real estate						
Residential	**28,802**	**1**	**28,801**	27,867	**3.0**	2.9
Non-residential	**27,781**	**11**	**27,770**	25,937	**2.9**	2.7
Total real estate	**56,583**	**12**	**56,571**	53,804	**5.9**	5.6
Agriculture	**12,770**	**6**	**12,764**	11,211	**1.3**	1.2
Automotive	**11,307**	**46**	**11,261**	10,305	**1.2**	1.1
Financial	**23,234**	**6**	**23,228**	20,197	**2.4**	2.1
Food, beverage, and tobacco	**3,429**	**13**	**3,416**	3,291	**0.4**	0.3
Forestry	**817**	**22**	**795**	850	**0.1**	0.1
Government, public sector entities, and education	**4,460**	**7**	**4,453**	3,569	**0.5**	0.4
Health and social services	**10,606**	**43**	**10,563**	9,864	**1.1**	1.0
Industrial construction and trade contractors	**6,120**	**27**	**6,093**	6,164	**0.6**	0.6
Metals and mining	**2,485**	**18**	**2,467**	2,921	**0.3**	0.3
Oil and gas	**2,605**	**4**	**2,601**	2,254	**0.3**	0.2
Power and utilities	**4,959**	**–**	**4,959**	8,526	**0.5**	0.9
Professional and other services	**5,649**	**30**	**5,619**	5,690	**0.6**	0.6
Retail sector	**5,225**	**61**	**5,164**	4,954	**0.5**	0.5
Sundry manufacturing and wholesale	**4,509**	**130**	**4,379**	4,611	**0.5**	0.5
Telecommunications, cable, and media	**1,558**	**6**	**1,552**	5,319	**0.2**	0.6
Transportation	**4,180**	**21**	**4,159**	4,074	**0.4**	0.4
Other	**6,962**	**17**	**6,945**	5,799	**0.7**	0.6
Total business and government	**167,458**	**469**	**166,989**	163,403	**17.5**	17.0
Total Canada	**657,847**	**808**	**657,039**	629,445	**68.6**	65.7
United States						
Residential mortgages	**47,594**	**35**	**47,559**	58,548	**5.0**	6.1
Consumer instalment and other personal						
HELOC[3]	**12,481**	**22**	**12,459**	11,503	**1.3**	1.3
Indirect Auto	**44,225**	**58**	**44,167**	42,923	**4.6**	4.5
Other	**1,231**	**6**	**1,225**	1,094	**0.1**	0.1
Credit card	**19,789**	**354**	**19,435**	19,835	**2.0**	2.1
Total personal	**125,320**	**475**	**124,845**	133,903	**13.0**	14.1
Real estate						
Residential	**14,627**	**10**	**14,617**	13,717	**1.5**	1.4
Non-residential	**27,843**	**33**	**27,810**	28,127	**2.8**	2.9
Total real estate	**42,470**	**43**	**42,427**	41,844	**4.3**	4.3
Agriculture	**976**	**–**	**976**	1,182	**0.1**	0.1
Automotive	**3,593**	**11**	**3,582**	13,119	**0.4**	1.4
Financial	**27,414**	**–**	**27,414**	25,418	**2.9**	2.7
Food, beverage, and tobacco	**4,561**	**–**	**4,561**	4,583	**0.5**	0.5
Forestry	**661**	**16**	**645**	573	**0.1**	0.1
Government, public sector entities, and education	**18,050**	**1**	**18,049**	17,390	**1.8**	1.8
Health and social services	**14,574**	**5**	**14,569**	15,246	**1.5**	1.6
Industrial construction and trade contractors	**3,016**	**9**	**3,007**	2,551	**0.3**	0.3
Metals and mining	**2,072**	**1**	**2,071**	1,906	**0.2**	0.2
Oil and gas	**767**	**5**	**762**	1,581	**0.1**	0.2
Power and utilities	**7,007**	**70**	**6,937**	6,355	**0.7**	0.7
Professional and other services	**16,708**	**33**	**16,675**	18,410	**1.7**	1.9
Retail sector	**6,569**	**8**	**6,561**	6,191	**0.7**	0.6
Sundry manufacturing and wholesale	**8,499**	**4**	**8,495**	9,690	**0.9**	1.0
Telecommunications, cable, and media	**4,712**	**67**	**4,645**	7,703	**0.5**	0.8
Transportation	**3,372**	**21**	**3,351**	5,045	**0.3**	0.5
Other	**2,048**	**11**	**2,037**	4,098	**0.2**	0.4
Total business and government	**167,069**	**305**	**166,764**	182,885	**17.2**	19.1
Total United States	**292,389**	**780**	**291,609**	316,788	**30.2**	33.2
International						
Personal	**49**	**–**	**49**	25	**–**	–
Business and government	**11,704**	**–**	**11,704**	10,073	**1.2**	1.1
Total international	**11,753**	**–**	**11,753**	10,098	**1.2**	1.1
Total	**$ 961,989**	**$ 1,588**	**$ 960,401**	$ 956,331	**100.0 %**	100.0 %
Stage 1 and Stage 2 allowance for loan losses – performing						
Personal, business and government			**7,101**	6,552		
Total, net of allowance			**$ 953,300**	$ 949,779		
Percentage change over previous year – loans, net of Stage 3 allowance for loan losses (impaired)			**0.4 %**	3.9 %		
Percentage change over previous year – loans, net of allowance			**0.4**	3.9		

[1] Primarily based on the geographic location of the customer's address.

[2] Includes loans that are measured at FVOCI.

[3] Home equity line of credit.

TABLE 26: LOANS, NET OF STAGE 3 ALLOWANCE FOR LOAN LOSSES BY GEOGRAPHY[1,2]

(millions of Canadian dollars, except as noted)

				As at	*Percentage of total*	
			October 31 2025	October 31 2024	**October 31 2025**	October 31 2024
	Gross loans	**Stage 3 allowances for loan losses impaired**	**Net loans**	Net loans		
Canada						
Atlantic provinces	**$ 15,236**	**$ 15**	**$ 15,221**	$ 14,482	**1.6 %**	1.5 %
British Columbia[3]	**107,010**	**61**	**106,949**	103,044	**11.1**	10.8
Ontario[3]	**396,616**	**598**	**396,018**	374,859	**41.3**	39.2
Prairies[3]	**85,597**	**73**	**85,524**	84,681	**8.9**	8.8
Québec	**53,388**	**61**	**53,327**	52,379	**5.6**	5.5
Total Canada	**657,847**	**808**	**657,039**	629,445	**68.5**	65.8
United States						
Carolinas (North and South)	**17,460**	**27**	**17,433**	17,922	**1.8**	1.9
Florida	**29,127**	**56**	**29,071**	27,792	**3.0**	2.9
New England[4]	**41,491**	**56**	**41,435**	49,054	**4.3**	5.1
New Jersey	**26,396**	**56**	**26,340**	27,763	**2.7**	2.9
New York	**59,260**	**154**	**59,106**	59,327	**6.2**	6.2
Pennsylvania	**16,667**	**22**	**16,645**	17,495	**1.7**	1.8
Other[5]	**101,988**	**409**	**101,579**	117,435	**10.6**	12.3
Total United States	**292,389**	**780**	**291,609**	316,788	**30.3**	33.1
International						
Europe	**6,070**	**–**	**6,070**	5,441	**0.6**	0.6
Other	**5,683**	**–**	**5,683**	4,657	**0.6**	0.5
Total international	**11,753**	**–**	**11,753**	10,098	**1.2**	1.1
Total excluding other loans	**961,989**	**1,588**	**960,401**	956,331	**100.0**	100.0
Total	**$ 961,989**	**$ 1,588**	**$ 960,401**	$ 956,331	**100.0 %**	100.0 %
Stage 1 and Stage 2 allowances			**7,101**	6,552		
Total, net of allowance			**$ 953,300**	$ 949,779		

Percentage change over previous year – loans, net of Stage 3 allowances for loan losses (impaired)	**2025**	2024
Canada	**4.4 %**	4.4 %
United States	**(7.9)**	3.3
International	**16.4**	0.5
Other loans	**–**	(100.0)
Total	**0.4 %**	3.9 %

[1] Primarily based on the geographic location of the customer's address.
[2] Includes loans that are measured at FVOCI.
[3] The territories are included as follows: Yukon is included in British Columbia; Nunavut is included in Ontario; and Northwest Territories is included in the Prairies region.
[4] The states included in New England are as follows: Connecticut, Maine, Massachusetts, New Hampshire, and Vermont.
[5] Includes loans attributable to other states/regions including those outside TD's core U.S. geographic footprint.

REAL ESTATE SECURED LENDING

Retail real estate secured lending includes mortgages and lines of credit to North American consumers to satisfy financing needs including home purchases and refinancing. While the Bank retains first lien on the majority of properties held as security, there is a small portion of loans with second liens, but most of these are behind a TD mortgage or home equity line of credit that is in first position. In Canada, credit policies are designed so that the combined exposure of all uninsured facilities on one property does not exceed 80% of the collateral value at origination. Lending at a higher loan-to-value ratio is permitted by legislation but requires default insurance. This insurance is contractual coverage for the life of eligible facilities and protects the Bank's real estate secured lending portfolio against potential losses caused by borrowers' default. The Bank may also purchase default insurance on lower loan-to-value ratio loans. The insurance is provided by either government-backed entities or approved private mortgage insurers. In the U.S., for residential mortgage originations, mortgage insurance is usually obtained from either government-backed entities or approved private mortgage insurers when the loan-to-value exceeds 80% of the collateral value at origination.

The Bank regularly performs stress tests on its real estate lending portfolio as part of its overall stress testing program. This is done with a view to determine the extent to which the portfolio would be vulnerable to a severe downturn in economic conditions. The effect of severe changes in house prices, interest rates, and unemployment levels are among the factors considered when assessing the impact on credit losses and the Bank's overall profitability. A variety of portfolio segments, including dwelling type and geographical regions, are examined during the exercise to determine whether specific vulnerabilities exist.

TABLE 27: CANADIAN REAL ESTATE SECURED LENDING[1,2]

(millions of Canadian dollars)

					As at
			Amortizing	**Non-amortizing**	**Total**
	Residential Mortgages	**Home equity lines of credit**	**Total amortizing real estate secured lending**	**Home equity lines of credit**	
					October 31, 2025
Total	**$ 267,469**	**$ 110,829**	**$ 378,298**	**$ 37,098**	**$ 415,396**
					October 31, 2024
Total	$ 273,069	$ 89,369	$ 362,438	$ 33,667	$ 396,105

[1] Excludes loans classified as trading as the Bank intends to sell the loans immediately or in the near term, and loans designated at FVTPL for which no allowance is recorded.
[2] Amortizing includes loans where the fixed contractual payments are no longer sufficient to cover the interest based on the rates in effect at October 31, 2025 and October 31, 2024, respectively.

TABLE 28: REAL ESTATE SECURED LENDING[1,2]

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

	Residential mortgages				Home equity lines of credit				Total			
	Insured[3]		Uninsured		Insured[3]		Uninsured		Insured[3]		Uninsured	
											October 31, 2025	
Canada												
Atlantic provinces	**$ 2,377**	**0.9 %**	**$ 5,038**	**1.9 %**	**$ 139**	**0.1 %**	**$ 2,833**	**1.9 %**	**$ 2,516**	**0.6 %**	**$ 7,871**	**1.9 %**
British Columbia[4]	**7,849**	**2.9**	**47,101**	**17.6**	**708**	**0.5**	**28,551**	**19.3**	**8,557**	**2.1**	**75,652**	**18.2**
Ontario[4]	**21,505**	**8.1**	**124,702**	**46.6**	**2,412**	**1.6**	**80,826**	**54.7**	**23,917**	**5.7**	**205,528**	**49.5**
Prairies[4]	**16,350**	**6.1**	**22,746**	**8.5**	**1,320**	**0.9**	**15,738**	**10.6**	**17,670**	**4.3**	**38,484**	**9.3**
Québec	**5,933**	**2.2**	**13,868**	**5.2**	**433**	**0.3**	**14,967**	**10.1**	**6,366**	**1.5**	**28,835**	**6.9**
Total Canada	**54,014**	**20.2 %**	**213,455**	**79.8 %**	**5,012**	**3.4 %**	**142,915**	**96.6 %**	**59,026**	**14.2 %**	**356,370**	**85.8 %**
United States	**1,544**		**46,050**		**–**		**12,481**		**1,544**		**58,531**	
Total	**$ 55,558**		**$ 259,505**		**$ 5,012**		**$ 155,396**		**$ 60,570**		**$ 414,901**	
											October 31, 2024	
Canada												
Atlantic provinces	$ 2,445	0.9 %	$ 4,753	1.7 %	$ 158	0.1 %	$ 2,207	1.8 %	$ 2,603	0.7 %	$ 6,960	1.8 %
British Columbia[4]	8,311	3.0	48,362	17.7	804	0.7	22,840	18.6	9,115	2.3	71,202	18.0
Ontario[4]	21,943	8.1	126,294	46.3	2,734	2.2	67,567	54.9	24,677	6.2	193,861	48.9
Prairies[4]	17,685	6.5	22,120	8.1	1,499	1.2	12,459	10.1	19,184	4.8	34,579	8.7
Québec	6,616	2.4	14,540	5.3	509	0.4	12,259	10.0	7,125	1.8	26,799	6.8
Total Canada	57,000	20.9 %	216,069	79.1 %	5,704	4.6 %	117,332	95.4 %	62,704	15.8 %	333,401	84.2 %
United States	1,517		57,063		–		11,525		1,517		68,588	
Total	$ 58,517		$ 273,132		$ 5,704		$ 128,857		$ 64,221		$ 401,989	

[1] Geographic location is based on the address of the property mortgaged.
[2] Excludes loans classified as trading as the Bank intends to sell the loans immediately or in the near term, and loans designated at FVTPL for which no allowance is recorded.
[3] Default insurance is contractual coverage for the life of eligible facilities whereby the Bank's exposure to real estate secured lending, all or in part, is protected against potential losses caused by borrower default. It is provided by either government-backed entities or other approved private mortgage insurers.
[4] The territories are included as follows: Yukon is included in British Columbia; Nunavut is included in Ontario; and the Northwest Territories is included in the Prairies region.

The following table provides a summary of the period over which the Bank's residential mortgages would be fully repaid based on the amount of the most recent payment received. All figures are calculated based on current customer payment amounts, including voluntary payments larger than the original contractual amounts and/or other voluntary prepayments. The most recent customer payment amount may exceed the original contractual amount due.

Balances with a remaining amortization longer than 30 years primarily reflect Canadian variable rate mortgages where prior interest rate increases relative to current customer payment levels have resulted in a longer current amortization period. At renewal, the amortization period for Canadian mortgages reverts to the remaining contractual amortization, which may require increased payments.

TABLE 29: RESIDENTIAL MORTGAGES BY REMAINING AMORTIZATION[1,2,3]

As at

	<=5 years	>5 – 10 years	>10 – 15 years	>15 – 20 years	>20 – 25 years	>25 – 30 years	>30 – 35 years	>35 years	Total
									October 31, 2025
Canada	**0.8 %**	**2.9 %**	**8.3 %**	**20.0 %**	**31.9 %**	**30.2 %**	**1.2 %**	**4.7 %**	**100.0 %**
United States	**2.6**	**1.6**	**3.5**	**9.0**	**24.1**	**57.8**	**0.8**	**0.6**	**100.0**
Total	**1.1 %**	**2.7 %**	**7.5 %**	**18.3 %**	**30.8 %**	**34.5 %**	**1.1 %**	**4.0 %**	**100.0 %**
									October 31, 2024
Canada	0.8 %	2.7 %	6.4 %	16.8 %	33.3 %	28.9 %	2.4 %	8.7 %	100.0 %
United States	2.3	1.3	3.4	7.6	14.2	70.2	0.5	0.5	100.0
Total	1.0 %	2.5 %	5.9 %	15.1 %	29.9 %	36.2 %	2.1 %	7.3 %	100.0 %

[1] Excludes loans classified as trading as the Bank intends to sell the loans immediately or in the near term, and loans designated at FVTPL for which no allowance is recorded.
[2] Percentage based on outstanding balance.
[3] A de minimis portion of the mortgage portfolio in Canada (October 31, 2024: $15.6 billion or 6%) relates to mortgages in which the fixed contractual payments are no longer sufficient to cover the interest based on the rates in effect at October 31, 2025 and October 31, 2024, respectively.

TABLE 30: UNINSURED AVERAGE LOAN-TO-VALUE – Newly Originated and Newly Acquired[1,2,3]

For the 12 months ended

	October 31, 2025			October 31, 2024		
	Residential mortgages	**Home equity lines of credit[4,5]**	**Total**	Residential mortgages	Home equity lines of credit[4,5]	Total
Canada						
Atlantic provinces	**69 %**	**69 %**	**69 %**	69 %	67 %	68 %
British Columbia[6]	**66**	**65**	**66**	66	61	64
Ontario[6]	**68**	**66**	**67**	67	61	64
Prairies[6]	**73**	**72**	**72**	73	69	71
Québec	**69**	**70**	**70**	69	68	69
Total Canada	**68**	**67**	**68**	68	63	66
United States	**70**	**59**	**66**	73	61	68
Total	**69 %**	**67 %**	**67 %**	69 %	63 %	66 %

[1] Geographic location is based on the address of the property mortgaged.
[2] Excludes loans classified as trading as the Bank intends to sell the loans immediately or in the near term, and loans designated at FVTPL for which no allowance is recorded.
[3] Based on house price at origination.
[4] HELOC loan-to-value includes first position collateral mortgage if applicable.
[5] HELOC fixed rate advantage option is included in loan-to-value calculation.
[6] The territories are included as follows: Yukon is included in British Columbia; Nunavut is included in Ontario; and the Northwest Territories is included in the Prairies region.

SOVEREIGN RISK

The following table provides a summary of the Bank's direct credit exposures outside of Canada and the U.S. (Europe excludes United Kingdom).

TABLE 31: TOTAL NET EXPOSURE BY REGION AND COUNTERPARTY

(millions of Canadian dollars) *As at*

	Loans and commitments[1]				Derivatives, repos, and securities lending[2]				Trading and investment portfolio[3]				Total
	Corporate	Sovereign	Financial	Total	Corporate	Sovereign	Financial	Total	Corporate	Sovereign	Financial	Total	Exposure[4]
													October 31, 2025
Region													
Europe	**$ 8,895**	**$ 8**	**$ 5,019**	**$ 13,922**	**$ 5,331**	**$ 1,359**	**$ 9,647**	**$ 16,337**	**$ 1,116**	**$ 25,876**	**$ 1,982**	**$ 28,974**	**$ 59,233**
United Kingdom	**6,731**	**2,577**	**2,483**	**11,791**	**3,199**	**1,537**	**12,237**	**16,973**	**270**	**176**	**661**	**1,107**	**29,871**
Asia	**182**	**23**	**2,527**	**2,732**	**241**	**538**	**3,795**	**4,574**	**138**	**8,346**	**1,829**	**10,313**	**17,619**
Other[5]	**227**	**–**	**690**	**917**	**705**	**410**	**2,353**	**3,468**	**110**	**216**	**1,967**	**2,293**	**6,678**
Total	**$ 16,035**	**$ 2,608**	**$ 10,719**	**$ 29,362**	**$ 9,476**	**$ 3,844**	**$ 28,032**	**$ 41,352**	**$ 1,634**	**$ 34,614**	**$ 6,439**	**$ 42,687**	**$ 113,401**
													October 31, 2024
Region													
Europe	$ 8,490	$ 8	$ 5,050	$ 13,548	$ 4,847	$ 2,117	$ 8,145	$ 15,109	$ 1,157	$ 24,124	$ 2,660	$ 27,941	$ 56,598
United Kingdom	8,462	3,124	2,661	14,247	3,490	1,172	13,536	18,198	866	1,691	1,104	3,661	36,106
Asia	241	30	2,412	2,683	519	533	2,739	3,791	290	10,486	893	11,669	18,143
Other[5]	209	–	598	807	370	416	2,481	3,267	218	1,012	3,187	4,417	8,491
Total	$ 17,402	$ 3,162	$ 10,721	$ 31,285	$ 9,226	$ 4,238	$ 26,901	$ 40,365	$ 2,531	$ 37,313	$ 7,844	$ 47,688	$ 119,338

[1] Exposures, including interest-bearing deposits with banks, are presented net of impairment charges where applicable.

[2] Exposures are calculated on a fair value basis and presented net of collateral. Derivatives are presented as net exposures where there is an International Swaps and Derivatives Association master netting agreement.

[3] Trading exposures are net of eligible short positions.

[4] In addition to the exposures identified above, the Bank also has $30.3 billion (October 31, 2024 – $35.5 billion) of exposure to supranational entities.

[5] Other regional exposure largely attributable to Australia.

IMPAIRED LOANS

A loan is considered impaired and migrates to Stage 3 when it is 90 days or more past due for retail exposures, rated borrower risk rating (BRR) 9 for non-retail exposures, or when there is objective evidence that there has been a deterioration of credit quality to the extent that the Bank no longer has reasonable assurance as to the timely collection of the full amount of principal and interest. Gross impaired loans increased $471 million, or 10%, compared with the prior year.

In Canada, impaired loans net of Stage 3 allowances increased by $38 million, or 3% in 2025. Residential mortgages, consumer instalment and other personal loans, and credit cards, had net impaired loans of $649 million, an increase of $137 million, or 27%, compared with the prior year, reflecting credit migration. Business and government impaired loans net of Stage 3 allowances were $523 million, a decrease of $99 million, compared with $622 million in the prior year, reflecting a decrease in the Canadian Commercial lending portfolio as resolutions outpaced new formations.

In the U.S., impaired loans net of Stage 3 allowances increased by $409 million, or 18% in 2025. Residential mortgages, consumer instalment and other personal loans, and credit cards, had net impaired loans of $1,157 million, an increase of $39 million, or 3%, compared with the prior year, reflecting credit migration. Business and government net impaired loans were $1,500 million, an increase of $370 million, compared with $1,130 million in the prior year, reflecting an increase in the Wholesale Banking and U.S. Commercial lending portfolios as new formations outpaced resolutions, and the impact of foreign exchange.

Geographically, 31% of total net impaired loans were located in Canada and 69% in the U.S. The largest regional concentration of net impaired loans in Canada was in Ontario, representing 22% of total net impaired loans, compared with 24% in the prior year. The largest regional concentration of net impaired loans in the U.S. was in New York, representing 30% of total net impaired loans, compared with 23% in the prior year.

TABLE 32: CHANGES IN GROSS IMPAIRED LOANS[1]

(millions of Canadian dollars)	**2025**	2024
Personal, Business and Government Loans		
Impaired loans as at beginning of period	**$ 4,949**	$ 3,299
Classified as impaired during the period	**9,073**	8,655
Transferred to performing during the period	**(1,438)**	(1,094)
Net repayments	**(2,388)**	(1,801)
Disposals of loans	**(65)**	(158)
Amounts written off	**(4,725)**	(3,984)
Exchange and other movements	**14**	32
Impaired loans as at end of year	**$ 5,420**	$ 4,949

[1] Includes loans that are measured at FVOCI.

TABLE 33: IMPAIRED LOANS NET OF STAGE 3 ALLOWANCE FOR LOAN LOSSES BY INDUSTRY SECTOR[1,2,3]

(millions of Canadian dollars, except as noted)

				As at	*Percentage of total*	
			Oct. 31 2025	Oct. 31 2024	**Oct. 31 2025**	Oct. 31 2024
	Gross impaired loans	**Stage 3 allowances for loan losses impaired**	**Net impaired loans**	Net impaired loans		
Canada						
Residential mortgages	**$ 410**	**$ 45**	**$ 365**	$ 247	**9.5 %**	7.2 %
Consumer instalment and other personal						
HELOC	**206**	**37**	**169**	154	**4.4**	4.5
Indirect auto	**128**	**100**	**28**	34	**0.8**	1.0
Other	**74**	**51**	**23**	24	**0.6**	0.7
Credit card[4]	**170**	**106**	**64**	53	**1.7**	1.6
Total personal	**988**	**339**	**649**	512	**17.0**	15.0
Real estate						
Residential	**5**	**1**	**4**	46	**0.1**	1.4
Non-residential	**60**	**11**	**49**	75	**1.3**	2.2
Total real estate	**65**	**12**	**53**	121	**1.4**	3.6
Agriculture	**31**	**6**	**25**	49	**0.7**	1.5
Automotive	**128**	**46**	**82**	76	**2.1**	2.2
Financial	**7**	**6**	**1**	11	**–**	0.3
Food, beverage, and tobacco	**20**	**13**	**7**	30	**0.2**	0.9
Forestry	**39**	**22**	**17**	7	**0.4**	0.2
Government, public sector entities, and education	**11**	**7**	**4**	4	**0.1**	0.1
Health and social services	**83**	**43**	**40**	80	**1.0**	2.4
Industrial construction and trade contractors	**56**	**27**	**29**	27	**0.8**	0.8
Metals and mining	**58**	**18**	**40**	8	**1.0**	0.2
Oil and gas	**4**	**4**	**–**	–	**–**	–
Power and utilities	**–**	**–**	**–**	–	**–**	–
Professional and other services	**58**	**30**	**28**	31	**0.8**	0.9
Retail sector	**124**	**61**	**63**	78	**1.6**	2.3
Sundry manufacturing and wholesale	**206**	**130**	**76**	63	**2.0**	1.8
Telecommunications, cable, and media	**7**	**6**	**1**	4	**–**	0.1
Transportation	**49**	**21**	**28**	20	**0.7**	0.6
Other	**46**	**17**	**29**	13	**0.8**	0.4
Total business and government	**992**	**469**	**523**	622	**13.6**	18.3
Total Canada	**1,980**	**808**	**1,172**	1,134	**30.6**	33.3
United States						
Residential mortgages	**568**	**35**	**533**	458	**13.9**	13.5
Consumer instalment and other personal						
HELOC	**302**	**22**	**280**	260	**7.3**	7.6
Indirect auto	**349**	**58**	**291**	251	**7.6**	7.4
Other	**15**	**6**	**9**	5	**0.2**	0.1
Credit card[5]	**398**	**354**	**44**	144	**1.1**	4.2
Total personal	**1,632**	**475**	**1,157**	1,118	**30.1**	32.8
Real estate						
Residential	**178**	**10**	**168**	191	**4.4**	5.6
Non-residential	**574**	**33**	**541**	384	**14.1**	11.3
Total real estate	**752**	**43**	**709**	575	**18.5**	16.9
Agriculture	**2**	**–**	**2**	2	**0.1**	0.1
Automotive	**18**	**11**	**7**	4	**0.2**	0.1
Financial	**1**	**–**	**1**	1	**–**	–
Food, beverage, and tobacco	**10**	**–**	**10**	10	**0.3**	0.3
Forestry	**28**	**16**	**12**	–	**0.3**	–
Government, public sector entities, and education	**50**	**1**	**49**	47	**1.3**	1.4
Health and social services	**47**	**5**	**42**	49	**1.1**	1.4
Industrial construction and trade contractors	**40**	**9**	**31**	34	**0.8**	1.0
Metals and mining	**6**	**1**	**5**	2	**0.1**	0.1
Oil and gas	**5**	**5**	**–**	–	**–**	–
Power and utilities	**98**	**70**	**28**	31	**0.7**	0.9
Professional and other services	**191**	**33**	**158**	141	**4.1**	4.1
Retail sector	**65**	**8**	**57**	46	**1.5**	1.3
Sundry manufacturing and wholesale	**50**	**4**	**46**	42	**1.2**	1.2
Telecommunications, cable, and media	**350**	**67**	**283**	105	**7.4**	3.1
Transportation	**64**	**21**	**43**	12	**1.1**	0.4
Other	**28**	**11**	**17**	29	**0.5**	0.9
Total business and government	**1,805**	**305**	**1,500**	1,130	**39.2**	33.2
Total United States	**3,437**	**780**	**2,657**	2,248	**69.3**	66.0
International	**3**	**–**	**3**	25	**0.1**	0.7
Total	**$ 5,420**	**$ 1,588**	**$ 3,832**	$ 3,407	**100.0 %**	100.0 %
Net impaired loans as a % of common equity			**3.30 %**	3.27 %		

[1] Primarily based on the geographic location of the customer's address.

[2] Includes loans that are measured at FVOCI.

[3] Excludes, debt securities classified as loans under IAS 39, *Financial Instruments: Recognition and Measurement* and DSAC and debt securities at FVOCI under IFRS 9.

[4] Credit cards are considered impaired when they are 90 days past due and written off at 180 days past due.

TABLE 34: IMPAIRED LOANS NET OF STAGE 3 ALLOWANCE FOR LOAN LOSSES BY GEOGRAPHY[1,2,3]						
(millions of Canadian dollars, except as noted)				*As at*		*Percentage of total*
			October 31 2025	October 31 2024	**October 31 2025**	October 31 2024
	Gross impaired loans	**Stage 3 allowances for loan losses impaired**	**Net impaired loans**	Net impaired loans		
Canada						
Atlantic provinces	**$ 38**	**$ 15**	**$ 23**	$ 21	**0.6 %**	0.6 %
British Columbia[4]	**193**	**61**	**132**	130	**3.5**	3.8
Ontario[4]	**1,421**	**598**	**823**	801	**21.5**	23.5
Prairies[4]	**186**	**73**	**113**	136	**2.9**	4.0
Québec	**142**	**61**	**81**	46	**2.1**	1.4
Total Canada	**1,980**	**808**	**1,172**	1,134	**30.6**	33.3
United States						
Carolinas (North and South)	**131**	**27**	**104**	101	**2.7**	3.0
Florida	**271**	**56**	**215**	242	**5.6**	7.1
New England[5]	**329**	**56**	**273**	232	**7.1**	6.8
New Jersey	**320**	**56**	**264**	260	**6.9**	7.6
New York	**1,285**	**154**	**1,131**	770	**29.5**	22.6
Pennsylvania	**133**	**22**	**111**	123	**2.9**	3.6
Other	**968**	**409**	**559**	520	**14.6**	15.3
Total United States	**3,437**	**780**	**2,657**	2,248	**69.3**	66.0
Total International	**3**	**–**	**3**	25	**0.1**	0.7
Total	**$ 5,420**	**$ 1,588**	**$ 3,832**	$ 3,407	**100.0 %**	100.0 %
Net impaired loans as a % of net loans			**0.40 %**	0.36 %		

[1] Primarily based on the geographic location of the customer's address.
[2] Includes loans that are measured at FVOCI.
[3] Credit cards are considered impaired when they are 90 days past due and written off at 180 days past due.
[4] The territories are included as follows: Yukon is included in British Columbia; Nunavut is included in Ontario; and the Northwest Territories is included in the Prairies region.
[5] The states included in New England are as follows: Connecticut, Maine, Massachusetts, New Hampshire, and Vermont.

ALLOWANCE FOR CREDIT LOSSES

The allowance for credit losses including off-balance sheet positions of $9,745 million as at October 31, 2025, was comprised of Stage 3 allowance for impaired loans of $1,604 million, Stage 2 allowance of $4,928 million, and Stage 1 allowance of $3,209 million, and allowance for debt securities of $4 million. The Stage 1 and 2 allowances are for performing loans and off-balance sheet instruments.

Stage 3 allowances (impaired)

The Stage 3 allowance for loan losses increased $51 million, or 3%, compared with last year, largely reflected in the consumer lending portfolios, and the impact of foreign exchange.

Stage 1 and Stage 2 allowances (performing)

As at October 31, 2025, the performing allowance was $8,137 million, up from $7,584 million as at October 31, 2024. The increase this year largely reflected credit impacts from policy and trade uncertainty, credit conditions, including credit migration, and the impact of foreign exchange. The performing allowance for debt securities is flat compared with last year.

Forward-looking information, including macroeconomic variables deemed to be predictive of ECLs based on the Bank's experience, is used to determine ECL scenarios and associated probability weights to determine the probability-weighted ECLs. Each quarter, all base forecast macroeconomic variables are refreshed, resulting in new upside and downside macroeconomic scenarios. The probability weightings assigned to each ECL scenario are also reviewed each quarter and updated as required, as part of the Bank's ECL governance process. As a result of periodic reviews and quarterly updates, the allowance for credit losses may be revised to reflect updates in loss estimates based on the Bank's recent loss experience and its forward-looking views. The Bank periodically reviews the methodology and has performed certain additional quantitative and qualitative portfolio and loan level assessments of significant increase in credit risk. Refer to Note 3 of the Bank's 2025 Consolidated Financial Statements for further details on forward-looking information.

The probability-weighted allowance for credit losses reflects the Bank's forward-looking views. To the extent that certain anticipated effects cannot be fully incorporated into quantitative models, management continues to exercise expert credit judgment in determining the amount of ECLs, including for risks related to elevated uncertainty associated with policy and trade, and such adjustments will be updated as appropriate in future periods as additional information becomes available. Refer to Note 3 of the Bank's 2025 Consolidated Financial Statements for additional detail.

PROVISION FOR CREDIT LOSSES

The PCL is the amount charged to income to bring the total allowance for credit losses, including both Stage 1 and 2 allowances (performing) and Stage 3 allowance (impaired), to a level that management considers adequate to absorb expected and incurred credit-related losses in the Bank's loan portfolio. Provisions are reduced by any recoveries in the year.

In Canada, PCL – impaired related to residential mortgages, consumer instalment and other personal loans, and credit card loans was $1,353 million, an increase of $195 million, or 17%, compared to 2024 reflecting credit migration. PCL – impaired related to business and government loans was $344 million, a decrease of $101 million, compared to $445 million in the prior year, reflecting lower impairments.

In the U.S., PCL – impaired related to residential mortgages, consumer instalment and other personal loans, and credit card loans was $1,698 million, a decrease of $14 million, or 1%, compared to 2024. PCL – impaired related to business and government loans was $597 million, an increase of $140 million, compared to $457 million in the prior year, largely reflecting credit migration and the impact of foreign exchange.

Geographically, the largest regional concentration of PCL – impaired in Canada was in Ontario, consistent with the prior year. The largest regional concentration of PCL – impaired in the U.S. was in New York, consistent with the prior year.

The following table provides a summary of provisions charged to the Consolidated Statement of Income.

TABLE 35: PROVISION FOR CREDIT LOSSES[1]		
(millions of Canadian dollars)	**2025**	2024
Provision for credit losses – Stage 3 (impaired)		
Canadian Personal and Commercial Banking	**$ 1,710**	$ 1,555
U.S. Retail	**1,499**	1,437
Wholesale Banking	**185**	247
Corporate[2]	**615**	638
Total provision for (recovery of) credit losses – Stage 3	**4,009**	3,877
Provision for credit losses – Stage 1 and Stage 2 (performing)		
Canadian Personal and Commercial Banking	**433**	200
U.S. Retail	**15**	95
Wholesale Banking	**105**	70
Corporate[2]	**(56)**	11
Total provision for (recovery of) credit losses – Stage 1 and 2	**497**	376
Total Provision for (recovery of) credit losses	**$ 4,506**	$ 4,253

[1] Includes PCL for off-balance sheet instruments.
[2] Includes PCL on the retailer program partners' share of the U.S. strategic cards portfolio.

TABLE 36: PROVISION FOR CREDIT LOSSES BY INDUSTRY SECTOR[1,2]				
(millions of Canadian dollars, except as noted)	*For the years ended*		*Percentage of total*	
	October 31 2025	October 31 2024	**October 31 2025**	October 31 2024
Stage 3 provision for credit losses (impaired)				
Canada				
Residential mortgages	**$ 21**	$ 9	**0.5 %**	0.2 %
Consumer instalment and other personal				
HELOC	**9**	7	**0.2**	0.2
Indirect auto	**440**	396	**11.0**	10.2
Other	**279**	244	**7.0**	6.3
Credit card	**604**	502	**15.0**	12.9
Total personal	**1,353**	1,158	**33.7**	29.8
Real estate				
Residential	**5**	2	**0.1**	–
Non-residential	**(1)**	19	**–**	0.5
Total real estate	**4**	21	**0.1**	0.5
Agriculture	**1**	7	**–**	0.2
Automotive	**50**	69	**1.2**	1.8
Financial	**(16)**	37	**(0.4)**	1.0
Food, beverage, and tobacco	**56**	81	**1.4**	2.1
Forestry	**12**	3	**0.3**	0.1
Government, public sector entities, and education	**1**	–	**–**	–
Health and social services	**7**	18	**0.2**	0.4
Industrial construction and trade contractors	**32**	24	**0.8**	0.6
Metals and mining	**9**	4	**0.2**	0.1
Oil and gas	**–**	–	**–**	–
Power and utilities	**–**	–	**–**	–
Professional and other services	**16**	30	**0.4**	0.8
Retail sector	**35**	44	**0.9**	1.1
Sundry manufacturing and wholesale	**79**	63	**2.0**	1.6
Telecommunications, cable, and media	**3**	3	**0.1**	0.1
Transportation	**43**	31	**1.1**	0.8
Other	**12**	10	**0.3**	0.3
Total business and government	**344**	445	**8.6**	11.5
Total Canada	**1,697**	1,603	**42.3**	41.3
United States				
Residential mortgages	**3**	(2)	**0.1**	(0.1)
Consumer instalment and other personal				
HELOC	**(1)**	3	**–**	0.1
Indirect auto	**351**	355	**8.7**	9.2
Other	**183**	233	**4.6**	6.0
Credit card	**1,162**	1,123	**29.0**	29.0
Total personal	**1,698**	1,712	**42.4**	44.2
Real estate				
Residential	**56**	13	**1.4**	0.3
Non-residential	**41**	89	**1.0**	2.3
Total real estate	**97**	102	**2.4**	2.6
Agriculture	**2**	1	**0.1**	–
Automotive	**16**	4	**0.4**	0.1
Financial	**–**	1	**–**	–
Food, beverage, and tobacco	**6**	10	**0.1**	0.3
Forestry	**3**	–	**0.1**	–
Government, public sector entities, and education	**5**	17	**0.1**	0.5
Health and social services	**5**	6	**0.1**	0.2
Industrial construction and trade contractors	**64**	18	**1.6**	0.5
Metals and mining	**–**	–	**–**	–
Oil and gas	**–**	–	**–**	–
Power and utilities	**7**	65	**0.2**	1.7
Professional and other services	**43**	47	**1.1**	1.2
Retail sector	**67**	29	**1.7**	0.7
Sundry manufacturing and wholesale	**5**	39	**0.1**	1.0
Telecommunications, cable, and media	**160**	53	**4.0**	1.4
Transportation	**33**	9	**0.8**	0.2
Other	**84**	56	**2.1**	1.4
Total business and government	**597**	457	**14.9**	11.8
Total United States	**2,295**	2,169	**57.3**	56.0
International	**17**	105	**0.4**	2.7
Total Stage 3 provision for credit losses (impaired)	**$ 4,009**	$ 3,877	**100.0 %**	100.0 %
Stage 1 and 2 provision for credit losses				
Personal, business, and government	**$ 496**	$ 376		
Debt securities at amortized cost and FVOCI	**1**	–		
Total Stage 1 and 2 provision for credit losses	**497**	376		
Total provision for credit losses	**$ 4,506**	$ 4,253		

[1] Primarily based on the geographic location of the customer's address.
[2] Includes loans that are measured at FVOCI.

TABLE 37: PROVISION FOR CREDIT LOSSES BY GEOGRAPHY[1,2]

(millions of Canadian dollars, except as noted)	*For the years ended*		*Percentage of total*	
	October 31 2025	October 31 2024	**October 31 2025**	October 31 2024
Canada				
Atlantic provinces	**$ 72**	$ 63	**1.6 %**	1.5 %
British Columbia[3]	**204**	186	**4.5**	4.4
Ontario[3]	**940**	938	**20.9**	22.0
Prairies[3]	**305**	276	**6.8**	6.5
Québec	**176**	140	**3.9**	3.3
Total Canada	**1,697**	1,603	**37.7**	37.7
United States				
Carolinas (North and South)	**96**	93	**2.1**	2.2
Florida	**187**	242	**4.2**	5.7
New England[4]	**199**	186	**4.4**	4.4
New Jersey	**160**	158	**3.6**	3.7
New York	**391**	328	**8.7**	7.7
Pennsylvania	**101**	79	**2.1**	1.8
Other[5]	**1,161**	1,083	**25.8**	25.5
Total United States	**2,295**	2,169	**50.9**	51.0
International	**17**	105	**0.4**	2.5
Total Stage 3 provision for credit losses (impaired)	**4,009**	3,877	**89.0**	91.2
Stage 1 and 2 provision for credit losses	**497**	376	**11.0**	8.8
Total provision for credit losses	**$ 4,506**	$ 4,253	**100.0 %**	100.0 %

Provision for credit losses as a % of average net loans[5]	**October 31 2025**	October 31 2024
Canada		
Residential mortgages	**0.01 %**	– %
Credit card, consumer instalment and other personal	**0.66**	0.62
Business and government	**0.19**	0.25
Total Canada	**0.26**	0.25
United States		
Residential mortgages	**0.01**	–
Credit card, consumer instalment and other personal	**2.28**	2.43
Business and government	**0.36**	0.28
Total United States	**0.79**	0.75
International	**0.38**	2.49
Total Stage 3 provision for credit losses (impaired)	**0.42**	0.42
Stage 1 and 2 provision for credit losses	**0.05**	0.04
Total provision for credit losses as a % of average net loans	**0.47 %**	0.46 %

[1] Primarily based on the geographic location of the customer's address.
[2] Includes loans that are measured at FVOCI.
[3] The territories are included as follows: Yukon is included in British Columbia; Nunavut is included in Ontario; and Northwest Territories is included in the Prairies region.
[4] The states included in New England are as follows: Connecticut, Maine, Massachusetts, New Hampshire, and Vermont.
[5] Includes PCL attributable to other states/regions including those outside TD's core U.S. geographic footprint.

Capital Position

TABLE 38: CAPITAL STRUCTURE AND RATIOS – Basel III		
(millions of Canadian dollars, except as noted)	**2025**	2024
Common Equity Tier 1 Capital		
Common shares plus related contributed surplus	**$ 25,010**	$ 25,543
Retained earnings	**78,320**	70,826
Accumulated other comprehensive income	**12,874**	7,904
Common Equity Tier 1 Capital before regulatory adjustments	**116,204**	104,273
Common Equity Tier 1 Capital regulatory adjustments		
Prudential valuation adjustments	**(165)**	–
Goodwill (net of related tax liability)	**(18,753)**	(18,645)
Intangibles (net of related tax liability)	**(3,316)**	(2,921)
Deferred tax assets excluding those arising from temporary differences	**(202)**	(212)
Cash flow hedge reserve	**867**	3,015
Shortfall of provisions to expected losses	**–**	–
Gains and losses due to changes in own credit risk on fair valued liabilities	**(166)**	(193)
Defined benefit pension fund net assets (net of related tax liability)	**(811)**	(731)
Investment in own shares	**(9)**	(21)
Non-significant investments in the capital of banking, financial, and insurance entities, net of eligible short positions (amount above 10% threshold)	**–**	(1,835)
Significant investments in the common stock of banking, financial, and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	**–**	–
Equity investments in funds subject to the fall-back approach	**(90)**	(32)
Other deductions or regulatory adjustments to CET1 as determined by OSFI	**20**	16
Total regulatory adjustments to Common Equity Tier 1 Capital	**(22,625)**	(21,559)
Common Equity Tier 1 Capital	**93,579**	82,714
Additional Tier 1 Capital instruments		
Directly issued qualifying Additional Tier 1 instruments plus stock surplus	**11,623**	10,887
Additional Tier 1 Capital instruments before regulatory adjustments	**11,623**	10,887
Additional Tier 1 Capital instruments regulatory adjustments		
Non-significant investments in the capital of banking, financial, and insurance entities, net of eligible short positions (amount above 10% threshold)	**–**	(3)
Significant investments in the capital of banking, financial, and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	**(700)**	(350)
Total regulatory adjustments to Additional Tier 1 Capital	**(700)**	(353)
Additional Tier 1 Capital	**10,923**	10,534
Tier 1 Capital	**104,502**	93,248
Tier 2 Capital instruments and provisions		
Directly issued qualifying Tier 2 instruments plus related stock surplus	**10,733**	11,273
Collective allowances	**1,661**	1,512
Tier 2 Capital before regulatory adjustments	**12,394**	12,785
Tier 2 regulatory adjustments		
Investment in own Tier 2 instruments	**–**	–
Non-significant investments in the capital of banking, financial, and insurance entities, net of eligible short positions (amount above 10% threshold)[1]	**–**	(224)
Non-significant investments in the other TLAC-eligible instruments issued by G-SIBs and Canadian D-SIBs, where the institution does not own more than 10% of the issued common share capital of the entity: amount previously designated for the 5% threshold but that no longer meets the conditions	**(30)**	(64)
Significant investments in the capital of banking, financial, and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	**–**	–
Total regulatory adjustments to Tier 2 Capital	**(30)**	(288)
Tier 2 Capital	**12,364**	12,497
Total Capital	**$ 116,866**	$ 105,745
Risk-weighted assets	**$ 636,424**	$ 630,900
Capital Ratios and Multiples		
Common Equity Tier 1 Capital (as percentage of risk-weighted assets)	**14.7 %**	13.1 %
Tier 1 Capital (as percentage of risk-weighted assets)	**16.4**	14.8
Total Capital (as percentage of risk-weighted assets)	**18.4**	16.8
Leverage ratio[2]	**4.6**	4.2

[1] Includes other TLAC-eligible instruments issued by global systemically important banks (G-SIBs) and Canadian domestic systemically important banks (D-SIBs) that are outside the scope of regulatory consolidation, where the institution does not own more than 10% of the issued common share capital of the entity.

[2] The Leverage ratio is calculated as Tier 1 Capital divided by leverage exposure, as defined in the "Regulatory Capital" section of this document.

THE BANK'S CAPITAL MANAGEMENT OBJECTIVES

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 (RAS);
  - 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.

CAPITAL SOURCES

The Bank's capital is primarily derived from common shareholders and retained earnings. Other sources of capital include the Bank's preferred shareholders, limited recourse capital noteholders, perpetual subordinated capital noteholders, and holders of the Bank's subordinated debt.

CAPITAL MANAGEMENT

The Treasury and Balance Sheet Management (TBSM) group manages capital for the Bank and is responsible for forecasting and monitoring compliance with capital targets, recommending capital management actions, managing the internal capital adequacy assessment process (ICAAP), and developing and maintaining capital management policies. Oversight of capital management is provided by Risk Management and the Asset Liability and Capital Committee (ALCO). The Board of Directors (the Board) is ultimately responsible for oversight of capital adequacy risk management.

The Bank continues to hold sufficient capital levels to provide flexibility to support organic growth and strategic priorities. Strong capital ratios are the result of the Bank's internal capital generation, management of the balance sheet, and periodic issuance of capital securities.

ECONOMIC CAPITAL

Economic capital, an internal measure of capital requirements, is a key component of the Bank's internal assessment of capital adequacy. The economic capital framework requires assessment of all material risks to the Bank and determination of the amount of risk-based capital required to cover unexpected losses from the Bank's business operations in a manner consistent with the Bank's capital management objectives.

The Bank operates its capital regime under the Basel Capital Framework. In addition to addressing Pillar 1 risks covering credit, market, and operational risks, the Bank's economic capital framework captures other material Pillar 2 risks including non-trading market risk, additional credit risk, and "Other risks", such as business risk and insurance risk. The framework also captures diversification benefits across risk types and business segments.

Components of economic capital at the Bank reflect the requirements laid out in OSFI's ICAAP Guideline which includes senior management oversight, sound capital assessment and planning, comprehensive assessment of risk, stress testing, monitoring and reporting and internal control review.

REGULATORY CAPITAL

Capital requirements established by the Basel Committee on Banking Supervision (BCBS) are commonly referred to as Basel III. Under Basel III, Total Capital consists of three components, namely 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 introduced 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.

OSFI's Capital Requirements under Basel III

OSFI's CAR and LR guidelines detail how the Basel III capital rules apply to Canadian banks.

The Domestic Stability Buffer (DSB) level increased from 3% to 3.5% as of November 1, 2023, and has remained stable since. Currently, the DSB can range from 0 to 4%, with the effective level adjusted by OSFI in response to developments in Canada's financial system and the broader economy.

OSFI has implemented the Basel III reforms with adjustments to make them suitable for domestic implementation. The Basel III reforms impact the calculation of credit risk, market risk and operational risk for Canadian banks, as well as amend the LR Guideline to include a requirement for domestic systemically important banks (D-SIBs) to hold a leverage ratio buffer of 0.50% in addition to the regulatory minimum requirement of 3.0%. The LR buffer requirement also applies to the TLAC leverage ratio.

On November 1, 2023, the standardized capital floor transitioned to 67.5% of RWA from the previous 65% of RWA. OSFI has stated that the floor will remain at 67.5% until further notice.

The Bank has implemented OSFI's Parental Stand-Alone (Solo) Total Loss Absorbing Capacity (TLAC) Framework for D-SIBs, which establishes a risk-based measure intended to ensure that a non-viable D-SIB has sufficient loss absorbing capacity on a stand-alone, legal entity basis to support its resolution. The Bank is compliant with the requirements set out in this framework.

The table below summarizes OSFI's published regulatory minimum capital targets for the Bank as at October 31, 2025.

REGULATORY CAPITAL AND TLAC TARGET RATIOS

	Minimum	Capital Conservation Buffer	D-SIB / G-SIB Surcharge[1]	Pillar 1 Regulatory Target[2]	DSB	Pillar 1 & 2 Regulatory Target
CET1	4.5 %	2.5 %	1.0 %	8.0 %	3.5 %	11.5 %
Tier 1	6.0	2.5	1.0	9.5	3.5	13.0
Total Capital	8.0	2.5	1.0	11.5	3.5	15.0
Leverage	3.0	n/a[3]	0.5	3.5	n/a	3.5
TLAC	18.0	2.5	1.0	21.5	3.5	25.0
TLAC Leverage	6.75	n/a	0.50	7.25	n/a	7.25

[1] The higher of the D-SIB and G-SIB surcharge applies to risk weighted capital. The D-SIB surcharge is currently equivalent to the Bank's 1% G-SIB additional common equity requirement for risk weighted capital. The G-SIB surcharge may increase above 1%, to a maximum of 4.5%, if the Bank's G-SIB score increases above certain thresholds. OSFI's LR Guideline includes a requirement for D-SIBs to hold a leverage ratio buffer set at 50% of a D-SIB's higher loss absorbency risk-weighted requirements, effectively 0.50%. This buffer also applies to the TLAC Leverage ratio.

[2] The Bank's countercyclical buffer requirement is 0% as of October 31, 2025.

[3] Not applicable.

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 as 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 repatriate or redeploy capital or funds for other uses.

As at October 31, 2025, the Bank's CET1, Tier 1, and Total Capital ratios were 14.7%, 16.4%, and 18.4%, respectively. The increase in the Bank's CET1 Capital ratio from 13.1% as at October 31, 2024, was primarily attributable to the sale of Schwab shares and internal capital generation, offset by common shares repurchased for cancellation, RWA growth across various segments and the impact of U.S. balance sheet restructuring.

As at October 31, 2025, the Bank's leverage ratio was 4.6%. Compared with the Bank's leverage ratio of 4.2% at October 31, 2024, the increase was attributable primarily to the sale of Schwab shares and internal capital generation, offset by common shares repurchased for cancellation, leverage exposures increases across various segments and the impact of U.S. balance sheet restructuring.

Common Equity Tier 1 Capital

CET1 Capital was $93.6 billion as at October 31, 2025. Earnings and the sale of Schwab shares contributed the majority of CET1 Capital growth in the year. Capital management funding activities during the year included common share issuance of $0.3 billion under the dividend reinvestment plan and from stock option exercises, offset by common shares repurchased of $6.1 billion.

Tier 1 and Tier 2 Capital
Tier 1 Capital was $104.5 billion as at October 31, 2025, consisting of CET1 Capital and Additional Tier 1 Capital of $93.6 billion and $10.9 billion, respectively. The Bank's Tier 1 Capital management activities during the year consisted of the issue and redemption of Tier 1-qualifying capital instruments as follows:

- On December 18, 2024, the Bank issued $750 million 5.909% Fixed Rate Reset Limited Recourse Capital Notes, Series 5 NVCC (the "LRCNs"). The LRCNs will bear interest at a rate of 5.909 per cent annually, payable quarterly, for the initial period ending on, but excluding, January 1, 2030. Thereafter, the interest rate on the LRCNs will reset every five years at a rate equal to the prevailing Government of Canada Yield plus 3.10 per cent. The LRCNs will mature on January 1, 2085. Concurrently with the issuance of the LRCNs, the Bank issued 750,000 Non-Cumulative 5.909% Fixed Rate Reset Preferred Shares, Series 32 NVCC ("Preferred Shares Series 32"). The Preferred Shares Series 32 are eliminated on the Bank's Consolidated Financial Statements.
- On September 23, 2025, the Bank issued US$750 million 6.350% Fixed Rate Reset Limited Recourse Capital Notes, Series 6 NVCC (the "LRCNs"). The LRCNs will bear interest at a rate of 6.350 per cent annually, payable quarterly, for the initial period ending on, but excluding, October 31, 2030. Thereafter, the interest rate on the LRCNs will reset every five years at a rate equal to the prevailing U.S. Treasury Rate plus 2.721 per cent. The LRCNs will mature on October 31, 2085. Concurrently with the issuance of the LRCNs, the Bank issued 750,000 Non-Cumulative 6.350% Fixed Rate Reset Preferred Shares, Series 33 NVCC ("Preferred Shares Series 33"). The Preferred Shares Series 33 are eliminated on the Bank's Consolidated Financial Statements
- 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.
- 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.
- 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.

Tier 2 Capital was $12.4 billion as at October 31, 2025. Tier 2 Capital management activities during the year consisted of the issue and redemption of Tier 2-qualifying capital instruments as follows:

- On January 23, 2025, the Bank issued EUR 750 million of non-viability contingent capital (NVCC) fixed rate reset notes constituting subordinated indebtedness of the Bank, maturing on January 23, 2036. These notes will bear interest at a fixed rate of 4.030% per annum (paid annually) until January 23, 2031, and at the 5-year mid-swap rate plus 1.500% thereafter (paid annually) until maturity on January 23, 2036. With prior approval of OSFI, the Bank may, at its option, redeem the notes on January 23, 2031, in whole but not in part, at par plus accrued and unpaid interest by giving not more than 60 nor less than 10 days' notice to holders.
- On January 31, 2025, the Bank issued $1 billion of NVCC medium-term notes constituting subordinated indebtedness of the Bank, maturing on February 1, 2035. These notes will bear interest at a fixed rate of 4.231% per annum (paid semi-annually) until February 1, 2030, and at Daily Compounded Canadian Overnight Repo Rate Average plus 1.540% thereafter (paid quarterly) until maturity on February 1, 2035. With prior approval of OSFI, the Bank may, at its option, redeem the notes on or after February 1, 2030, in whole or in part, at par plus accrued and unpaid interest by giving not more than 60 nor less than 10 days' notice to holders.
- On July 23, 2025, the Bank issued AUD 30 million of NVCC fixed-to-floating rate subordinated notes of the Bank, maturing on July 23, 2040. These notes bear interest at a fixed rate of 5.930% per annum (paid semi-annually) until July 23, 2035, and at the 3-month Bank Bill Swap rate plus 1.870% thereafter (paid quarterly) until maturity on July 23, 2040. With prior approval of OSFI, the Bank may, at its option, redeem the notes on July 23, 2035, in whole but not in part, at par plus accrued and unpaid interest by giving not more than 60 nor less than 10 days' notice to holders
- On September 25, 2025 the Bank issued JPY 14 billion of fixed rate reset subordinated notes of the Bank maturing on September 25, 2030. These notes bear interest at a fixed rate of 2.058% per annum (paid semi-annually) until September 25, 2030 and at the 5-year Tokyo Overnight Average Rate (TONA) mid-swap rate plus 0.97% thereafter (paid semi-annually) until maturity on September 25, 2035. With prior approval of OSFI, the Bank may, at its option, redeem the notes on September 25, 2035, in whole but not in part, at par plus accrued and unpaid interest by giving not more than 60 nor less than 10 days' notice to holders
- On April 22, 2025, the Bank redeemed all of its outstanding $3 billion 3.105% NVCC medium-term notes due April 22, 2030 constituting subordinated indebtedness of the Bank, at a redemption price of 100 per cent of the principal amount, plus accrued and unpaid interest to, but excluding, April 22, 2025.

INTERNAL CAPITAL ADEQUACY ASSESSMENT PROCESS
The Bank's Internal Capital Adequacy Assessment Process (ICAAP) is an integrated enterprise-wide process that encompasses the governance, management, and control of risk and capital functions within the Bank. It provides a framework for relating risks to capital requirements through the Bank's capital modelling and stress testing practices which help inform the Bank's overall capital adequacy requirements.

The ICAAP is led by TBSM with support from numerous functional areas who collectively help assess the Bank's internal capital adequacy. This assessment evaluates the capacity to bear risk in alignment with the Bank's risk profile and RAS. TBSM assesses and monitors the overall adequacy of the Bank's available capital in relation to both internal and regulatory capital requirements under normal and stressed conditions.

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. The Bank has moved from an annual dividend review cycle to a semi-annual cycle to support the alignment of shareholder return with earnings growth.

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 (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 of the 2025 Consolidated Financial Statements. As at October 31, 2025, 1,689 million common shares were outstanding (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.

The Bank intends to initiate a new normal course issuer bid program upon the completion of the 2025 NCIB, subject to regulatory approval. The Bank is targeting $6-7 billion of common share repurchases in fiscal 2026 under the new program, subject to market conditions.

RISK-WEIGHTED ASSETS

Based on Basel III, RWA are calculated for each of credit risk, market risk, and operational risk. Details of the Bank's RWA are included in the following table.

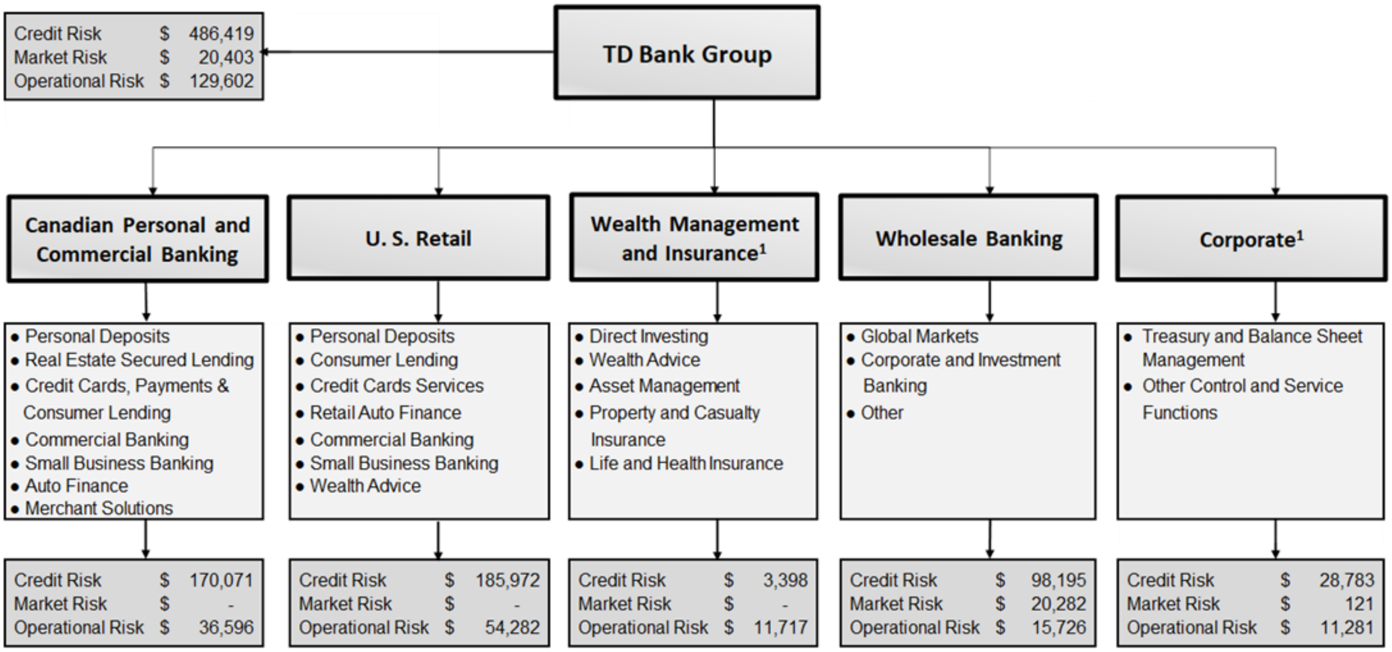
TABLE 39: RISK-WEIGHTED ASSETS

(millions of Canadian dollars)		*As at*
	October 31, 2025	October 31, 2024
Credit risk		
Retail		
Residential secured	**$ 61,307**	$ 58,215
Qualifying revolving retail	**43,917**	40,186
Other retail	**57,717**	53,929
Non-retail		
Corporate	**220,561**	222,370
Sovereign	**14,869**	12,929
Bank	**12,287**	11,555
Securitization exposures	**18,049**	16,524
Subordinated debt, equity, and other capital instruments	**25,933**	37,986
Other assets	**31,779**	36,454
Exposures subject to standardized or Internal Ratings-Based (IRB) approaches	**486,419**	490,148
Total credit risk	**486,419**	490,148
Market risk	**20,403**	20,676
Operational risk	**129,602**	120,076
Total	**$ 636,424**	$ 630,900

RISK-WEIGHTED ASSETS BY SEGMENT

The following chart provides a breakdown of the Bank's RWA as at October 31, 2025. RWA reflects capital requirements assessed based on regulatory prescribed rules for credit risk, trading market risk, and operational risk. The results shown in the chart do not reflect attribution of goodwill and intangibles. For additional information on the risks highlighted below, refer to the "Managing Risk" section of this document.

(millions of Canadian dollars)



[1] Effective the first quarter of 2025, Risk-weighted assets associated with investments in insurance subsidiaries are allocated to the Corporate segment.

TABLE 40: EQUITY AND OTHER SECURITIES[1]

(thousands of shares/units and millions of Canadian dollars, except as noted)

	October 31, 2025		October 31, 2024	
As at	**Number of shares/units**	**Amount**	Number of shares/units	Amount
Common shares				
Common shares outstanding	**1,689,496**	**$ 24,727**	1,750,272	$ 25,373
Treasury – common shares	**–**	**–**	(213)	(17)
Total common shares	**1,689,496**	**$ 24,727**	1,750,059	$ 25,356
Stock options				
Vested	**5,160**		5,400	
Non-vested	**9,027**		9,312	
Preferred shares – Class A				
Series 1	**20,000**	**$ 500**	20,000	$ 500
Series 5[2]	**–**	**–**	20,000	500
Series 7[3]	**–**	**–**	14,000	350
Series 9[4]	**–**	**–**	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[5,6]				
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[7]	**1,750**	**2,403**	1,750	2,403
Limited Recourse Capital Notes – Series 4[7]	**750**	**1,023**	750	1,023
Limited Recourse Capital Notes – Series 5[8]	**750**	**750**	–	–
Limited Recourse Capital Notes – Series 6[7,9]	**750**	**1,037**	–	–
Perpetual Subordinated Capital Notes – Series 2023-9[10]	**1**	**312**	1	312
	56,901	**$ 11,625**	97,401	$ 10,888
Treasury – preferred shares and other equity instruments	**(29)**	**(4)**	(163)	(18)
Total preferred shares and other equity instruments	**56,872**	**$ 11,621**	97,238	$ 10,870

[1] For further details, including the conversion and exchange features, distributions, and significant terms and conditions, refer to Note 19 of the Bank's 2025 Consolidated Financial Statements.
[2] On January 31, 2025, the Bank redeemed all of its 20 million outstanding Non-Cumulative 5-Year Rate Reset Class A First Preferred Shares Non-Viability Contingent Capital (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.
[3] 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.
[4] 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.
[5] For other equity instruments, the number of shares/units represents the number of notes issued.
[6] Refer to the "Preferred Shares and Other Equity Instruments – Significant Terms and Conditions" table in Note 19 of the Bank's 2025 Consolidated Financial Statements for further details.
[7] For LRCNs – Series 3, 4, and 6, the amount represents the Canadian dollar equivalent of the U.S. dollar notional amount.
[8] On December 18, 2024, the Bank issued CA$750 million 5.909% Fixed Rate Reset Limited Recourse Capital Notes, Series 5 NVCC (the "Series 5 LRCNs"). The Series 5 LRCNs will bear an interest rate of 5.909 per cent annually, payable quarterly, for the initial period ending on, but excluding, January 1, 2030. Thereafter, the interest rate on the Series 5 LRCNs will reset every five years at a rate equal to the prevailing Government of Canada Yield plus 3.10 per cent. The Series 5 LRCNs will mature on January 1, 2085. Concurrently with the issuance of the Series 5 LRCNs, the Bank issued 750,000 Non-Cumulative 5.909% Fixed Rate Reset Preferred Shares, Series 32 NVCC ("Preferred Shares Series 32"). The Preferred Shares Series 32 are eliminated on the Bank's Consolidated Financial Statements.
[9] On September 23, 2025, the Bank issued US$750 million 6.350% Fixed Rate Reset Limited Recourse Capital Notes, Series 6 NVCC (the "Series 6 LRCNs"). The Series 6 LRCNs will bear interest at a rate of 6.350 per cent annually, payable quarterly, for the initial period ending on, but excluding, October 31, 2030. Thereafter, the interest rate on the Series 6 LRCNs will reset every five years at a rate equal to the prevailing U.S. Treasury Rate plus 2.721 per cent. The Series 6 LRCNs will mature on October 31, 2085. Concurrently with the issuance of the Series 6 LRCNs, the Bank issued 750,000 Non-Cumulative 6.350% Fixed Rate Reset Preferred Shares, Series 33 NVCC ("Preferred Shares Series 33"). The Preferred Shares Series 33 are eliminated on the Bank's Consolidated Financial Statements.
[10] For Perpetual Subordinated Capital Notes (AT1), the amount represents the Canadian dollar equivalent of the Singapore dollar notional amount.

Future Regulatory Capital Developments

On February 12, 2025, OSFI deferred increases to the Basel III standardized capital floor level until further notice. The capital floor subjects banks using internal model-based approaches to a floor, with the floor calculated as a percentage of RWA under the standardized approach. OSFI will notify the Bank at least two years prior to resuming an increase in the capital floor level.

On September 11, 2025, OSFI released revisions to the Capital Adequacy Requirements Guideline. The update includes many refinements to the calculation of regulatory capital requirements, with the aggregate impact immaterial to the capital position of the Bank. This change is effective November 1, 2025.

On February 20, 2025, OSFI published the Capital and Liquidity Treatment of Crypto-asset Exposures (Banking) Guideline (Crypto-asset Guideline). Subsequently on October 29, 2025, OSFI released revisions to the Crypto-asset Guideline. The update includes a requirement that an institution's gross exposure to certain crypto-assets, as defined in the Guideline, should not exceed 5% of the institution's net Tier 1 capital. This change is effective November 1, 2025.

Global Systemically Important Banks Designation and Disclosures

The Financial Stability Board (FSB), in consultation with the BCBS and national authorities, identifies G-SIBs. The G-SIB assessment methodology is based on the submissions of the largest global banks. Twelve indicators are used in the G-SIB assessment methodology to determine systemic importance. The score for a particular indicator is calculated by dividing the individual bank value by the aggregate amount for the indicator summed across all banks included in the assessment. Accordingly, an individual bank's ranking is reliant on the results and submissions of other global banks.

The Bank is required to publish the twelve indicators used in the G-SIB indicator-based assessment framework. Public disclosure of financial year-end data is required annually, no later than the date of a bank's first quarter public disclosure of shareholder financial data in the following year.

Public communications on G-SIB status are issued annually each November. On November 22, 2019, the Bank was designated as a G-SIB by the FSB. The Bank continued to maintain its G-SIB status when the FSB published the 2025 list of G-SIBs on November 27, 2025. As a result of this designation, the Bank is subject to an additional loss absorbency requirement (CET1 as a percentage of RWA) of 1% under applicable FSB member authority requirements; however, in accordance with OSFI's CAR guideline, the higher of the D-SIB and G-SIB surcharges applies to Canadian banks designated as a G-SIB. As the D-SIB surcharge is currently equal to the incremental 1% G-SIB common equity ratio requirement, the Bank's G-SIB designation has no additional impact on the Bank's minimum CET1 regulatory requirements. The G-SIB surcharge may increase above 1% if the Bank's G-SIB score increases above certain thresholds to a maximum of 4.5%.

As a result of the Bank's G-SIB designation, the U.S. Federal Reserve requires that TD Group US Holding LLC (TDGUS), as TD's U.S. Intermediate Holding Company (IHC), maintain a minimum amount of TLAC and long-term debt.

GROUP FINANCIAL CONDITION

Securitization and Off-Balance Sheet Arrangements

In the normal course of operations, the Bank engages in a variety of financial transactions that, under IFRS, are either not recorded on the Bank's Consolidated Balance Sheet or are recorded in amounts that differ from the full contract or notional amounts. These off-balance sheet arrangements involve, among other risks, varying elements of market, credit, and liquidity risks which are discussed in the "Managing Risk" section of this document. Off-balance sheet arrangements are generally undertaken for risk management, capital management, and funding management purposes and include securitizations, contractual obligations, and certain commitments and guarantees.

STRUCTURED ENTITIES

TD carries out certain business activities through arrangements with structured entities (SEs). The Bank uses SEs to raise capital, obtain sources of liquidity by securitizing certain of the Bank's financial assets, to assist TD's clients in securitizing their financial assets, and to create investment products for the Bank's clients. Securitizations are an important part of the financial markets, providing liquidity by facilitating investor access to specific portfolios of assets and risks. Refer to Notes 2, 9, and 10 of the 2025 Consolidated Financial Statements for further information regarding the Bank's involvement with SEs.

Securitization of Bank-Originated Assets

The Bank securitizes residential mortgages, credit card loans, and business and government loans to enhance its liquidity position, to diversify sources of funding, and to optimize the management of the balance sheet.

The Bank securitizes residential mortgages under the National Housing Act Mortgage-Backed Securities (NHA MBS) program sponsored by the Canada Mortgage and Housing Corporation (CMHC). The securitization of the residential mortgages with the CMHC does not qualify for derecognition and the mortgages remain on the Bank's Consolidated Balance Sheet. Additionally, the Bank securitizes credit card loans by selling them to Bank-sponsored SEs that are consolidated by the Bank. The Bank also securitizes U.S. residential mortgages with U.S. government-sponsored entities which qualify for derecognition and are removed from the Bank's Consolidated Balance Sheet. Refer to Notes 9 and 10 of the 2025 Consolidated Financial Statements for further information.

Residential Mortgage Loans

The Bank securitizes residential mortgage loans through significant unconsolidated SEs and Canadian non-SE third parties. Residential mortgage loans securitized by the Bank may give rise to full derecognition of the financial assets depending on the individual arrangement of each transaction. In instances where the Bank fully derecognizes residential mortgage loans, the Bank may be exposed to the risks of transferred loans through retained interests. As at October 31, 2025, there were $28.6 billion of securitized residential mortgage loans outstanding through significant unconsolidated SEs (October 31, 2024 – $24.0 billion), and $10.0 billion outstanding through non-SE third parties (October 31, 2024 – $6.7 billion).

Credit Card Loans

The Bank securitizes credit card loans through an SE. The Bank consolidates the SE as it serves as a financing vehicle for the Bank's assets, the Bank has power over the key economic decisions of the SE, and the Bank is exposed to the majority of the residual risks of the SE. As at October 31, 2025, the Bank had $4.0 billion of securitized credit card receivables outstanding (October 31, 2024 – $3.0 billion). Due to the nature of the credit card receivables, their carrying amounts approximate fair value.

Business and Government Loans

The Bank securitizes business and government loans through Canadian non-SE third parties. Business and government loans securitized by the Bank may be derecognized from the Bank's balance sheet depending on the individual arrangement of each transaction. In instances where the Bank fully derecognizes business and government loans, the Bank may be exposed to the risks of transferred loans through retained interests. There are no ECLs on the retained interests of the securitized business and government loans as the loans are all government insured. As at October 31, 2025, the Bank had $97 million of securitized business and government loans outstanding (October 31, 2024 – $189 million), with carrying value of retained interests of $1 million (October 31, 2024 – $1 million).

Securitization of Third-Party Originated Assets

Significant Unconsolidated Special Purpose Entities

Multi-Seller Conduits

The Bank securitizes third party-originated assets through Bank-sponsored SEs, including its Canadian multi-seller conduits which are not consolidated. Effective July 31, 2025, the Bank's U.S. multi-seller conduits are deconsolidated, as described below. Multi-seller conduits securitize third-party originated assets. The Bank administers multi-seller conduits and provides liquidity facilities as well as securities distribution services; it may also provide credit enhancements. TD's total potential exposure to loss through the provision of liquidity facilities for multi-seller conduits was $57.5 billion as at October 31, 2025 (October 31, 2024 – $16.8 billion). As at October 31, 2025, the Bank had funded exposure of $38.5 billion under such liquidity facilities relating to outstanding issuances of ABCP (October 31, 2024 – $15.4 billion).

TABLE 41: FUNDED EXPOSURE TO THIRD-PARTY ORIGINATED ASSETS SECURITIZED BY BANK-SPONSORED UNCONSOLIDATED CONDUITS[1]		
(millions of Canadian dollars, except as noted)		*As at*
	October 31, 2025	October 31, 2024
Residential mortgage loans	**$ 13,023**	$ 8,527
Automobile loans and leases	**11,949**	5,580
Telecommunication receivables[2]	**6,239**	n/a
Trade receivables	**4,726**	–
Equipment leases	**1,225**	1,246
Credit card receivables[2]	**851**	n/a
Consumer loans[2]	**240**	n/a
Insurance premium receivables[2]	**145**	n/a
Investment loans	**66**	66
Total funded exposure	**$ 38,464**	$ 15,419

[1] The Bank's funded exposure through the provision of liquidity facilities only relates to outstanding issuances of ABCP funding 'A' or above rated assets.
[2] Balances as at October 31, 2025 pertain only to the U.S. multi-seller ABCP conduits that were deconsolidated prospectively effective July 31, 2025, as described below.

As at October 31, 2025, the Bank held $2.0 billion of ABCP issued by Bank-sponsored multi-seller conduits recorded on its 2025 Consolidated Balance Sheet (October 31, 2024 – $0.4 billion).

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).

COMMITMENTS

The Bank enters into various commitments to meet the financing needs of the Bank's clients, to earn fee income, and to lease premises and equipment. Significant commitments of the Bank include financial and performance standby letters of credit, documentary and commercial letters of credit, commitments to extend credit, and obligations under long-term non-cancellable leases for premises and equipment. These products may expose the Bank to liquidity, credit, and reputational risks. There are adequate risk management and control processes in place to mitigate these risks. Certain commitments still remain off-balance sheet. Note 25 of the 2025 Consolidated Financial Statements provides detailed information about the Bank's commitments including credit-related arrangements and long-term commitments or leases.

GUARANTEES

In the normal course of business, the Bank enters into various guarantee contracts to support its clients. The Bank's significant types of guarantee products are financial and performance standby letters of credit, credit enhancements, and indemnification agreements. Certain guarantees remain off-balance sheet. Refer to Note 25 of the 2025 Consolidated Financial Statements for further information.

GROUP FINANCIAL CONDITION

Related Party Transactions

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.

In addition, the Bank offers deferred share and other plans to non-employee directors, executives, and certain other key employees. Refer to Note 21 of the 2025 Consolidated Financial Statements for more 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 of the 2025 Consolidated Financial Statements.

i) TRANSACTIONS WITH SCHWAB

Prior to the sale of the Bank's entire remaining equity investment in Schwab on February 12, 2025, the Bank had significant influence over Schwab and accounted for its investment in Schwab using the equity method. Pursuant to the Stockholder Agreement in relation to the Bank's equity investment in Schwab, subject to certain conditions, the Bank had the right to designate two members of Schwab's Board of Directors and had representation on two Board Committees. Prior to the sale, 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.

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.

GROUP FINANCIAL CONDITION

Financial Instruments

As a financial institution, the Bank's assets and liabilities are substantially composed of financial instruments. Financial assets of the Bank include, but are not limited to, cash, interest-bearing deposits, securities, loans, derivative instruments and securities purchased under reverse repurchase agreements; while financial liabilities include, but are not limited to, deposits, obligations related to securities sold short, securitization liabilities, obligations related to securities sold under repurchase agreements, derivative instruments, and subordinated debt.

The Bank uses financial instruments for both trading and non-trading activities. The Bank typically engages in trading activities by the purchase and sale of securities to provide liquidity and meet the needs of clients and, less frequently, by taking trading positions with the objective of earning a profit. Trading financial instruments include, but are not limited to, trading securities, trading deposits, and trading derivatives. Non-trading financial instruments include the majority of the Bank's lending portfolio, non-trading securities, hedging derivatives, and the majority of the Bank's financial liabilities. In accordance with accounting standards related to financial instruments, financial assets or liabilities classified as held-for-trading, non-trading FVTPL, designated at FVTPL, FVOCI, and all derivatives are measured at fair value in the Bank's 2025 Consolidated Financial Statements. Debt securities, most loans, and other liabilities are carried at amortized cost using the effective interest rate (EIR) method. For details on how fair values of financial instruments are determined, refer to the "Accounting Judgments, Estimates, and Assumptions" – "Fair Value Measurements" section of this document. The use of financial instruments allows the Bank to earn profits in trading, interest, and fee income. Financial instruments also create a variety of risks which the Bank manages with its extensive risk management policies and procedures. The key risks include interest rate, credit, liquidity, market, and foreign exchange risks. For a more detailed description on how the Bank manages its risk, refer to the "Managing Risk" section of this document.

RISK FACTORS AND MANAGEMENT

Risk Factors That May Affect Future Results

In addition to the risks described in the "Managing Risk" section, there are numerous other risk factors, many of which are beyond the Bank's control and the effects of which can be difficult to predict, that could cause the Bank's results to differ significantly from the Bank's plans, objectives, and estimates or could impact the Bank's reputation or the sustainability of its business model. All forward-looking statements, including those in this MD&A, are, by their very nature, subject to inherent risks and uncertainties, general and specific, which may cause the Bank's actual results to differ materially from the plan, objectives, estimates or expectations expressed in the forward-looking statements. Some of these factors are discussed below and others are noted in the "Caution Regarding Forward-Looking Statements" section of this document.

TOP AND EMERGING RISKS
The Bank considers it critical to regularly assess its operating environment and highlight top and emerging risks. These are risks with a potential to have a material effect on the Bank and where the attention of senior management is focused due to the potential magnitude or immediacy of their impacts.

Risks are identified, discussed, and actioned by senior management and reported quarterly to the Risk Committee and the Board. Specific plans to mitigate top and emerging risks are prepared, monitored, and adjusted as required.

General Business and Economic Conditions
The Bank and its customers operate in Canada, the U.S., and, to a lesser extent, in other countries. As a result, the Bank's earnings are significantly affected by the general business and economic conditions in these regions, which could have an adverse impact on the Bank's results, business, financial condition or liquidity, and could result in changes to the way the Bank operates. These conditions include short-term and long-term interest rates, inflation, declines in economic activity (recession), volatility in financial markets, and related market liquidity, funding costs, real estate prices, employment levels, consumer spending and debt levels, evolving consumer trends and related changes to business models, business investment and overall business sentiment, government policy including levels of government spending, monetary policy, fiscal policy (including tax policy and rate changes), exchange rates, sovereign debt risks, and the effects of pandemics and other public health emergencies.

Geopolitical Risk
Government policy, international trade and political relations across the globe may impact overall market and economic stability, including in the regions where the Bank operates, or where its customers operate. Rapid changes and uncertainty related to global trade and policy may require organizations to adapt their strategies to the evolving landscape and may also reduce the predictability of business outcomes. While the nature and extent of risks may vary, they have the potential to disrupt global economic growth, create volatility in financial markets that may affect the Bank's trading and non-trading activities, market liquidity, funding costs, interest rates, foreign exchange, commodity prices, credit spreads, fiscal policy, and directly and indirectly influence general business and economic conditions. Such factors may have an adverse impact on the Bank and its customers.

The evolution of geopolitical, policy, trade and tax-related risks, including the application or threat of any new or elevated tariffs to goods imported into the U.S., any retaliatory tariffs, and renegotiation of the Canada U.S. Mexico Agreement (CUSMA) have the potential to increase economic uncertainty, market volatility, disrupt global supply chains and trade flows, deteriorate business confidence and other adverse impacts. For example, tariffs can threaten to raise prices and reduce demand for imported goods weighing on activity in both importing and exporting countries; if set at very high rates, tariffs may halt the flow of trade altogether and lead to shortages throughout the supply chain.

Geopolitical risks consider ongoing global tensions, including escalation of the Russia-Ukraine war and the resulting tensions between Russia and other nations, social unrest and volatility in the Middle East, the ongoing conflict between Israel and Hamas, threats of terrorism and ongoing protectionist measures due to a decline in global alignment. These factors can result in sanctions and countersanctions and related operational complexities, supply chain disruptions, increased likelihood of cyber-attacks on critical public and private infrastructure and networks and have the potential to generate further regulatory and policy uncertainty. Should these geopolitical risks continue, they may have an adverse impact on the Bank, its business, financial condition and its customers.

Inflation, Interest Rates and Recession Uncertainty

Fluctuating interest rates and inflation, together with overall macroeconomic conditions, could have adverse impacts on the Bank's cost of funding, result in increased loan delinquencies or impairments and higher credit losses due to deterioration in the financial condition of the Bank's customers and may necessitate further increases in the Bank's provision for credit losses and net charge offs, all of which could negatively impact the Bank's business, financial condition, liquidity and results of operations. Inflation has declined from peak levels, but households continue to feel the effect of past price increases, which have weighed on confidence and reduced spending power. Heightened geopolitical risk and elevated tariffs and trade barriers adds uncertainty to the outlook for inflation and interest rates. A reacceleration in inflation could trigger a reversal in recent interest rate declines and a tightening in financial conditions, while a deterioration in economic conditions, especially within the labour market, could lead to faster decline in interest rates. In addition, actual stress levels experienced by the Bank's borrowers may differ from assumptions incorporated in estimates or models used by the Bank. The uncertain inflation and interest rate environment increases concerns around the possibility of a recession in Canada, the U.S. and other regions where the Bank and its customers operate and continues to impact the macroeconomic and business environment. Such developments could have an adverse impact on the Bank's business, financial condition, liquidity and results of operations.

Remediation of the Bank's U.S. BSA/AML Program and Enterprise AML Program

On October 10, 2024, 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 (FRB), and the Financial Crimes Enforcement Network (FinCEN) 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 (collectively, the "Global Resolution"). The Global Resolution includes a number of limitations on the Bank's U.S. business, including an asset limit in certain entities (TD Bank, N.A. and TD Bank USA, N.A., collectively referred to as the "U.S. Bank") and more stringent approval processes for new retail bank products, services, markets and branches, that could adversely affect the Bank's business, operations, financial condition, capital and credit ratings (some of which were downgraded following the announcement of the Global Resolution), cash flows and funding costs, as well as affect or restrict the ability of the Bank's U.S. business to compete effectively. Board certifications will be required for dividend distributions from certain of the Bank's U.S. subsidiaries, namely TD Bank, N.A., TD Bank US Holding Company, TD Bank USA, N.A. and TD Group US Holdings LLC, to help ensure the Bank continues to prioritize the U.S. Bank Secrecy Act/Anti-Money Laundering program (U.S. BSA/AML program) remediation. More details on the terms of the Global Resolution are set out under the heading "Update on the Remediation of the U.S. Bank Secrecy Act/Anti-Money Laundering Program and Enterprise AML Program".

The orders and plea agreements have a number of short-term and long-term deliverables and obligations, many of which are overlapping and interdependent. Additional information about these deliverables and obligations are set out in the "Update on the Remediation of the U.S. Bank Secrecy Act/Anti-Money Laundering Program and Enterprise AML Program" section.

Satisfying the terms of the Global Resolution, including the requirement to remediate the Bank's U.S. BSA/AML program, is expected to be a multi-year endeavor, and will not be entirely within the Bank's control including because of (i) the requirement to obtain regulatory approval or non-objection before proceeding with various steps, and (ii) the requirement for the various deliverables to be acceptable to the regulators and/or the Monitor. The Bank, its regulators or applicable law enforcement agencies in various jurisdictions may also identify other issues as the Bank remediates and enhances its risk and control infrastructure, which may result in additional regulatory proceedings or requirements in the United States or elsewhere, and may result in significant additional consequences. Furthermore, there is risk that the remediation may not meet expectations set by regulators and this may result in additional actions against the Bank. Until the deficiencies in the Bank's U.S. BSA/AML program are fully remediated, the Bank faces potentially escalating consequences. For example, 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%. Furthermore, delays in satisfying one regulatory requirement could affect the Bank's progress on others. Failure to satisfy the requirements of the Global Resolution on a timely basis could result in additional fines, penalties, business restrictions, limitations on subsidiary capital distributions, increased capital or liquidity requirements, enforcement actions, increased regulatory oversight, and other adverse consequences, which could be significant. Compliance with the terms of the Global Resolution, as well as the implementation of their requirements and remediation of the U.S. BSA/AML program, is expected to continue to increase the Bank's costs, require the Bank to revise some of its business strategies and plans and reallocate resources away from managing its business and require the Bank to undergo significant changes to its business, operations, products and services, and risk management practices. In particular, the remediation process will expose the Bank to the following risks that are described in more detail below: (i) Model Risk, as the Bank replaces and enhances the portfolio of tools being used to detect, escalate, investigate and action financial crime risks, (ii) Technology and Data Risk including risks associated with data availability, as the Bank implements new technology and data solutions, (iii) Third Party Risk, as the Bank engages third party advisors and vendors to support the Bank's change objectives, and (iv) Operational Risk, as the Bank introduces new organization structures, creates new roles, onboards new talent, enhances the global control environment, and invests in updated processes and procedures to support financial crime risks. In addition, as a result of third-party reviews of governance at the Bank, required in connection with the remediation of the U.S. BSA/AML program, the Bank may be required to make changes in management and/or governance. As noted under "Update on U.S. BSA/AML Program Remediation and Enterprise AML Program Improvement Activities", the Bank continues to make progress on its assessment and strengthening of the Bank's Enterprise AML program and will be exposed to similar risks as noted above in respect of the Bank's U.S. BSA/AML Program, and we have experienced an increase in identification of reportable transactions and/or events. The increase has added to the operational backlog in our FCRM investigations processing that the Bank currently faces, but is working towards remediating across the enterprise. In addition, other issues with the Bank's Enterprise AML Program or its remediation may be identified by the Bank or its regulators, and may result in additional regulatory or other actions, including broadening the scope of remediation and improvements required.

The Global Resolution could have indirect adverse effects on the Bank and its subsidiaries and businesses, including subsidiaries and businesses that are not directly party to or subject to the orders and plea agreements, including by jeopardizing the status of certain regulatory qualifications, permissions, or exemptions, or by causing certain counterparties to seek to terminate contracts or other relationships with the Bank. For example, TD and its affiliates sought and received a permanent order from the U.S. Securities and Exchange Commission (SEC) allowing them to continue serving as an investment adviser, depositor or principal underwriter to certain investment companies that are registered with the SEC. In addition, TD and its affiliates also became disqualified from relying on the U.S. Department of Labor's "qualified professional asset manager" exemption for purposes of providing asset management services to employee benefit plans subject to the U.S. Employee Retirement Income Security Act of 1974 (ERISA), and, as a result, TD has been relying on, and is expect to continue to be required to rely on, alternative exemptions for purposes of ERISA compliance. In the future, the Bank may be required to seek additional waivers, consents, approvals or other exemptions to continue operating its businesses as presently conducted, and any failure to obtain such waivers, consents, approvals or other exemptions or to comply with any undertaking when such waivers, consents, approval or other exemptions are granted could adversely affect the Bank's results of operations or financial condition.

Failure to comply with the terms of the plea agreements with the DOJ during the five-year term of probation, including by failing to complete the compliance undertakings, failing to cooperate or to report alleged misconduct as required, or committing additional crimes, could also subject the Bank to further prosecution and additional financial penalties and ongoing compliance commitments, and could result in an extension of the length of the term of probation. In addition, the Bank's current or former directors, officers and employees, as well as the current or former directors, officers and employees of the U.S. Bank, may become subject to civil or criminal investigations or enforcement proceedings in relation to the Bank's U.S. BSA/AML program, which could result in claims against the Bank for damages or indemnification, further disruptions to the Bank's personnel (including negative impact on the morale of its personnel) and its operations and further damage to its reputation or to the perceptions of the Bank among the Bank's customers, service providers and investors.

The Global Resolution (including the limitations imposed on the Bank's U.S. businesses imposed by the terms of the Global Resolution) may negatively affect the Bank's brand and reputation, if any of the Bank's or U.S. Bank's former or current directors, officers or employees become subject to, or have adverse findings arising from, civil or criminal investigations or enforcement proceedings, or if the Bank is unable to satisfy the terms of the Global Resolution (including the requirement to remediate the Bank's U.S. BSA/AML program) in a manner that is acceptable to the regulators and/or the Monitor. This potential negative impact on the Bank's brand and reputation, as well as the limitations imposed on the Bank's U.S. businesses by the Global Resolution, may adversely affect: (i) the Bank's ability to attract and retain customers and employees; (ii) the willingness of key third parties, including service providers, vendors, financial counterparties, government agencies, and other market participants, to transact with the Bank; and (iii) the willingness of investors to retain Bank securities in their investment portfolios or to acquire Bank securities. See also "Level of Competition, Shifts in Consumer Attitudes, and Disruptive Technology", "Ability to Attract, Develop, and Retain Key Talent", "Third Party Risk", and "Value and Market Price of our Common Shares and other Securities", below.

The value and trading price of the Bank's securities could be negatively affected by a number of factors related to the terms of the Global Resolution, the remediation of the issues resulting in the investigations or the strengthening of the Bank's Enterprise AML Program, including if: (i) the Bank fails to satisfy the terms of the Global Resolution (including the requirement to remediate the Bank's U.S. BSA/AML program) in a manner that is acceptable to the regulators and/or the Monitor; (ii) the impact of the non-monetary penalties imposed on the Bank are more negative or sustained longer than anticipated, including if the limitations imposed on the Bank's U.S. businesses weaken the Bank's U.S. franchise; (iii) the Bank becomes subject to further prosecution or financial penalties (which may occur if the Bank fails to comply with the terms of the plea agreements with the DOJ during the five-year term of probation); (iv) the Bank's or U.S. Bank's former or current directors, officers or employees become subject to, or have adverse findings arising from, civil or criminal investigations or enforcement proceedings in relation to the Bank's U.S. BSA/AML program; (v) the impact on the Bank's brand and reputation is more negative or sustained than anticipated; and/or (vi) if any of the risks described in this "Remediation of the Bank's U.S. BSA/AML Program and Enterprise AML Program" section materializes. The foregoing factors may also lead to rating agencies further downgrading the Bank's credit ratings and outlooks. See also "Value and Market Price of our Common Shares and other Securities" and "Downgrade, Suspension or Withdrawal of Ratings Assigned by any Rating Agency", below.

See also the risks described under "Regulatory Oversight and Compliance Risk".

Regulatory Oversight and Compliance Risk

The Bank and its businesses are subject to extensive regulation and oversight by a number of different governments, regulators and self-regulatory organizations (collectively, "Bank regulators") around the world. Regulatory and legislative changes, as well as changes in the Bank's regulators' expectations occur in all jurisdictions in which the Bank operates.

Bank regulators around the world continue to focus on capital, liquidity, and interest rate risk (IRR) risk management; consumer protection and fair access; data access, use and management; technology and cybersecurity; insider risk, conduct risk and internal risk and control frameworks across the three lines of defense; foreign interference; and financial crime including money laundering, terrorist financing and economic sanctions risks and threats, among others. There is heightened focus by Bank regulators globally on the impact of tariffs, interest rates and inflation on customers, as well as on the Bank's operations and its management and oversight of risks associated with these matters. In addition, these risks continue to rapidly evolve, as a result of new or emerging threats, including geopolitical and those associated with the use of new, emerging and interrelated technologies, digital and crypto-assets, quantum computing, artificial intelligence (AI), machine learning, models and decision-making tools.

The content and application of laws, rules and regulations affecting financial services institutions may sometimes vary according to factors such as the size of the institution, the jurisdiction in which it is organized or operates, and other criteria. There can also be significant differences in the ways that similar regulatory initiatives affecting the financial services industry are implemented in Canada, the United States and other countries and regions in which the Bank does business. For example, when adopting rules that are intended to implement a global regulatory standard, a national regulator may introduce additional or more restrictive requirements. Furthermore, some of the Bank's regulators have the discretion to impose additional requirements, standards or guidance regarding the Bank's capital, liquidity and IRR risk management, or other matters within their regulatory scope, and in some cases the Bank may be prohibited by law from publicly disclosing such additional requirements, standards or guidance. Compliance with these additional requirements, standards or guidance may increase the Bank's compliance and operational costs, and could adversely affect the Bank's businesses and results of operations. Regulators have indicated the potential for escalating consequences for banks that do not timely resolve open issues or have repeat issues. Furthermore, delays in satisfying one regulatory requirement could affect the Bank's progress on others. Failure to satisfy regulatory requirements on a timely basis could result in additional fines, penalties, business restrictions, limitations on subsidiary capital distributions, increased capital or liquidity requirements, enforcement actions, increased regulatory oversight, and other adverse consequences, which could be significant. Compliance with any consent orders, compliance agreements/orders or other regulatory enforcements, as well as the implementation of their requirements, may increase the Bank's costs, require the Bank to reallocate resources away from managing its business, negatively impact the Bank's capital and credit ratings, cash flows and funding costs, require the Bank to undergo significant changes to its business, operations, products and services, and risk management practices, damage the Bank's reputation, and subject the Bank to other adverse consequences, including additional financial penalties, restrictions and limitations.

The Bank monitors and evaluates the potential impact of applicable regulatory developments (including enacted and proposed rules, standards, public enforcement actions, consent orders, and regulatory guidance). However, while the Bank devotes substantial compliance, legal, and operational business resources to facilitate compliance with these developments by their respective effective dates, and also to the consideration of other Bank regulator expectations, it is possible that: (i) the Bank may not be able to accurately predict the impact of regulatory developments, or the interpretation or focus of enforcement actions taken by governments, regulators and courts, (ii) the Bank may not be able to develop or enhance the platforms, technology, or operational procedures and frameworks necessary to comply with, or adapt to, such rules or expectations in advance of or by their effective dates; or (iii) regulators and other parties could challenge the Bank's compliance. Also, it may be determined that the Bank has not adequately, completely or on a timely basis addressed regulatory developments or other regulatory requirements, including enforcement actions, to which it is subject, in a manner which meets Bank regulator expectations.

At any given time, the Bank is subject to a significant number of legal and regulatory proceedings and to numerous governmental and regulatory examinations. Additionally, the Bank has been subject to regulatory enforcement proceedings and has entered into settlement agreements with Bank regulators, and the Bank may continue to face a greater number or wider scope of investigations, enforcement actions and litigation. The Bank could also be subject to negative regulatory evaluation or examination findings not only because of violations of laws and regulations, but also due to failures, as determined by its regulators, to have adequate policies and procedures, or to remedy deficiencies on a timely basis. Regulatory and legislative changes and changes in expectations will continue to increase the Bank's compliance and operational risks and costs. In addition, legislative and regulatory initiatives could require the Bank to make significant modifications to its operations in the relevant countries or regions in order to comply with those requirements. This could result in increased costs as well as adversely affect the Bank's businesses and results of operations.

See also the risks described under the heading "Introduction of New and Changes to Current Laws, Rules and Regulations" and "Remediation of the Bank's U.S. BSA/AML Program and Enterprise AML Program".

Executing on Long-Term Strategies and Shorter-Term Key Strategic Priorities
The Bank has a number of strategies and priorities, including those detailed in the "Strategic Review" section and each Segment's "Business Segment Analysis" section of this document, which may include large scale strategic or regulatory initiatives that are at various stages of development or implementation. Examples include organic growth strategies; transforming distribution models; anticipated cost reductions; revenue acceleration; simplifying operating models and processes; projects to meet new regulatory requirements; leveraging and scaling automation and AI capabilities; and modernizing existing platforms, technology and digital capabilities. Strategies may adjust in response to shifts in the internal and external environment and/or changes in leadership. Risk can be elevated due to the size, scope, velocity, interdependency, and complexity of projects; limited timeframes to complete projects; and competing priorities for limited specialized resources. The Bank may not achieve its strategic or financial objectives. In addition, the remediation of the Bank's U.S. BSA/AML Program and Enterprise AML Program, including the limitations on the Bank's U.S. business, could adversely affect the Bank's ability to achieve some of its strategies and priorities.

The Bank regularly explores opportunities which include acquisitions and dispositions of companies or businesses, directly or indirectly, through its subsidiaries. In respect of acquisitions and dispositions, the Bank undertakes transaction assessments and due diligence before completing a merger, acquisition or disposition to confirm the transaction fits within the Bank's Risk Appetite, and closely monitors integration activities and performance post-close. However, the Bank's ability to successfully complete an acquisition or disposition is often subject to regulatory and other approvals, and the Bank cannot be certain when, or if, or on what terms and conditions, any required approvals will be granted.

While there is significant management attention on the governance, oversight, methodology, tools, and resources needed to manage the Bank's strategies and priorities, the Bank's ability to execute on them is dependent on a number of assumptions and factors. These include those set out in the "Economic Summary and Outlook", "Key Priorities for 2026", "2025 Accomplishments and Focus for 2026", "Operating Environment and Outlook", and "Managing Risk" sections of this document, as well as disciplined resource and expense management and the Bank's ability to implement (and the costs associated with the implementation of) programs to comply with new or enhanced regulations or regulator demands, all of which may not be in the Bank's control and are difficult to predict.

In addition, from time to time, the Bank may invest in companies without taking a controlling position in those companies. This may adversely impact the Bank financially if the investment does not perform or reputationally if the company makes decisions the Bank does not agree with.

If any of the Bank's strategies, priorities, acquisition and integration activities, dispositions or investments are not successfully executed, or do not achieve their financial or strategic objectives, there may be an impact on the Bank's operations and financial performance and the Bank's earnings could grow more slowly or decline.

Schwab IDA Agreement Exposes the Bank to Certain Risks
The Bank has an insured deposit account agreement with Schwab and it may be affected by actions taken by Schwab, or if Schwab does not perform its obligations, pursuant to the Schwab IDA Agreement (as further described in the "Financial Results Overview" section of this document). Although the Schwab IDA Agreement requires Schwab to make certain payments to the Bank to compensate it for specific instances of non-performance by Schwab, if Schwab does not make such payments, the Bank's financial results would be impacted including from a loss of revenues, a potential increase in the cost of funding to replace the deposits, and losses primarily related to hedging.

Technology and Cybersecurity Risk
Technology and Cybersecurity risks for large financial institutions like the Bank continue to increase, especially due to heightened geopolitical tensions and a challenging macroeconomic environment that increase the risk of cyber-attacks. The rising risk of attacks on critical infrastructure and supply chains is due, in part, to the proliferation, sophistication and constant evolution of new technologies and attack methodologies used by threat actors, such as organized criminals, nation states, sociopolitical entities and other internal and external parties. Heightened risks may also result from the size and scale of a financial institution's operations, geographic footprint, the complexity of its technology infrastructure, its reliance on internet capabilities, cloud and telecommunications technologies to conduct financial transactions, such as the continued development of mobile and internet banking platforms, as well as opportunistic threats by actors that have accelerated exploitations of new weaknesses, misconfigurations or vulnerabilities.

The Bank's technologies, systems and networks, those of the Bank's customers (including their own devices), and those of third parties providing services to the Bank, continue to be subject to cyber-attacks, and may be subject to disruption of services, data security or other breaches (such as loss or exposure of confidential information, including customer or employee information), identity theft and corporate espionage, or other incidents. The Bank has experienced service disruptions due to technology failure or connectivity issues triggered by a third party and may be subject to service disruptions in the future due to cyber-attacks and/or technology failure or connectivity issues. The Bank's use of third-party service providers, including their subcontractors and supply chain, which are subject to these potential incidents, increases the risk of potential attack, breach or disruption; and may delay our response as the Bank has less immediate oversight and direct control over the third parties' technology infrastructure or information security.

The Bank may experience material loss or damage in the future as a result of online attacks on banking systems and applications, supply chain attacks, ransomware attacks, introduction of malicious software, denial of service attacks, malicious insiders or service provider exfiltration of data, AI-assisted attacks, and phishing attacks, among others. Any of these attacks could result in fraud, unauthorized disclosure or theft of data or funds, or the disruption of the Bank's operations. Cyber-attacks may include attempts by malicious insiders or service providers of the Bank to disrupt operations, access or disclose sensitive information or other data of the Bank, its customers, or its employees. Attempts to deceive employees, customers, service providers, or other users of the Bank's systems continue to occur, in an effort to obtain sensitive information, gain access to the Bank's or its customers' or employees' data or customer or Bank funds, or to disrupt the Bank's operations. While these deception attempts have not resulted in materially adverse impacts on the Bank thus far, there can be no assurance that future deception attempts may not be successful, especially as threats become more sophisticated. In addition, the Bank's customers may use personal devices, such as computers, smartphones, and tablets, which limits the Bank's ability to mitigate certain risks introduced through these personal devices.

The Bank regularly reviews external events and assesses, and may enhance, its controls and response capabilities as it considers necessary to help mitigate against the risk of cyber-attacks or data security or other breaches in response to the evolving threat environment, but these activities may not mitigate all risks, and the Bank may experience loss or damage arising from such attacks or breaches. As a result, the industry and the Bank are susceptible to experiencing potential financial and non-financial loss and/or harm from these attacks or breaches. The adoption of certain technologies, such as cloud computing, AI, machine learning, robotics, and process automation call for continued focus and investment to manage the Bank's risks. It is possible that the Bank, or those with whom the Bank does business, have not anticipated or implemented or may not anticipate or implement effective measures against all such cyber and technology-related risks, particularly because the tactics, techniques, and procedures used by threat actors change frequently and risks can originate from a wide variety of sources that have also become increasingly sophisticated.

Furthermore, the Bank's owned and operated applications, platforms, networks, processes, products, and services could be subject to failures or disruptions, or non-compliance with regulations as a result of human error, natural disasters, utility or infrastructure disruptions, pandemics or other public health emergencies, malicious insiders or service providers, cyber-attacks or other criminal or terrorist acts, which may impact the Bank's operations. Such adverse effects could limit the Bank's ability to deliver products and services to customers, and/or damage the Bank's reputation, which in turn could lead to financial loss. Cyber insurance providers continue to be concerned about systemic cyber risk, causing coverage term changes across the industry. This has the potential to impact the Bank's ability to mitigate risks through cyber insurance and may limit the amount of coverage available for financial losses.

The Bank's investments in its technology and cyber infrastructure, including the investment in its risk and control environment, may be inadequate to meet regulatory expectations, remain competitive, serve clients effectively, and avoid business disruptions or operational errors.

Data Risk
Data risk is the risk associated with inadequate or inappropriate use, management, or protection of the Bank's data assets, which may adversely impact the Bank's operations, strategic objectives, reputation, customer trust and financial results, and may result in financial losses, regulatory investigations and enforcement proceedings, and legal proceedings.

Data use cases have increased due to process automation and greater reliance on analytics and business intelligence to support decision-making. There are heightened risks and expectations for managing integrity and quality of customer data and privacy. This risk highlights the importance of effective controls to mitigate data risk and build and maintain the trust of our customers, shareholders, and regulators. Data risk spans broadly across multiple risk categories and business segments and typically arises out of operational risks such as technology, cybersecurity, AI, fraud, third-party, model, people and process risks.

TD's investments to improve its risk and control environment, modernize its data and technology, and operating model changes to further enhance data management and protection may be insufficient to meet regulatory expectations, remain competitive, serve clients effectively, and avoid business disruptions or operational errors.

Model Risk
Model Risk is the potential for adverse consequences arising from decisions based on incorrect or misused models and their outputs. Model uncertainty remains due to geopolitical events that could impact model performance (i.e., data used to calibrate models is not reflective of current environment and structural economic changes). Short- and long-term mitigants have been identified and executed to help improve resilience of models trained on historical data; however, management's efforts to assess and update models may not adequately or successfully improve the predictiveness of such models.

External Fraud Activity
External fraud risk is the risk associated with activities perpetuated by individuals or entities outside of the organization, to deceive, manipulate, or exploit the organization or its customers, or that have the potential to do the same, for financial and/or non-financial gain resulting in financial loss to the organization or its customers, and/or harm to shareholder value or the Bank's brand or reputation. These acts are perpetrated by external parties, such as customers or others. In deciding whether to extend credit or enter into other transactions with customers or counterparties, the Bank may rely on information furnished by or on behalf of such customers, counterparties or other external parties, including financial statements and financial information and authentication information. The Bank may also rely on the representations of customers, counterparties, and other external parties as to the accuracy and completeness of such information. Misrepresentation of this information potentially exposes the Bank to increased external fraud events when transacting with customers or counterparties. In order to authenticate customers, whether through the Bank's phone or digital channels or in its branches and stores, the Bank may also rely on certain authentication methods which could be subject to external fraud because of the technologies utilized by external threat actors.

Additionally, TD, and the industry, continues to experience elevated levels of fraud attempts. The Bank's investments in external fraud prevention and detection programs, capabilities, measures and defences, keeps external fraud activity within tolerable levels but may not successfully mitigate against all external fraud activity which could result in financial loss or disruptions in the Bank's businesses. In addition to the risk of material loss (financial loss, misappropriation of confidential information or other assets of the Bank or its customers and counterparties) that could result from external fraud activity, the Bank could face legal action and customer and market confidence in the Bank could be impacted by external fraud activity.

Insider Risk
Insider risk is the risk associated with an individual who has, or had, authorized access to TD's people, processes, technology, information, and facilities who intentionally or recklessly misuses their access, knowledge, or authority for improper, unlawful or unethical activities that could negatively affect the Bank including employees or customers.

The financial industry continues to observe an increased number of insider risk cases, leading to new or emerging threats. These cases may lead to data or privacy breaches, intellectual property theft, fraud, operational disruptions, and regulatory and compliance risks.

The Bank closely monitors the internal threat environment across all typologies and continues to invest in TD's insider risk management program, both in the first line preventative, detective and resolution tools and process, as well as in the second line oversight activity. Notwithstanding these investments, the risk of insider fraudulent activity is not fully mitigated and the Bank could be exposed to potential adverse regulatory, financial, operational, legal, and reputational impacts and losses as a result of insider events.

Conduct Risk
Conduct risk is the risk arising from employee conduct or business practices causing unfair outcomes to persons to whom we offer or sell our products or services, or harm to market integrity. Conduct risk may arise from the failure to comply with laws, regulatory requirements and standards, or the TD Code of Conduct and Ethics.

Conduct risk is a risk across all industries that can have significant impact to organizations, including the Bank. From time to time, some of the Bank's employees have failed, and may in the future fail to comply with applicable laws, regulatory requirements and standards, and the TD Code of Conduct and Ethics. Our systems and procedures, including the TD Code of Conduct and Ethics, may be inadequate to ensure that our employees comply with the law and operate with integrity, leading to damage to our business and reputation, regulatory action, or other potential adverse impacts to the Bank.

Third-Party Risk
The Bank recognizes the value of using third parties to support its businesses, as they provide access to modern applications, processes, products and services, specialized expertise, innovation, economies of scale, and operational efficiencies. However, the Bank may become dependent on third parties with respect to continuity, reliability, and security, and their associated processes, people and facilities. As the financial services industry and its supply chains become more complex, the need for resilient, robust, holistic, and sophisticated controls, and ongoing oversight increases.

The Bank also recognizes that the applications, platforms, networks, processes, products, and services from third parties could be subject to failures or disruptions impacting the delivery of services or products to the Bank. These failures or disruptions could be because of human error, natural disasters, utility or infrastructure disruptions, changes in the financial condition of such third parties, other general business and economic conditions which may impact such third parties, pandemics or other public health emergencies, malicious insiders or service providers, cyber-attacks or other criminal or terrorist acts, or non-compliance with regulations. Such adverse effects could limit the Bank's ability to deliver products and services to customers, lead to disruptions in the Bank's businesses, expose the Bank to financial losses that the Bank is unable to recover from such third parties, and expose the Bank to legal, operational and regulatory risks, including those outlined under the headings "Remediation of the Bank's U.S. BSA/AML Program and Enterprise AML Program", "Regulatory Oversight and Compliance Risk" and "Legal Proceedings", and/or damage the Bank's reputation, which in turn could result in an adverse impact to the Bank's operations, earnings or financial condition.

Catastrophe Risk
Catastrophe risk is the possibility that single or multiple large-scale catastrophic events could contribute to increased variability in insurance loss claims that differ significantly from expectations. Catastrophic events can increase volatility in the Bank's insurance business results and adversely affect liquidity, profitability and financial condition. Examples include hurricanes, earthquakes, hailstorms, windstorms, floods, severe winter weather, wildfires, and man-made disasters.

Although we use industry-standard models to estimate the likelihood and financial impact of natural disasters across the regions where we operate, these events and their associated losses remain inherently unpredictable. The models assume various conditions and probability scenarios and may not accurately predict future losses. Climate change adds further uncertainty to the frequency and severity of catastrophic events and to future trends and exposures. Additionally, the geographic concentration of insured individuals can amplify claims.

These factors may lead to higher reinsurance costs and reduced coverage for insurers, which could, in turn, limit customers' access to insurance due to availability or affordability constraints. For the Bank, catastrophe risk may ultimately increase credit losses if real or personal property is damaged during such events, particularly when insurance coverage is insufficient.

Introduction of New and Changes to Current Laws, Rules and Regulations
The financial services industry is highly regulated. The Bank's operations, profitability and reputation could be adversely affected by the introduction of new laws, rules and regulations, amendments to, or changes in interpretation or application of current laws, rules and regulations, issuance of judicial decisions, and changes in enforcement pace or activities. These adverse effects could also result from the fiscal, economic, and monetary policies of various central banks, regulatory agencies, self-regulatory organizations and governments in Canada, the U.S., the United Kingdom, Ireland, Asia Pacific and other countries and regions, and changes in the interpretation or implementation of those policies. Such adverse effects may include incurring additional costs and devoting additional resources to address initial and ongoing compliance; limiting the types or nature of products and services the Bank can provide and fees it can charge; unfavourably impacting the pricing and delivery of products and services the Bank provides; increasing the ability of new and existing competitors to compete on the basis of pricing, products and services (including, in jurisdictions outside Canada, the favouring of certain domestic institutions); and increasing risks associated with potential non-compliance. In addition to the adverse impacts described above, the Bank's failure to comply with applicable laws, rules and regulations could result in sanctions, financial and non-financial penalties, and changes including restrictions on offering certain products or services or on operating in certain jurisdictions, that could adversely impact its earnings, operations and reputation. See also the risks described under the heading "Remediation of the Bank's U.S. BSA/AML Program and Enterprise AML Program" and "Regulatory Oversight and Compliance Risk".

The regulation of financial crime, including, anti-money laundering, anti-terrorist financing and economic sanctions, continues to be a high priority globally, with an increasing pace of regulatory change and geopolitical events, along with heightened and evolving regulatory standards in all the jurisdictions in which the Bank operates.

The global data and privacy landscape is dynamic and regulatory expectations continue to evolve. New and amended legislation is anticipated in various jurisdictions in which the Bank does business.

Canadian and global regulators have been increasingly focused on conduct, operational resilience, consumer protection and fair access matters and risks, which could lead to investigations, remediation requirements, and higher compliance costs.

Regulators are maintaining their focus on some sustainability-related matters, including climate change, greenwashing and sustainable finance. Regulators are also adapting to shifts in policies causing some regulators to pause the development of disclosure rules and/or introducing amendments to the existing disclosure requirements in some of the jurisdictions in which the Bank does business. In addition, there may be changes in interpretation or application of current laws, rules and regulations to incorporate sustainability matters in ways that were not previously anticipated.

Despite the Bank's monitoring and evaluation of the potential impact of rules, proposals, public enforcement actions, consent orders and regulatory guidance, unanticipated new regulations or regulatory interpretations applicable to the Bank may be introduced by governments and regulators around the world and the issuance of judicial decisions may result in unanticipated consequences to the Bank.

Canada
In Canada, there are a number of government and regulatory initiatives underway that could impact financial institutions and initiatives with respect to payments evolution and modernization, open banking, consumer protection, protection of customer data, technology and cybersecurity, climate risk management and disclosure, greenwashing, dealing with vulnerable persons, competitiveness of the financial services industry, and anti-money laundering.

Some examples include:

- The Client Relationship Model Phase 3 (CRM3) requirements in Canada are set to take effect starting January 1, 2026, promoting enhanced transparency in reporting all costs associated with investment funds, including direct and indirect fees. This represents a significant regulatory evolution from Client Relationship Model Phase 2 (CRM2) by requiring financial institutions to provide investors with a detailed view of total investment costs and their impact on returns, thus aiming to improve investor understanding and trust. The impact largely steps from required upgrades to IT systems to produce scalable reporting. The transition to CRM3 demands strategic planning and resource allocation to manage compliance without overwhelming operational capacity, making it a potentially costly and complex endeavor for major financial institutions in Canada.
- The federal government is implementing AML related requirements as part of its mandated five-year review of Canada's AML Regime. In addition, further changes are proposed under Bill C-2, *the Strong Borders Act*, which would provide FINTRAC with enhanced supervisory and enforcement tools and powers. Many of the provisions are anticipated to have or will have short coming into force dates once finalized. It can also be expected that further changes may be required following the completion of the Financial Action Task Force (FATF) Mutual Evaluation of Canada's AML Regime, which is currently underway and anticipated to be completed in mid-2026. The pace of this change, the short timelines to implement and the evolving risks could result in increased costs and risk that may impact the Bank's businesses, operations and results.
- The Canadian Securities Administrators (CSA) is examining the implications of data portability in Canadian capital markets and is engaging industry stakeholders through a new cohort-based and forward-looking Testing Environment: the CSA Collaboratory. The first test within the CSA Collaboratory will seek to provide the CSA with a greater understanding of the impacts of data portability solutions and in particular the collection, analysis and transfer of client data, which is sometimes referred to as e-KYC solutions.

There also continues to be emphasis on reducing regulatory burden in certain domains:

- Canadian Investment Regulatory Organization (CIRO) launched a consultation on exploring the adoption of a Consumer-driven banking framework with a goal to reduce regulatory duplication, align national standards, securities legislation, while providing education and guidance. CIRO's Rule Consolidation Project continues to move forward in successive iterations, aimed to secure adoption of prior Investment Dealer and Partially Consolidated (IDPC) and Mutual Fund Dealers Association (MFDA) rules, with deemed material impacts on stakeholders. This tranche of proposed rules has broad reach and relates to outsourcing and service arrangements, continuing education, reporting, and handling of complaints, internal investigations and other reportable matters, recordkeeping and client reporting, financial insolvency, client asset use and custody, and financing arrangements.

United States
The current U.S. regulatory environment is marked by a shift in regulatory priorities at the federal level. Federal regulators have been working to: (i) ease capital requirements, (ii) streamline bank merger processes, (iii) facilitate engagement with digital assets including cryptocurrency and fintech partnerships, (iv) reduce barriers to AI innovation, and (v) address perceived biases in banking services. These changes lead to heightened risks and regulatory uncertainty – especially as it pertains to the potential for increased state scrutiny due to reduced Federal regulatory activity. Notable regulatory changes include the CFPB's withdrawal of 67 guidance documents and various proposed rules, halting of ongoing examinations, and termination of various enforcement orders. In addition, the Federal Reserve, OCC, and FDIC have issued a proposed rule rescinding the 2023 Community Reinvestment Act (CRA) final rule and replacing it with the CRA regulations which were in effect in 1995, with limited technical amendments. The Agencies prior CRA framework remains in effect given the pending litigation.

With respect to regulatory capital requirements, the banking agencies have jointly commenced a holistic review of the U.S. capital framework with the intent to ensure U.S. capital requirements: (i) are appropriately calibrated, (ii) free of unnecessary complexity or duplication, and (iii) effectively support financial stability within the industry. As part of this review, the banking agencies are contemplating potential changes to various components of the regulatory capital framework, including, risk-based capital, leverage-based capital, stress testing, and capital surcharges applied to the largest U.S. banking institutions. The Federal Reserve has indicated that work on proposed rules for Supplementary Leverage Ratio (SLR), Stress Capital Buffer (SCB), Globally Systemically Important Bank (G-SIB) surcharge, and Basel III are all in process. It is unclear what the substance of the proposals, any resulting final rules, the timing on finalization of the rules, and the time frame for compliance, will be. In April 2025, the Federal Reserve issued a proposed rule allowing the averaging of stress testing results over a period of two years. This is expected to be the first in a series of proposals to provide greater transparency in stress testing and reduce the volatility of stress capital buffers applied to large institutions during the stress testing process.

Under the prior administration, the FDIC, OCC, and DOJ adopted final policy statements on bank mergers, certain provisions of which were expected to temper merger activity among large banks. The current administration has taken actions to signal a more receptive attitude toward large bank consolidations going forward. An Executive Order issued in August 2025 revoked the previous administration order which called for greater scrutiny of mergers and acquisitions activity, including in the banking sector. The OCC and FDIC have rescinded their 2024 merger policy statements and reinstated their previous approaches to review of proposed bank mergers, and the DOJ is also expected to reassess its approach to bank mergers.

There is growing momentum around reassessing the prior Administration's skeptical stance on cryptocurrencies and digital assets. Following an Executive Order aimed at fostering digital assets and cryptocurrencies, both the FDIC and OCC eliminated prior approval requirements for insured banks offering crypto-related services, and rescinded previous risk guidance. Additionally, the enactment of the GENIUS ACT created a statutory framework for stablecoins, and the potential for additional legislation regarding non-stablecoin digital assets (including a push for overall market structure legislation covering digital assets).

The OCC removed references to reputational risk from its examination guidance. The Federal Reserve has announced it will remove reputational risk from its examination process and has commenced the process of removing references to reputation and reputational risk from its supervisory materials and examination manuals. The FDIC is expected to follow in the near term; these changes may also be codified through legislation.

An Executive Order was issued in August 2025 on debanking. The Executive Order directs the banking regulators to review whether banks are currently or previously engaged in unlawful debanking, and to impose remedial or disciplinary measures on those banks found to have done so. The regulators are required to conduct this review within 120 days of the issuance of the executive order. The OCC issued a request for information to nine of its largest supervised institutions regarding debanking and announced it will consider any unlawful debanking in evaluating applications from their supervised institutions, as well as in Community Reinvestment Act examinations and ratings. The Small Business Administration is also engaging in a review of debanking for SBA lenders.

Further to the Executive Order on debanking, the OCC and FDIC introduced a joint proposed rule which would prohibit the OCC and FDIC from criticizing or taking adverse actions against a financial institution on the basis of reputational risk. This step towards regulatory codification by the OCC and FDIC follows earlier steps taken by the OCC to remove references to reputational risk from their examination guidance, and announcements made by the FRB that it has commenced the process of removing reputational risk from its supervisory materials and examination manuals.

The FDIC and OCC have also jointly issued a proposed rule that would define "unsafe and unsound practice" and revise the framework for issuing Matters Requiring Attention (MRA). This proposal is intended to shift the focus of bank supervision towards financial risk and away from process. Both the joint proposed rule on Reputational Risk and the joint proposed rule on Unsafe and Unsound Practices and Matters Requiring Attention have a 60 day comment period ending on December 29, 2025. On November 18, 2025, the FRB publicly released an internal memorandum on Supervisory Operating Principles, which outlines internal directives for bank examiners and other supervisory staff which directs such staff to focus on material financial risk and not processes and procedures (among other changes to the issuance, and evaluation of MRAs and regulatory findings). This internal memorandum is not a binding rule, but it articulates the priorities of the current FRB Vice Chair for Supervision, and exam staff are expected to follow these principles. It is expected that the federal banking regulators will continue to take steps which reorient banking regulations to focus on material financial risks, and to deemphasize reputational risks. The regulators are expected to continue their efforts to combat debanking, including as they assess responses to their information requests on this issue.

Europe
In Europe, there remains a degree of uncertainty in connection with the future of the United Kingdom – European Union relationship, and reforms implemented through the existing and forthcoming EU law and regulation, including the Capital Requirements Directive VI, could result in higher operational and system costs and potential changes in the types of products and services the Bank can offer to customers in the region.

Level of Competition, Shifts in Consumer Attitudes, and Disruptive Technology
The Bank operates in a highly competitive industry, and its performance is impacted by the level of competition. Customer acquisition and retention can be influenced by many factors, including the Bank's brand and reputation as well as the pricing, market differentiation, and overall customer experience of the Bank's products and services.

Enhanced competition from incumbents and new entrants may impact the Bank's pricing of products and services and may cause it to lose revenue and/or market share. Increased competition requires the Bank to make persistent short- and long-term investments to modernize, remain competitive, and continue delivering differentiated value to its customers. In addition, the Bank operates in environments where laws and regulations that apply to it may not universally or equitably apply to its current and emerging competitors, which could include the domestic institutions in jurisdictions outside of Canada or the U.S., or non-traditional providers (such as Fintech or big technology competitors) of financial products and services. Non-depository or non-financial institutions are often able to offer products and services that were traditionally banking products and compete with banks in offering digital financial solutions (primarily mobile or web-based services), without facing the same regulatory and capital requirements or oversight. These competitors may also operate at much lower costs relative to revenue or balances than traditional banks or offer financial services at a loss to drive user growth or to support their other profitable businesses. These third-parties can seek to acquire customer relationships, react quickly to changes in consumer behaviours, and disintermediate customers from their primary financial institution, which can also increase fraud and privacy risks for customers and financial institutions in general. The nature of disruption is such that it can be difficult to anticipate and/or respond to adequately or quickly, representing inherent risks to certain Bank businesses, including payments, lending and self-directed investing. As such, this type of competition could also adversely impact the Bank's earnings and competitive positioning.

As described in the "Remediation of the Bank's U.S. BSA/AML Program and Enterprise AML Program" section above, on October 10, 2024, the Bank and certain of its U.S. subsidiaries consented to orders with the OCC, the Federal Reserve Board and FinCEN, and entered into plea agreements with the U.S. DOJ. The negative impact of potential non-compliance with such orders and plea agreements on the Bank's brand and reputation, along with the number of limitations on the Bank's U.S. business imposed by such orders, could adversely affect the Bank's ability to attract and retain customers in the U.S. or elsewhere.

AI adoption by TD and by our third-party vendors, including newer technologies such as generative AI and agentic AI, presents risks and challenges such as regulatory and legal uncertainty, the risk of biased results or unreliable outputs if commercially implemented, compliance risks, reputational risks and operational risks including sophisticated and scaled fraud / scams, cyber, privacy, data-related, intellectual property, and third-party risks. Despite the Bank's efforts to evaluate such technologies before their use, these efforts may not successfully mitigate these technologies' inherent risks and challenges, which could result in financial loss or disruption to the Bank's businesses. In addition, the Bank could face legal action and customer and market confidence in the Bank could be impacted. Given the risk of potential disintermediation from incumbents, new entrants and Fintech / big technology competitors, the Bank may be required to make significant incremental investments in its innovation strategies and frameworks in order to remain competitive. reputational risks and operational risks including sophisticated and scaled fraud / scams, cyber, privacy, data-related, intellectual property, and third-party risks. Despite the Bank's efforts to evaluate such technologies before their use, these efforts may not successfully mitigate these technologies' inherent risks and challenges, which could result in financial loss or disruption to the Bank's businesses. In addition, the Bank could face legal action and customer and market confidence in the Bank could be impacted. Given the risk of potential disintermediation from incumbents, new entrants and Fintech / big technology competitors, the Bank may be required to make significant incremental investments in its innovation strategies and frameworks in order to remain competitive.

Adoption of digital assets such as cryptocurrencies, stablecoins, tokenized deposits and/or similar distributed ledger instruments is an emerging market development. Given market activity and regulatory change, particularly in the U.S, the Bank may need to make incremental investments within its risk appetite to participate in these digital asset businesses. This may expose the Bank to new risks including, but not limited to, fraud, cyber, privacy, data, legal and compliance, operational, intellectual property, third-party, and liquidity risks. There is also the risk that broad customer adoption may disintermediate or substitute the Bank's payment products, investment services and/or client deposits, impacting capital, fee income, and its ability to acquire and/or retain customers.

Environmental and Social Risk (including Climate-Related Risk)

As a financial institution, the Bank is subject to environmental and social (E&S) risk. E&S risk is a transverse risk, driving financial and non-financial risks. Drivers of E&S risk are often multi-faceted and can originate from the Bank's internal environment, including its operations, business activities, environmental and social-related commitments, products, clients, colleagues, or suppliers. Drivers of E&S risk can also originate from the Bank's external environment, including the communities in which the Bank operates, as well as second-order impacts of physical risks and the transition to a low-carbon economy.

Climate-related risk is the risk of financial loss or other harm resulting from the physical and transition risks of climate change to the Bank, its clients or the communities in which the Bank operates. This includes physical risks arising from the consequences of a changing climate, including acute physical risks stemming from extreme weather events happening with increasing severity and frequency (e.g., wildfires and floods), and chronic physical risks stemming from longer-term, progressive shifts in climatic and environmental conditions (e.g., rising sea levels and global warming). Transition risks arise from the process of shifting to a low-carbon economy, influenced by new and emerging climate-related public policies, potential and actual litigation, changing societal demands and preferences, technologies, stakeholder expectations, and legal developments.

Social risk is the risk of financial loss or other harm to the Bank, its clients or the communities in which the Bank operates resulting from social factors, including, but not limited to, adverse human rights (e.g., discrimination, Indigenous Peoples' rights, modern slavery, including forced labour and child labour and human trafficking), the social impacts of climate change (e.g., poverty, and economic and physical displacement) and the health and wellbeing of employees (e.g., inclusion and diversity, pay equity, mental health, equality, physical wellbeing, and workplace safety).

E&S risks may have financial, reputational, and/or other implications for both the Bank and its stakeholders (including customers, suppliers, and shareholders) over a range of timeframes. These risks may arise from the Bank's actual or perceived actions, or inaction, in relation to climate change and other E&S issues, its progress against its E&S targets or commitments, or its disclosures on these matters. These risks could also result from E&S matters impacting the Bank's stakeholders. The Bank's participation in external E&S-related organizations or commitments may exacerbate these risks and subject the Bank to increased scrutiny from its stakeholders. In addition, the Bank may be subject to legal and regulatory risks relating to E&S matters, including regulatory orders, fines, and enforcement actions, financial supervisory capital adequacy requirements, and legal action by shareholders or other stakeholders, including the risks described in the "Other Risk Factors – Legal Proceedings" section.

Limitations on the availability and reliability of data and methodologies may also impact the Bank's ability to assess and evaluate E&S risks. Although these limitations are expected to improve over time as the Bank continues to advance its data capabilities by working with internal and external subject matter experts, leading to more robust and reliable E&S risk monitoring, analysis, and reporting, these efforts are not expected to eliminate all E&S risks.

Failure to successfully manage E&S-related expectations across various divergent perspectives may negatively impact the Bank's reputation and financial results. "Greenwashing" and "social washing" can occur where claims of E&S benefits are made in relation to products or services or corporate performance that are false, give a misleading impression, or are not supported or substantiated. These claims have accelerated in focus inside and outside the Bank. Public commitments, new products and disclosures can potentially expose financial institutions to risk. Investigations and fines related to greenwashing claims have occurred in jurisdictions in which the Bank operates, including Canada, the U.S. and Europe. Requirements and penalties for greenwashing continue to evolve, and the Bank continues to closely monitor trends in this space.

OTHER RISK FACTORS

Legal Proceedings

Given the highly regulated and consumer-facing nature of the financial services industry, the Bank is exposed to significant regulatory, quasi-regulatory and self-regulatory investigations and enforcement proceedings related to its businesses and operations. In addition, the Bank and its subsidiaries are from time to time named as defendants or are otherwise involved in various class actions and other litigation or disputes with third parties related to their businesses and operations. A single event involving a potential violation of law or regulation may give rise to numerous and overlapping investigations and proceedings by multiple federal, provincial, state or local agencies and officials in Canada, the U.S. or other jurisdictions. In addition, failure to satisfy settlement or consent agreements could lead to additional enforcement proceedings. For example, failure to comply with the terms of the U.S. BSA/AML related plea agreements with the DOJ during the five-year term of probation, including by failing to complete the compliance undertakings, failing to cooperate or to report alleged misconduct as required, or committing additional crimes, could also subject the Bank to further prosecution and additional financial penalties and ongoing compliance commitments, and could result in an extension of the length of the term of probation. Furthermore, if another financial institution violates a law or regulation relating to a particular business activity or practice, this will often give rise to an investigation by regulators and other governmental agencies of the same or similar activity or practice by the Bank.

Actions currently pending against the Bank, or in which the Bank is otherwise involved, may result in judgments, settlements, fines, penalties, disgorgements, injunctions, increased exposure to litigation, business improvement orders, limitations or prohibitions from engaging in business activities, changes to the operation or management of business activities, or other results adverse to the Bank, which could materially affect the Bank's businesses, financial condition and operations, and/or cause serious reputational harm to the Bank, which could also affect the Bank's future business prospects. Moreover, some claims asserted against the Bank may be highly complex and include novel or untested legal theories. The outcome of such proceedings may be difficult to predict or estimate, in some instances, until late in the proceedings, investigations, or enforcement matters, which may last several years. Although the Bank establishes reserves for these matters according to accounting requirements, the amount of loss ultimately incurred in relation to those matters may be material and may be substantially different from the amounts accrued. Furthermore, the Bank may not establish reserves for matters where the outcome is uncertain. Regulators and other government agencies examine the operations of the Bank and its subsidiaries on both a routine- and targeted-exam basis, and they may pursue regulatory settlements, criminal proceedings or other enforcement actions against the Bank in the future.

For additional information relating to the Bank's material legal proceedings, refer to Note 25 of the 2025 Consolidated Financial Statements.

Ability to Attract, Develop, and Retain Key Talent
The Bank's future performance is dependent on the availability of qualified talent, the Bank's ability to attract, develop, and retain key talent and effectively manage changes in leadership. The Bank's management understands that the competition for talent continues across geographies, industries, and emerging capabilities in a number of sectors including financial services. This competition is expected to continue as a result of the rapid speed of AI adoption, regulatory expectations, economic conditions, and ongoing changes to established work models. This could result in increased attrition, particularly in areas where core professional and specialized skills are required.

As described in the "Remediation of the Bank's U.S. BSA/AML Program and Enterprise AML Program" section above, on October 10, 2024, the Bank and certain of its U.S. subsidiaries consented to orders with the OCC, the Federal Reserve Board and FinCEN, and entered into plea agreements with the U.S. DOJ. The negative impact of such orders and plea agreements on the Bank's reputation, along with the number of limitations on the Bank's U.S. business imposed by such orders, could adversely affect our ability to attract and retain our talent in the U.S. or elsewhere.

Although it is the goal of the Bank's enterprise programs, management resource policies and practices to attract, develop, and retain key talent employed by the Bank or an entity acquired by the Bank, the Bank may not be able to do so, and these actions may not be sufficient to mitigate attrition.

Foreign Exchange Rates, Interest Rates, Credit Spreads, Equity Prices, and Commodity Prices
Foreign exchange rate, interest rate, credit spread, equity price, and commodity price movements in Canada, the U.S., and other jurisdictions in which the Bank does business, impact the Bank's financial position and its future earnings. Changes in the value of the Canadian dollar relative to the global foreign exchange rates may also affect the earnings of the Bank's small business, commercial, and corporate customers. A change in the level of interest rates affects the interest spread between the Bank's deposits and loans, as well as other interest-bearing assets and liabilities, and, as a result, impacts the Bank's net interest income. In particular, elevated interest rates would increase the Bank's interest income from its investments, loan products and other assets but could also have adverse impacts on the Bank's cost of funding and may also result in the risks outlined under the heading "Inflation, Interest Rates and Recession Uncertainty". A change in the level of credit spreads affects the relative valuation of assets and liabilities and, as a result, impacts the Bank's earnings and widening credit spreads could also result in significant losses on the holding value of the Bank's mark-to-market investments or, if, to generate liquidity, the Bank has to sell assets that have suffered a decline in value. A change in equity prices for any unhedged tradeable equity securities held by the Bank may impact its financial position and future earnings. A change in commodity prices may impact the value of underlying assets and liabilities. The trading and non-trading market risk frameworks and policies manage the Bank's risk appetite for known market risk, but such activities may not be sufficient to mitigate against such market risk, and the Bank remains exposed to unforeseen market risk.

Downgrade, Suspension or Withdrawal of Ratings Assigned by Any Rating Agency
Credit ratings may impact the Bank's access to, and cost of, raising funding and its ability to engage in certain business activities on a cost-effective basis. Credit ratings and outlooks provided by rating agencies reflect their views and methodologies and are subject to change based on a number of factors including the Bank's financial strength, asset quality, competitive position, liquidity and capital positions, corporate governance and risk management, as well as factors not entirely within the Bank's control, including conditions affecting the greater financial services industry. Adjustments to our credit ratings may contribute to additional collateral or funding obligations which, depending on their severity, could have a material adverse effect on our liquidity, including credit-related contingent features in certain derivative contracts, our ability to raise funds and/or borrowing costs.

Some of the Bank's credit ratings were downgraded following the remediation of the Bank's U.S. BSA/AML Program and Enterprise AML Program, and the Bank's credit ratings and outlooks could be further downgraded if the rating agencies consider that the impact of the Global Resolution on the Bank is more negative or sustained longer than expected, including if the Bank fails to meet the requirements imposed by its regulators or if the non-monetary penalties weaken the Bank's U.S. franchise.

Value and Market Price of our Common Shares and other Securities
The market price of the Bank's common shares and other securities may be impacted by market conditions and other factors, and securityholders may not be able to sell their securities at or above the price at which they purchased such securities. The volume, value and trading price of the Bank's securities could fluctuate significantly in response to factors both related and unrelated to our operating or financial performance and/or future prospects, including: (i) variations in the Bank's financial and operating results and financial condition; (ii) the Bank's ability to satisfy the terms of the Global Resolution; (iii) the impact of the Global Resolution on the Bank's businesses, operations and financial condition, including the asset limitation on the U.S. Bank; (iv) the Bank being subject to further prosecution or financial penalties, which may occur if the Bank fails to comply with the terms of the plea agreements with the DOJ during the five-year term of probation; (v) the Bank's or U.S. Bank's former or current directors, officers or employees becoming subject to civil or criminal investigations or enforcement proceedings in relation to the Bank's U.S. BSA/AML program; (vi) differences between the Bank's actual financial and operating results and financial condition and those expected by investors and analysts, including failure to meet financial targets; (vii) changes in perception by investors and analysts in the Bank's businesses, operations or financial condition; (viii) conduct by the Bank's employees, third party contractors or agents that adversely affects the Bank's reputation; (ix) the Bank's inability to execute on long-term strategies and shorter-term key strategic priorities; (x) the occurrence of significant technology or cybersecurity events; (xi) changes in the general business, market or economic conditions in the regions in which the Bank operates including as a result of geopolitical instability or in conditions affecting financial institutions or the financial services industry generally; (xii) fluctuations in inflation and interest rates; (xiii) volatility on exchanges on which the Bank's securities are traded; (xiv) actual or prospective changes in applicable laws, regulations or rules; and (xv) the materialization of other risks described in this "Risk Factors that May Affect Future Results" section.

Interconnectivity of Financial Institutions
The financial services industry is highly interconnected such that a significant volume of transactions occur among the members of the industry. The interconnectivity of multiple financial institutions with central or common agents, exchanges and clearinghouses increases the risk that a financial or operational failure at one institution or entity may cause more widespread failures that could materially impact our ability to conduct business. Any such failure, termination or constraint could adversely affect our ability to effect transactions, service our clients, manage our exposure to risk or result in financial loss or liability to our clients.

Additionally, the Bank routinely transacts among an array of different financial products and services with counterparties in the financial services industry, including banks, investment banks, governments, central banks, insurance companies and other financial institutions. A rapid deterioration of a counterparty, or of a systemically significant market participant that is not a counterparty of the Bank, could lead to creditworthiness concerns of other borrowers or counterparties in related or dependent industries, and can lead to substantial disruption within the financial markets. These conditions could cause the Bank to incur significant losses or other adverse impacts to the Bank's financial condition. Furthermore, there is no assurance that industry regulators or government authorities will provide support in the event of the failure or financial distress of other banks or financial institutions, or that they would do so in a timely fashion.

Accounting Policies and Methods Used by the Bank
The Bank's accounting policies and estimates 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, and its reputation. Material accounting policies as well as current and future changes in accounting policies are described in Note 2 and Note 4, respectively, and significant accounting judgments, estimates, and assumptions are described in Note 3 of the 2025 Consolidated Financial Statements.

RISK FACTORS AND MANAGEMENT

Managing Risk

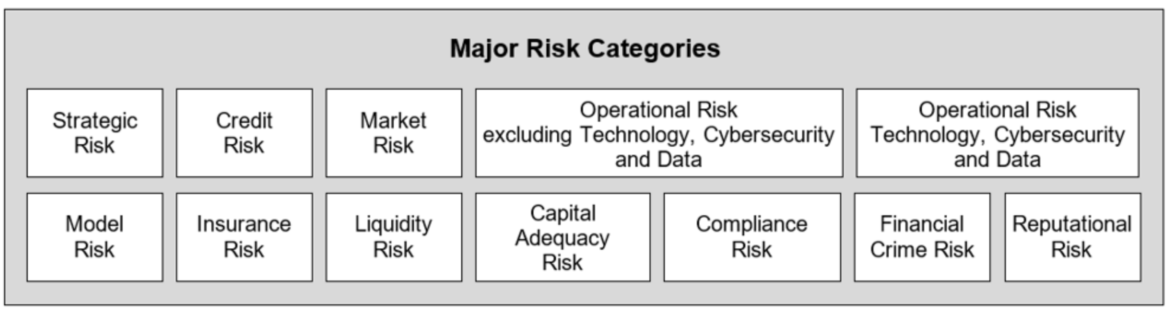
EXECUTIVE SUMMARY

Growing profitability based on balanced revenue, expenses and capital growth involves selectively taking and managing risks within the Bank's risk appetite. The Bank's goal is to earn a stable and sustainable rate of return for every dollar of risk it takes, while putting significant emphasis on investing in its businesses to meet its strategic objectives.

The Bank's Enterprise Risk Framework (ERF) reinforces the Bank's risk culture, which emphasizes transparency and accountability, and supports a common understanding among stakeholders of how the Bank manages risk. The ERF addresses: (1) how the Bank defines the types of risk it is exposed to; (2) how the Bank determines the risks arising from the Bank's strategy and operations; (3) risk management governance and organization; and (4) how the Bank manages risk through processes that identify and assess, measure, control, monitor, and report on risk. The Bank's risk management resources and processes are designed to both challenge and enable all its businesses and operations to understand the risks they face and to manage them within the Bank's risk appetite.

RISKS INVOLVED IN TD'S BUSINESSES

The Bank's Risk Inventory sets out the Bank's major risk categories and related subcategories to which the Bank's businesses and operations could be exposed. The Risk Inventory facilitates consistent risk identification, assessment, control, measurement, monitoring, reporting, and disclosure of TD's risks. The Risk Inventory is the starting point in developing risk management strategies and processes. The Bank's major risk categories are: Strategic Risk; Credit Risk; Market Risk; Operational Risk excluding Technology, Cybersecurity and Data; Operational Risk – Technology, Cybersecurity and Data; Model Risk; Insurance Risk; Liquidity Risk; Capital Adequacy Risk; Compliance Risk; Financial Crime Risk, and Reputational Risk.



RISK APPETITE

The Bank's Risk Appetite Statement (RAS) is the primary means used to communicate how the Bank views risk and determines the type and amount of risk it is willing to take to deliver on its strategy and to enhance shareholder value. In setting the risk appetite, the Bank takes into account its vision, purpose, strategy, shared commitments, and capacity to bear risk under both normal and recessionary/stress conditions. The core risk principles for the Bank's RAS are as follows:

The Bank takes risks required to build its business, but only if those risks:
1. Fit the business strategy, and can be understood and managed.
2. Do not expose the enterprise to any significant single loss event; TD does not 'bet the Bank' on any single acquisition, business, product or decision.
3. Do not risk harming the TD brand.

The Bank's Risk Appetite Governance Framework (RAGF) describes the assumptions, responsibilities, and processes established to define, maintain, govern and monitor TD's risk appetite, and associated risk measures. The Bank considers current operating conditions and the impact of emerging risks in developing and applying its risk appetite. Adherence to the Bank's risk appetite is managed and monitored across the Bank and is informed by the RAGF and a broad collection of principles, frameworks, policies, processes, and tools.

The Bank's RAS describes, by major risk category, the Bank's risk principles and establishes both qualitative and quantitative measures, thresholds, and limits, as appropriate. RAS measures consider both normal and stress scenarios and include those that can be monitored at the enterprise level and cascaded to the segments.

Risk Management is responsible for establishing practices and processes to formulate, monitor, and report on the Bank's RAS measures. The Risk Management function also monitors and evaluates the effectiveness of these practices and processes, as well as the RAS measures. Compliance with RAS principles and measures is assessed and reported regularly to senior management, the Board, and the Risk Committee of the Board (Risk Committee); other measures are tracked on an ongoing basis by management, and escalated to senior management and the Board, as required.

RISK CULTURE

Risk culture is the attitudes and behaviours around taking and managing risk in the Bank and is guided by our shared commitments and the TD Culture Framework. The TD Culture Framework defines culture at TD including expected behaviours and desired outcomes, describes our fundamental mechanisms to drive; embed; and reinforce our desired culture and provides a comprehensive approach to culture oversight. The shared commitments are the behaviours that differentiate the Bank and help guide the way the Bank runs its business, grows its leaders, supports its colleagues, and serves its communities. Risk culture is one of the attributes that is integral to the Bank's overall organizational culture. The Risk Committee engages with the Chief Risk Officer (CRO) who leads a diverse team of risk professionals to drive a proactive risk culture. The central oversight for organizational culture at TD is led by Human Resources (HR) in partnership with Risk Management.

The Bank's risk culture starts with the "tone at the top" set by the Chief Executive Officer (CEO) and the Senior Executive Team (SET), and is supported by the Bank's vision, purpose, shared commitments, Code of Conduct and Ethics and risk appetite. These governing objectives describe and drive the behaviours, decision making, and business practices that the Bank seeks to foster among its employees, in building a culture where the only risks taken are those within our established risk appetite. The Bank's risk culture reinforces that it is everyone's accountability to self-reflect, learn from past experiences, encourage open communication, escalate matters on a timely basis, and strive for transparency on all aspects of risk taking. The Bank's employees are expected to challenge, communicate, self-identify and escalate in a timely, accurate and forthright manner when they believe the Bank is operating outside of its desired risk culture or risk appetite.

Ethics, integrity and conduct is a pillar of TD's culture and is a key component of the Bank's risk culture. The Bank's Code of Conduct and Ethics guides employees and directors to make decisions that meet the highest standards of integrity, professionalism, and ethical behaviour. Every Bank employee and director is expected and required to assess business decisions and actions on behalf of the organization in light of whether it is right, legal, and fair.

The Bank's desired risk culture is reinforced by linking compensation to management's performance against the Bank's risk appetite. An annual consolidated assessment of management's performance against the RAS is prepared by Risk Management, reviewed by the Risk Committee, and is used by the HR Committee as a key input into compensation decisions. All executives are individually assessed against objectives that include consideration of risk and control behaviours. This comprehensive approach allows the Bank to consider whether the actions of senior management resulted in risk and control events within their area of responsibility.

In addition, Oversight Functions operate independently from segments, supported by an organizational structure that is designed to provide objective oversight and independent challenge. Oversight Function heads, including the CRO, have unfettered access to respective Board committees to raise risk, compliance, and other issues. Lastly, awareness and communication of the Bank's RAS and the ERF take place across the organization through enterprise risk communication programs, employee orientation and training, and participation in internal risk management conferences. These activities further strengthen the Bank's risk culture by increasing the knowledge and understanding of the Bank's expectations for risk taking.

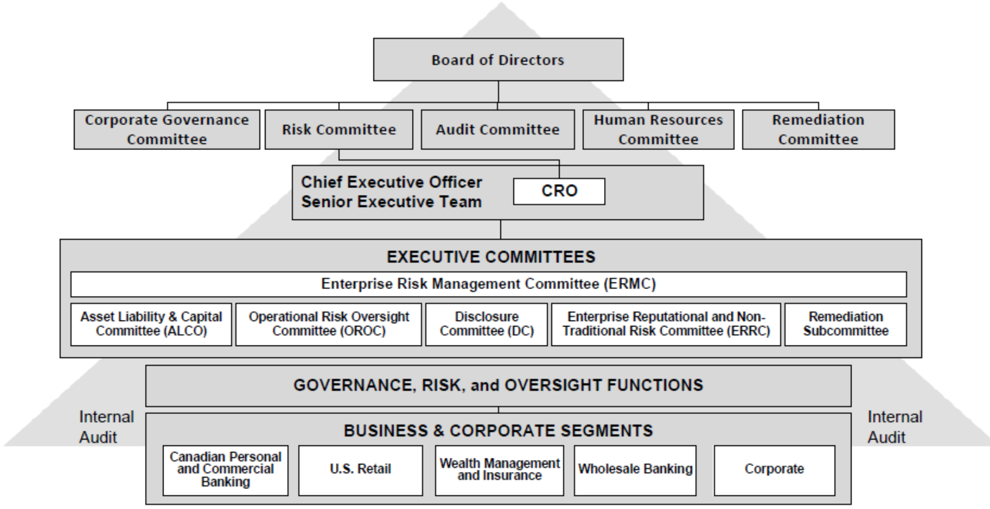
WHO MANAGES RISK

The Bank's risk governance structure emphasizes and balances strong independent oversight with clear ownership for risk across the Bank. Under the Bank's approach to risk governance, a "three lines of defence" model is employed, in which the first line of defence is the risk owner, the second line provides risk oversight, and the third line is internal audit.

The Bank's risk governance model includes a senior management committee structure that is designed to support transparent risk reporting and discussions. The Bank's overall risk and control oversight is provided by the Board and its Committees. The CEO and SET determine the Bank's long-term direction which is then carried out by segments within the Bank's risk appetite. Risk Management, headed by the CRO, sets enterprise risk strategy and policy and provides independent oversight to support a comprehensive and proactive risk management approach. The CRO, who is also a member of the SET, has unfettered access to the Risk Committee. In addition, the Chief Anti-Money Laundering Officer and the Chief Compliance Officer have unfettered access to the Audit Committee.

The Bank has a subsidiary governance framework to support its overall risk governance structure, including Boards of Directors, and committees for various subsidiary entities where appropriate. Specific to the U.S. Retail business segment, oversight of risk and controls is provided by the respective U.S. subsidiaries' Boards of Directors and their Board Risk and Audit Committees. The U.S. Chief Risk Officer (U.S. CRO) has unfettered access to the U.S. Board Risk Committee, the U.S. BSA Officer has unfettered access to the U.S. Board Audit and U.S. Compliance Committees, and the U.S. Chief Compliance Officer has unfettered access to the U.S. Audit Committee. In addition, as further described in "Update on the Remediation of the U.S. Bank Secrecy Act/Anti-Money Laundering Program and Enterprise AML Program", the Bank is undertaking a remediation of its U.S. BSA/AML Program, which is a cross-functional undertaking, spanning business lines and control functions. The Bank has established a dedicated program management infrastructure to monitor execution against the remediation program. This work is being overseen by the U.S. Compliance Committee and the Enterprise Remediation Committee.

RISK GOVERNANCE STRUCTURE



The Board of Directors

The Board oversees the Bank's strategic direction, the implementation of an effective risk culture and the internal control framework across the enterprise. It accomplishes its risk management mandate both directly and through its five committees: Audit, Risk, HR, Corporate Governance and Remediation. The Board reviews and approves the Bank's RAS and related RAS measures at least annually, and monitors the Bank's risk profile and performance relative to its risk appetite measures and principles. In addition, the Board has oversight of the Bank's management of capital, liquidity and of the integrity and effectiveness of the Bank's internal controls.

The Audit Committee

The Audit Committee oversees financial reporting, the adequacy and effectiveness of internal controls, including internal controls over financial reporting, and the activities of the Shareholders' Auditor, Internal Audit Division, Finance Department, TD Compliance Department, and Financial Crime Risk Management Department, including Anti-Money Laundering/Anti-Terrorist Financing/Economic Sanctions/Anti-Bribery and Anti-Corruption programs. The Committee also recommends to the Board and shareholders regarding the appointment of the external auditor. In addition, the Committee has oversight of the establishment and maintenance of policies and programs reasonably designed to achieve and maintain the Bank's compliance with applicable laws and regulations. In support of this oversight, the Committee reviews any significant litigation and regulatory matters. The Committee also acts as the audit committee for certain subsidiaries of the Bank that are federally regulated financial institutions.

The Risk Committee

The Risk Committee is responsible for reviewing and approving the Enterprise Risk Framework ("ERF") and related risk category frameworks and policies that are designed to help manage the Bank's risk exposures. The Committee also reviews and recommends the Enterprise RAS for approval by the Board annually. In addition, the Committee oversees the management of TD's risk profile and performance relative to its risk appetite. In support of this oversight, the Committee reviews and approves significant enterprise-wide risk management frameworks and policies, provides a forum for a comprehensive analysis of an enterprise view of risk including consideration of trends, and current and emerging risks.

The Human Resources Committee

The HR Committee oversees the management of the Bank's culture and approves the Bank's Culture Framework. It also satisfies itself that HR risks are appropriately identified, assessed, and managed in a manner consistent with the risk programs within the Bank, and with the sustainable achievement of the Bank's business objectives. In addition, the Committee monitors the Bank's compensation strategy, plans, policies and practices, including the appropriate consideration of risk.

The Corporate Governance Committee

The Corporate Governance Committee develops, and where appropriate, recommends to the Board for approval corporate governance principles, including the Bank's Code of Conduct and Ethics, aimed at fostering a healthy governance culture at the Bank, and also acts as the conduct review committee for the Bank and certain subsidiaries of the Bank that are federally regulated financial institutions, including providing oversight of conduct risk. In addition, the Committee has oversight of the Bank's strategy, performance and reporting on corporate responsibility for sustainability matters, the establishment and maintenance of policies in respect of the Bank's compliance with the consumer protection provisions of the Financial Consumer Protection Framework, and regularly assesses Board succession planning considerations.

The Remediation Committee

The Board approved the establishment of a Remediation Committee effective December 5, 2024, with a mandate to provide oversight of the Bank's compliance with certain regulatory enforcement-related orders and agreements. The Committee oversees and challenges, through regular reports from management across all three lines of defence, the timely progress, implementation and sustainability of required remediation activities, including oversight of the sustainable implementation of transformation initiatives and improvements in each applicable business and corporate segment.

Chief Executive Officer and Senior Executive Team

The CEO and the SET develop and recommend to the Board the Bank's long-term strategic direction and also develop and recommend for Board approval TD's RAS. The SET members set the "tone at the top" and manage risk in accordance with the Bank's RAS while considering the impact of current and emerging risks on the Bank's strategy and risk profile. This accountability includes identifying, understanding and communicating significant risks to the Risk Committee.

Executive Committees
The CEO, in consultation with the CRO establishes the Bank's executive committee structure. These committees are chaired by SET members and meet regularly to oversee governance, risk, and control activities and to review and monitor risk strategies and associated risk activities and practices.

The ERMC, chaired by the CEO, oversees the management of major enterprise governance, risk, and control activities and promotes an integrated and effective risk management culture. The following executive committees have been established to manage specific major risks based on the nature of the risk and related business activity:

- ALCO – chaired by the Chief Financial Officer (CFO), the ALCO oversees directly and through its standing subcommittees (the Enterprise Capital Committee and Global Liquidity and Funding (GLF) Committee) the management of the Bank's consolidated non-trading market risk and each of its consolidated liquidity, funding, investments, and capital positions.
- OROC – chaired by the CRO, the OROC oversees the identification, monitoring, and control of key risks within the Bank's operational risk profile.
- DC – chaired by the CFO, the DC oversees that appropriate controls and procedures are in place and operating to permit timely, accurate, balanced, and compliant disclosure to regulators with respect to public disclosure, shareholders, and the market.
- ERRC – chaired by the CRO, the ERRC oversees the management of reputational risk within the Bank's risk appetite, provides a forum for discussion, review, and escalation for non-traditional risks, and acts as a decisioning body in cases where urgent risk assessment and decisions are required for select high-risk cross-segment/enterprise changes and where decision rights run across more than one group.
- Remediation Subcommittee – chaired by the CRO, this subcommittee provides dedicated senior executive oversight, direction, and guidance on risk transformation activities to address specific regulatory remediation, maturity initiatives, and provide Enterprise oversight of enforcement actions under the U.S. Remediation Office.

Risk Management
The Risk Management function, headed by the CRO, provides independent oversight of enterprise-wide risk management, risk governance, and control, including the setting of risk strategy and policy to manage risk in alignment with the Bank's risk appetite and business strategy. Risk Management's primary objective is to support a comprehensive and proactive approach to risk management that promotes a strong risk culture. Risk Management works with the segments and other oversight functions to establish policies, standards, and limits that align with the Bank's risk appetite and monitors and reports on current and emerging risks and compliance with the Bank's risk appetite. The CRO leads and directs a diverse team of risk management professionals, including regulatory compliance and financial crime risk management (including anti-money laundering), organized to oversee risks arising from each of the Bank's major risk categories. There is an established process in place for the identification and assessment of top and emerging risks, including tail risk i.e., low probability events that can result in large or unquantifiable losses, material intervention or action from regulators, and/or significant harm to the TD brand. In addition, the Bank has clear procedures governing when and how risk events and issues are communicated to senior management and the Risk Committee.

Business and Corporate Segments
Each business and corporate segment has a dedicated risk management function that reports directly to a senior risk executive who, in turn, reports to the CRO. This structure supports an appropriate level of independent oversight while emphasizing accountability for risk within the segment. Business and corporate management is responsible for setting the segment-level risk appetite and measures, which are reviewed and challenged by Risk Management, endorsed by the ERMC, and approved by the CEO, to align with the Bank's RAS and manage risk within approved risk limits.

The corporate segment includes service and control groups (e.g., Platforms and Technology; Transformation, Enablement and Customer Experience; HR and Finance) that, like business segments, are responsible for assessing risk, designing and implementing controls and monitoring and reporting their ongoing effectiveness.

Internal Audit
The Bank's Internal Audit function provides independent and objective assurance to the Board regarding the reliability and effectiveness of key elements of the Bank's risk management, internal control, and governance processes.

TD Compliance Department (Compliance)
Compliance is an independent regulatory compliance risk and oversight function for business conduct and market conduct laws, rules and regulations (LRRs). Compliance is also responsible for the design and oversight of the Bank's Regulatory Compliance Management (RCM) program in accordance with the Enterprise RCM Framework and related standards and supports the provision of the Chief Compliance Officer's opinion to the Audit Committee as to whether the RCM controls are sufficiently robust to achieve compliance with applicable laws, rules and regulatory requirements enterprise-wide.

Financial Crime Risk Management (FCRM)
FCRM, previously Global Anti-Money Laundering, is responsible for the oversight of TD's regulatory compliance regarding AML, Anti-Terrorist Financing, Economic Sanctions, and Anti-Bribery/Anti-Corruption (collectively, "Financial Crime Risk" or "FCR") and assesses the adequacy of, adherence to and effectiveness of the Bank's day-to-day controls of the FCR Programs, using a risk-based approach. FCRM is also responsible for regulatory compliance and broader prudential risk management across the Bank in alignment with enterprise AML, Sanctions and Anti-Bribery/Anti-Corruption policies so that money laundering, terrorist financing, economic sanctions, and bribery and corruption risks are appropriately identified and mitigated. FCRM reports to the Audit Committee and ERMC on the overall adequacy and effectiveness of the FCR Programs including AML, program design and operations.

As described in the "Update on the Remediation of the U.S. Bank Secrecy Act/Anti-Money Laundering Program and Enterprise AML Program" section, a remediation plan is in place to address U.S. BSA/AML regulatory requirements and deliver on enhancements to strengthen the AML program across the Global Bank, with the goal of enabling the Bank's compliance with regulatory expectations including how we identify, measure, monitor and mitigate AML related risks.

Both the U.S. and the Global programs have established risk mitigation and enhancement programs to help ensure that any interim risks are appropriately identified and managed according to established Risk Management standards during the period that the full multi-year remediation and enhancement activities are delivered. The scope of the risk mitigation program extends beyond FCRM specific risks and is focused on helping to ensure that additional risks arising from the Bank undertaking this type and scale of change are appropriately managed, including Model Risk, Technology and Data Risk, Third Party Risk and Operational Risk.

Three Lines of Defence
In order to further the understanding of responsibilities for risk management, the Bank employs the following "three lines of defence" model that describes the respective accountabilities of each line of defence in managing risk across the Bank.

THREE LINES OF DEFENCE	
FIRST LINE	**RISK OWNER**
IDENTIFY AND CONTROL	• Own, identify, manage, measure, and monitor current and emerging risks in day-to-day activities, operations, products, and services. • Understand the risks, including tail risks, across relevant risk categories (what could go wrong and the potential impact to the Bank's customers, colleagues, and the Bank itself). • Identify and understand the applicable LRRs, including LRRs specific to the business. • Promote ongoing initiatives to raise the profile of risk considerations and understand key risks impacting the business. • Implement governance and control processes to promote risk awareness, clear risk ownership within the business, and personal accountability. • Design, implement, and maintain appropriate mitigating controls, and assess the design and operating effectiveness of those controls. • Understand and monitor control gaps and proactively self-identify and remediate issues. • Conduct continuous monitoring of risk exposures, and any internal or external developments that may impact those risks. This includes monitoring and reporting on risk profile so that activities are within TD's risk appetite and policies. • Implement risk-based approval processes for all new products, activities, processes, and systems. • Escalate risk issues and develop and implement action plans in a timely manner. • Develop and deliver training, tools, and advice to support its accountabilities. • Promote a strong risk culture.
SECOND LINE	**RISK OVERSIGHT**
SET STANDARDS AND CHALLENGE	• Establish and communicate enterprise governance, risk, and control strategies, frameworks, and policies. • Provide oversight and independent challenge to the first line through an effective objective assessment, that is evidenced and, where significant, documented, including: - Challenge the quality and sufficiency of the first line's risk activities; - Identify and assess current and emerging risks and controls, using a risk-based approach, as appropriate; - Monitor the adequacy and effectiveness of internal control activities; - Review and discuss assumptions, material risk decisions and outcomes; - Aggregate and share results across business lines and control areas to identify similar events, patterns, or broad trends; and - Monitor the execution of the Bank's remediation activities. • Identify and assess, and communicate relevant regulatory changes for the applicable LRRs. • Develop and implement risk measurement tools so that activities are within TD's RAS. • Monitor and report on compliance with the Bank's RAS and policies. • Escalate risk issues in a timely manner, with a focus on maintaining transparency to key stakeholders. • Report on the risks of the Bank on an enterprise-wide and disaggregated level to the Board and/or senior management, independently of the business lines or operational management. • Provide training, tools, and advice to support the first line in carrying out its accountabilities. • Promote a strong risk culture. • Where the second line of defence is a risk owner, roles and responsibilities defined under 1st line of defence apply
THIRD LINE	**INTERNAL AUDIT**
INDEPENDENT ASSURANCE	• Verify independently that TD's ERF is designed and operating effectively. • Validate the effectiveness of the first and second lines of defence in fulfilling their mandates and managing risk.

APPROACH TO RISK MANAGEMENT PROCESSES
The Bank's comprehensive and proactive approach to risk management is comprised of four processes: risk identification and assessment, measurement, control, and monitoring and reporting.

Risk Identification and Assessment
Risk identification and assessment is focused on recognizing and understanding existing risks, risks that may arise from new or evolving business initiatives, aggregate risks, tail risks, and emerging risks from the changing environment. The Bank's objective is to establish and maintain integrated risk identification and assessment processes that enhance the understanding of risk interdependencies, consider how risk types intersect, and support the identification of emerging risks. To that end, the Bank's Enterprise-Wide Stress Testing (EWST) program enables senior management, the Board, and its committees to identify and articulate enterprise-wide risks and understand potential vulnerabilities for the Bank.

Risk Measurement
The ability to quantify risks is a key component of the Bank's risk management process. The Bank's risk measurement process aligns with regulatory requirements such as capital adequacy, leverage ratios, liquidity measures, stress testing, and maximum credit exposure guidelines established by its regulators. Additionally, the Bank has a process in place to quantify risks to provide accurate and timely measurements of the risks it assumes.

In quantifying risk, the Bank uses various risk measurement methodologies, including Value-at-Risk (VaR) analysis, scenario analysis, stress testing, and limits. Other examples of risk measurements include credit exposures, PCL, peer comparisons, trending analysis, liquidity coverage, leverage ratios, capital adequacy metrics, and operational risk event notification metrics. The Bank also requires segments and oversight functions to assess key risks and internal controls through a structured Risk and Control Self-Assessment program. Internal and external risk events are monitored to assess whether the Bank's internal controls are effective. This allows the Bank to identify, escalate, and monitor significant risk issues as needed.

Risk Control
The Bank's risk control processes are established and communicated through the Risk Committee and management approved policies, and associated management approved procedures, control limits, and delegated authorities which reflect its risk appetite and risk tolerances.

The Bank's approach to risk control also includes risk and capital assessments to appropriately capture key risks in its measurement and management of capital adequacy. This involves the review, challenge, and endorsement by senior management committees of the Bank's ICAAP and related economic capital practices. The Bank's performance is measured based on the allocation of risk-based capital to businesses and the cost charged against that capital.

Risk Monitoring and Reporting
The Bank monitors and reports on risk levels on a regular basis against its risk appetite and Risk Management reports on its risk monitoring activities to senior management, the Board and its Committees, and appropriate executive and management committees. Complementing regular risk monitoring and reporting, ad hoc risk reporting is provided to senior management, the Risk Committee, and the Board, as appropriate, for new and emerging risks or any significant changes to the Bank's risk profile. The Bank is developing methodologies and approaches for climate scenario analysis through participation in industry-wide working groups and the OSFI led Standardized Climate Scenario Exercise, and is working to embed the assessment of climate-related risks and opportunities into relevant Bank processes.

Stress Testing
Stress testing is an integral component of the Bank's risk management framework and serves as a key component of the Bank's capital, strategic and financial planning processes. Stress testing at the Bank comprises an annual enterprise-wide stress test featuring a range of scenarios, prescribed regulatory stress tests in multiple jurisdictions, and various ongoing and ad hoc stress tests and analysis. The results of these stress tests and analysis enable management to assess the impact of geopolitical events and changes to economic and other market factors on the Bank's financial condition and assist in the determination of capital and liquidity adequacy and targets, risk appetite and other limits. These exercises enable the identification and quantification of vulnerabilities, the monitoring of changes in risk profile relative to risk appetite limits, and evaluation of business plans.

The Bank utilizes a combination of quantitative modelling and qualitative approaches to assess the impact of changes in the macroeconomic environment on the Bank's income statement, balance sheet, and capital and liquidity position under hypothetical stress situations. Stress testing engages senior management across the lines of business, Finance, TBSM, Economics, and Risk Management. Stress test results are reviewed, challenged and approved by senior management and executive oversight committees. The Bank's Risk Committee also reviews, challenges, and discusses the results. The results are submitted, disclosed, or shared with regulators as required or requested.

Enterprise-Wide Stress Testing
The Bank conducts an annual EWST as part of a comprehensive capital and liquidity planning, strategic, and financial exercise that is a key component of the Bank's ICAAP framework. The EWST results are considered in establishing the Bank's capital targets and stress related risk appetite limits, evaluating the Bank's strategies and business plan, and identifying actions that senior management could take to manage the impact of stress events. In addition, the Bank conducts ad hoc stress tests and analysis for assessing the impact of events deemed to be potentially material or of concern in support of senior management's assessment of vulnerabilities and operational readiness to an uncertain or rapidly changing operating environment.

The program is subject to a well-defined governance framework that facilitates executive oversight and engagement throughout the organization. EWST methodologies and results are reviewed and challenged by executives and subject matter experts from the line of business, finance and risk teams. Stress testing results are further reviewed by ERMC and are also shared with the Board and regulators. The Bank's EWST program involves the development, execution and assessment of stress scenarios with varying features and degrees of severity on the balance sheet, income statement, capital, liquidity, and leverage. It enables management to identify and assess enterprise-wide risks and understand potential vulnerabilities, and changes to the risk profile of the Bank. The stress scenarios are developed with consideration of the Bank's key business activities, exposures, concentrations and vulnerabilities. The scenarios are designed to be consistent with regulatory stress testing frameworks and cover a wide variety of risk factors meaningful to the Bank's risk profiles in North America and globally including changes to unemployment, gross domestic product, home prices, inflation and interest rates.

For the 2025 EWST program, the Bank developed and assessed a number of scenarios using validated approaches that explored emerging risks such as inflation, various interest rate environments, U.S. trade policy and tariffs, and elevated regulatory risks. The stress testing scenarios included a plausible typical recession calibrated to historical recessions in Canada and the U.S., a low probability and highly severe scenario related to geopolitical uncertainty accompanied with high inflation and interest rate environment, and an alternative scenario where concerns around federal deficits lead to increases in treasury yields and reduced economic activity. Supplemental analysis performed during 2025 explored strategic risks and other events including insider fraud, cybersecurity breach and sanctions violation to support senior management in assessing key risks and vulnerabilities.

Other Stress Tests and Analysis
Ongoing stress testing and scenario analyses within specific risk types supplement and support our enterprise-wide analysis. Results from these risk-specific programs are used in a variety of decision-making processes including risk limit setting, portfolio composition evaluation, risk appetite articulation and business strategy implementation. In addition, the Bank conducts ad hoc stress tests and analysis for the enterprise as well as for targeted portfolios, to evaluate potential vulnerabilities and operational readiness to specific changes in economic and market conditions including those related to evolving geopolitical risk events. During the year the Bank undertook stress analysis of various geopolitical scenarios related to trade policy to support management's assessment of associated key risks, vulnerabilities, and operational readiness. Refer to the Environmental and Social Risk (including Climate-Related Risk) section for a discussion of our climate program.

Stress tests are also conducted on certain legal entities and jurisdictions, in line with prescribed regulatory requirements. The Bank's U.S. holding company and operating bank subsidiaries' capital planning process including execution of stress tests are conducted in accordance with the U.S. Dodd-Frank Act stress testing (DFAST) requirements. In addition, certain Bank subsidiaries in Singapore, Ireland, and the United Kingdom conduct stress testing exercises as part of their respective ICAAP. The Bank undertakes other internal and regulatory based stress tests including liquidity and market risk, which are detailed in the respective sections.

The Bank also conducts scenario and sensitivity analysis as part of the Recovery and Resolution Planning program to assess potential mitigating actions and contingency planning strategies, as required.

Strategic Risk

Strategic risk is the risk of sub-optimal outcomes (including financial losses or reputational damage) arising from the Bank's strategic choices, execution of our strategies, responses to disruption (e.g., technological advancements or unforeseen competitive shifts) and regulatory shifts, or tail risk exposures (i.e., low probability events that can result in large or unquantifiable losses, material intervention or action from regulators, and/or significant harm to the TD brand). Strategic choices may span ongoing business operations and inorganic (Mergers & Acquisitions and strategic partnerships) activities.

WHO MANAGES STRATEGIC RISK

The CEO manages Strategic Risk, supported by members of the SET and the ERMC. The CEO, together with the SET, defines the overall strategy, in consultation with, and subject to approval by the Board. The Enterprise Strategy group, under the leadership of the CFO, is charged with developing the Bank's long-term strategy and shorter-term strategic objectives and priorities with input and support from senior executives across the Bank.

Each member of the SET is responsible for establishing and managing short-and medium-term strategic priorities for their areas of responsibility (business segment or corporate function), and ensuring such strategies are aligned with the Bank's short-and medium-term objectives and priorities, and are within the Bank's risk appetite. Each member of the SET is also accountable to the CEO for identifying, assessing, measuring, controlling, monitoring, and reporting on the effectiveness and risks of their business segment or corporate function's strategies.

The CEO, members of the SET, and other senior executives report to the Board on the implementation of the Bank's strategies, identifying related risks and explaining how they are managed.

The ERMC oversees the identification and monitoring of significant and emerging risks related to the Bank's strategies so that mitigating actions are taken where appropriate.

HOW TD MANAGES STRATEGIC RISK

The Bank's enterprise-wide strategies and operating performance, and those of significant business segments and corporate functions, are assessed regularly by the CEO and members of the SET through an integrated financial and strategic planning process, as well as operating results reviews.

The Bank's RAS establishes strategic risk limits at the enterprise and business segment levels. Limits include qualitative and quantitative assessments and are established to monitor and control business concentrations, strategic disruption, and E&S risks.

The Bank's annual integrated planning process establishes plans at the enterprise and segment levels. The plans incorporate market trends, TD's relative performance, short-and medium-term strategies, target metrics, key risks / mitigants, and alignment with the Bank's enterprise strategy and risk appetite.

Operating results are reviewed periodically during the year to monitor segment / function performance against the integrated financial and strategic plan. These reviews include an evaluation of short-and medium-term strategy and short-term strategic priorities, including the operating environment, relative performance and competitive positioning assessments, initiative execution status, and key risks / mitigants. The frequency of operating results reviews depends on the risk profile and size of the business segment or corporate function.

The Bank's strategic risk and adherence to its risk appetite is reviewed by the ERMC in the normal course, as well as by the Board. Additionally, material acquisitions are assessed for their fit with the Bank's strategy and risk appetite in accordance with the Bank's Due Diligence Policy. This assessment is reviewed by the SET and Board as part of the decision process.

The shaded areas of this MD&A represent a discussion on risk management policies and procedures relating to credit, market, and liquidity risks as required under IFRS 7, *Financial Instruments: Disclosures* (IFRS 7), which permits these specific disclosures to be included in the MD&A. Therefore, the shaded areas which include Credit Risk, Market Risk, and Liquidity Risk, form an integral part of the audited Consolidated Financial Statements for the years ended October 31, 2025 and October 31, 2024.

The Basel Framework

The objective of the Basel Framework is to improve the consistency of capital requirements internationally and establish minimum regulatory capital standards which adequately capture risks. The Basel Framework sets different risk-sensitive approaches for calculating credit, market, and operational RWA.

Credit Risk

Credit risk is the risk of loss if a borrower or counterparty in a transaction fails to meet its agreed payment obligations.
Credit risk is one of the most significant and pervasive risks in banking. Every loan, extension of credit, or transaction that involves the transfer of payments between the Bank and other parties or financial institutions exposes the Bank to some degree of credit risk.
The Bank's primary objective is to be methodical in its credit risk assessment so that the Bank can understand, select, and manage its exposures to reduce significant fluctuations in earnings.
The Bank's strategy is to include central oversight of credit risk in each business, and reinforce a culture of transparency, accountability, independence, and balance.

WHO MANAGES CREDIT RISK

The responsibility for credit risk management is enterprise-wide. To reinforce ownership of credit risk, credit risk control functions are integrated into each business, but also report to Risk Management.

Each business segment's credit risk control unit is responsible for its credit decisions and must comply with established policies, exposure guidelines, credit approval limits, and policy/limit exception procedures. It must also adhere to established enterprise-wide standards of credit assessment and obtain Risk Management's approval for credit decisions beyond its discretionary authority.

Risk Management is accountable for oversight of credit risk by developing policies that govern and control portfolio risks, and approval of product-specific policies, as required.

The Risk Committee of the Board oversees the management of credit risk and annually approves certain significant credit risk policies.

HOW TD MANAGES CREDIT RISK
The Bank's Credit Risk Management Framework outlines the internal risk and control structure to manage credit risk and includes risk appetite, policies, processes, limits and governance. The Credit Risk Management Framework is maintained by Risk Management and supports alignment with the Bank's risk appetite for credit risk.

Credit risk policies and credit decision-making strategies, as well as the discretionary limits of officers throughout the Bank for extending lines of credit are approved by Risk Management, and the Board where applicable.

Limits are established to monitor and control country, industry, product, geographic, and group exposure risks in the portfolios in accordance with enterprise-wide policies.

In the Bank's Retail businesses, the Bank uses established underwriting guidelines (which include collateral and loan-to-value requirements) along with approved scoring techniques and standards in extending, monitoring, and reporting personal credit. Credit scores and decision strategies are used in the origination and ongoing management of new and existing retail credit exposures. Scoring models and decision strategies utilize a combination of borrower attributes, including, but not limited to, income, employment status, existing loan exposure and performance, and size of total bank relationship, as well as external data such as credit bureau information, to determine the amount of credit the Bank is prepared to extend to retail customers and to estimate future credit performance. Established policies and procedures are in place to govern the use, and monitor and assess the performance of scoring models and decision strategies to align with expected performance results. Retail credit exposures approved within the credit underwriting centres are subject to ongoing Retail Risk Management review to assess the effectiveness of credit decisions and risk controls, as well as to identify emerging or systemic issues and trends. Material policy exceptions are tracked and reported and larger dollar exposures and material exceptions to policy are escalated to Retail Risk Management.

The Bank's Commercial Banking and Wholesale Banking businesses use credit risk models and policies to establish borrower and facility risk ratings (BRR and FRR), quantify and monitor the level of risk, and to aid in the Bank's effective management of risk. Risk ratings are also used to determine the amount of credit exposure the Bank is willing to extend to a particular borrower. Management processes are used to monitor country, industry, and borrower or counterparty risk ratings, which include daily, monthly, quarterly, and annual review requirements for credit exposures. The key parameters used in the Bank's credit risk models are monitored on an ongoing basis.

Unanticipated economic or political changes in a foreign country could affect cross-border payments for goods and services, loans, dividends, and trade related finance, as well as repatriation of the Bank's capital in that country. The Bank currently has credit exposure in a number of countries, with the majority of the exposure in North America. The Bank measures country risk using approved risk rating models and qualitative factors that are also used to establish country exposure limits covering all aspects of credit exposure across all businesses. Country risk ratings are managed on an ongoing basis and are subject to a detailed review at least annually.

As part of the Bank's credit risk strategy, the Bank sets limits on the amount of credit it is prepared to extend to specific industry sectors. The Bank monitors its concentration to any given industry to provide for a diversified loan portfolio and to reduce the risk of undue concentration. The Bank manages this risk using limits based on an internal risk rating methodology that considers relevant factors. The Bank assigns a maximum exposure limit or a concentration limit to each major industry segment which is a percentage of its total wholesale and commercial private sector exposure.

The Bank may also set limits on the amount of credit it is prepared to extend to a particular entity or group of entities, also referred to as "entity risk". All entity risk is approved by the appropriate decision-making authority using limits based on the entity's BRR. This exposure is monitored on a regular basis.

To determine the potential loss that could be incurred under a range of adverse scenarios, the Bank subjects its credit portfolios to stress tests. Stress tests assess vulnerability of the portfolios to the effects of severe but plausible situations, such as an economic downturn or a material market disruption.

Credit Risk and the Basel Framework
The Bank uses the Basel IRB to calculate credit risk RWA for all material portfolios. Based on exposure class, in accordance with the OSFI CAR guidelines, either a foundation approach (Foundation Internal Ratings-Based (FIRB)) or advanced approach (Advanced Internal Ratings-Based (AIRB)) is applied.

The following risk parameters are used in credit risk RWA calculations and may be subject to prescribed floors in some cases:
- Probability of default (PD) – the likelihood that the borrower will not be able to meet its scheduled repayments within a one-year time horizon.
- Loss given default (LGD) – the amount of loss the Bank would likely incur when a borrower defaults on a loan, which is expressed as a percentage of exposure at default (EAD).
- EAD – the total amount of the Bank's exposure at the time of default, including certain off-balance sheet items.

The FIRB approach primarily uses internally derived PD, while other components such as LGD and EAD are prescribed. The AIRB approach uses internally derived PD, LGD, and EAD.

To continue to qualify to use the IRB approaches for credit risk, the Bank must meet the ongoing conditions and requirements established by OSFI and the Basel Framework. The Bank regularly assesses its compliance with these requirements.

Credit Risk Exposures Subject to the IRB Approaches
Banks that adopt the IRB approaches to credit risk must report credit risk exposures by counterparty type, each having different underlying risk characteristics. These counterparty types may differ from the presentation in the Bank's 2025 Consolidated Financial Statements. The Bank's credit risk exposures are divided into two main portfolios, retail and non-retail.

Retail Exposures
In the retail portfolio, including individuals and small businesses, the Bank manages exposures on a pooled basis, using predictive credit scoring techniques. There are three sub-types of retail exposures: residential secured (for example, mortgages and HELOCs), qualifying revolving retail (for example, credit cards, unsecured lines of credit, and overdraft protection products), and other retail (for example, personal loans, including secured automobile loans, student lines of credit, and small business banking credit products).

The Bank calculates RWA for its retail exposures using the AIRB approach. All retail PD, LGD, and EAD parameter models are based on the internal default and loss performance history for each of the three retail exposure sub-types. These parameters are also used in the calculation of regulatory capital, economic capital, and allowance for credit losses.

Account-level PD, LGD, and EAD models are built for each product portfolio and calibrated based on the observed account-level default and loss performance for the portfolio.

Consistent with the AIRB approach, the Bank defines default for exposures as delinquency of 90 days or more for the majority of retail credit portfolios. LGD estimates used in the RWA calculations reflect economic losses, such as direct and indirect costs as well as any appropriate discount to account for time between default and ultimate recovery. EAD estimates reflect the historically observed utilization of credit limits at default. PD, LGD, and EAD models are calibrated using established statistical methods, such as logistic and linear regression techniques. Predictive attributes in the models may include account attributes, such as loan size, interest rate, and collateral, where applicable; an account's previous history and current status; an account's age on book; a customer's credit bureau attributes; a customer's other holdings with the Bank; and macroeconomic inputs, such as unemployment rate. For secured products such as residential mortgages, property characteristics, loan to value ratios, and a customer's equity in the property, play a significant role in PD as well as in LGD models.

All risk parameter estimates are updated on a quarterly basis based on the refreshed model inputs. Parameter estimation is fully automated based on approved formulas and is not subject to manual overrides.

Exposures are then assigned to pre-defined PD segments based on their estimated long-run average one-year PD.

The predictive power of the Bank's retail credit models is assessed against the most recently available one-year default and loss performance on a quarterly basis. All models are also subject to a comprehensive independent validation as outlined in the "Model Risk Management" section of this disclosure.

Long-run PD estimates are generated by including key economic indicators, such as interest rates and unemployment rates, and using their long-run average over the credit cycle to estimate PD.

LGD estimates are required to reflect a downturn scenario. Downturn LGD estimates are generated by using macroeconomic inputs, such as changes in housing prices and unemployment rates expected in an appropriately severe downturn scenario.

For unsecured products, downturn LGD estimates reflect the observed lower recoveries for exposures defaulted during the 2008 to 2009 recession. For products secured by residential real estate, such as mortgages and HELOCs, downturn LGD reflects the potential impact of a severe housing downturn. EAD estimates similarly reflect a downturn scenario.

The following table maps PD ranges to risk levels:

Risk assessment	PD Segment	PD Range			
Low Risk	1	0.00	to	0.15	%
Normal Risk	2	0.16	to	0.41	
	3	0.42	to	1.10	
Medium Risk	4	1.11	to	2.93	
	5	2.94	to	4.74	
High Risk	6	4.75	to	7.59	
	7	7.60	to	18.24	
	8	18.25	to	99.99	
Default	9			100.00	

Non-Retail Exposures

In the non-retail portfolio, the Bank manages exposures on an individual borrower basis, using industry and sector-specific credit risk models, and expert judgment. The Bank has categorized non-retail credit risk exposures according to the following Basel counterparty types: corporate, including wholesale and commercial customers, sovereign, and bank. Under the IRB approaches, CMHC-insured mortgages are considered sovereign risk and are therefore classified as non-retail.

The Bank evaluates credit risk for non-retail exposures by using both a BRR and FRR. The Bank uses this system for all corporate, sovereign, and bank exposures. The Bank determines the risk ratings using industry and sector-specific credit risk models that are based on internal historical data. In Canada, for both the wholesale and commercial lending portfolios, credit risk models are calibrated based on internal data beginning in 1994. In the U.S., credit risk models are calibrated based on internal data beginning in 2007. All borrowers and facilities are assigned an internal risk rating that must be reviewed at least once each year. External data such as rating agency default rates or loss databases are used to benchmark the parameters.

Internal risk ratings (BRR and FRR) are key to portfolio monitoring and management, and are used to set exposure limits and loan pricing. Internal risk ratings are also used in the calculation of regulatory capital, economic capital, and allowance for credit losses.

Borrower Risk Rating and PD

Each borrower is assigned a BRR that reflects the PD of the borrower using proprietary models and expert judgment. In assessing borrower risk, the Bank reviews the borrower's competitive position, financial performance, economic, and industry trends, management quality, and access to funds. Under the IRB approaches, borrowers are grouped into BRR grades where a PD is calibrated for each BRR grade. Use of projections for model implied risk ratings is not permitted and BRRs may not incorporate a projected reversal, stabilization of negative trends, or the acceleration of existing positive trends. Historic financial results can however be sensitized to account for events that have occurred, or are about to occur, such as additional debt incurred by a borrower since the date of the last set of financial statements. In conducting an assessment of the BRR, all relevant and material information must be taken into account and the information being used must be current. Quantitative rating models are used to rank the expected through-the-cycle PD, and these models are segmented into categories based on industry and borrower size. The quantitative model output can be modified in some cases by expert judgment, as prescribed within the Bank's credit policies.

To calibrate PDs for each BRR band, the Bank computes yearly transition matrices based on annual cohorts and then estimates the average annual PD for each BRR. The PD is set at the average estimation level plus an appropriate adjustment to cover statistical and model uncertainty. The calibration process for PD is a through-the-cycle approach. TD's 21-point BRR scale broadly aligns to external ratings as follows:

Description	Rating Category	Standard & Poor's	Moody's Investor Services
Investment grade	0 to 1C	AAA to AA-	Aaa to Aa3
	2A to 2C	A+ to A-	A1 to A3
	3A to 3C	BBB+ to BBB-	Baa1 to Baa3
Non-investment grade	4A to 4C	BB+ to BB-	Ba1 to Ba3
	5A to 5C	B+ to B-	B1 to B3
Watch and classified	6 to 8	CCC+ to CC and below	Caa1 to Ca and below
Impaired/default	9A to 9B	Default	Default

Facility Risk Rating and LGD
The FRR maps to LGD, with different models used based on industry and obligor size, and takes into account facility-specific characteristics such as collateral, seniority ranking of debt, loan structure, and borrower enterprise value.
Average LGD and the statistical uncertainty of LGD are estimated for each FRR grade. In some FRR models, the scarcity of historical default events requires the model to output a rank-ordering which is then mapped through expert judgment to the quantitative LGD scale.
Under the FIRB approach, LGDs are prescribed whereas the AIRB approach stipulates the use of downturn LGD, where the downturn period, as determined by internal and/or external experience, suggests higher than average loss rates or lower than average recovery. To reflect this, calibrated LGDs take into account both the statistical estimation uncertainty and the higher than average LGDs experienced during downturn periods.

Exposure at Default
The Bank calculates non-retail EAD by first measuring the drawn amount of a facility and then adding a potential increased utilization at default from the undrawn portion, if any. Usage Given Default (UGD) is measured as the percentage of undrawn exposure that would be expected to be drawn by a borrower defaulting in the next year, in addition to the amount that already has been drawn by the borrower. In the absence of credit mitigation effects or other details, the EAD is set at the drawn amount plus (estimated UGD x undrawn) for AIRB exposure, or (prescribed UGD x undrawn) for FIRB exposures.
BRR and drawn ratio up to one-year prior to default are predictors for UGD under the AIRB approach. Consequently, the UGD estimates are calibrated by BRR and drawn ratio, the latter representing the ratio of the drawn to authorized amounts.
Historical UGD experience is studied for any downturn impacts, similar to the LGD downturn analysis. The Bank has not found downturn UGD to be significantly different from average UGD, therefore the UGDs under AIRB are set at the average calibrated level, by drawn ratio and/or BRR, plus an appropriate adjustment for statistical and model uncertainty.

UGDs under the FIRB approach are prescribed for relevant exposure classes.

Credit Risk Exposures Subject to the Standardized Approach (SA)
Currently the SA to credit risk is used for new portfolios, which are in the process of transitioning to IRB approaches, or exempted portfolios which are either immaterial or expected to wind down. The Bank primarily applies SA to certain segments within both the Retail and Non-retail portfolios. Under the SA, the exposure amounts are multiplied by risk weights prescribed by OSFI, based on the OSFI Capital Adequacy Requirements (CAR) guidelines, to determine RWA. These risk weights are assigned according to certain factors including counterparty type, product type, and the nature/extent of credit risk mitigation. The Bank uses external credit ratings, including Moody's and S&P to determine the appropriate risk weight for its exposures to sovereigns and central banks, public sector entities (PSEs), multilateral development banks (MDBs), banks (securities firms and other financial institutions), and corporates. The Bank applies SA to certain retail portfolios, including Real Estate Secured Lending (RESL), where the assigned risk weight is primarily based on the exposure's Loan-to-Value ratio and whether the exposure is categorized as income producing or general.

Lower risk weights apply where approved credit risk mitigants exist. For off-balance sheet exposures, specified credit conversion factors are used to convert the notional amount of the exposure into a credit equivalent amount.

Derivative Exposures
Credit risk on derivative financial instruments, 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 standards that the Bank uses for assessing loans. These standards include evaluating the creditworthiness of counterparties, measuring and monitoring exposures, including wrong-way risk exposures, and managing the size, diversification, and maturity structure of the portfolios.
The Bank uses various qualitative and quantitative methods to measure and manage counterparty credit risk. These include statistical methods to measure the current and future potential risk, as well as ongoing stress testing to identify and quantify exposure under a range of adverse scenarios. The Bank establishes various limits to manage business volumes and concentrations. Risk Management independently measures and monitors counterparty credit risk relative to established credit policies and limits. As part of the credit risk monitoring process, management periodically reviews all exposures, including exposures resulting from derivative financial instruments to higher risk counterparties, and to assess the valuation of underlying financial instruments and the impact evolving market conditions may have on the Bank.
There are two types of wrong-way risk exposures, namely general and specific. General wrong-way risk arises when the PD of the counterparties moves in the same direction as a given market risk factor. Specific wrong-way risk arises when the exposure to a particular counterparty moves in the same direction as the PD of the counterparty due to the nature of the transactions entered into with that counterparty. These exposures require specific approval within the credit approval process. The Bank measures and manages specific wrong-way risk exposures in the same manner as direct loan obligations and controls them by way of approved credit facility limits.
The Bank uses the standardized approach for counterparty credit risk to calculate the EAD amount, which is defined by OSFI as a multiple of the summation of replacement cost and potential future exposure, to estimate the risk and determine regulatory capital requirements for derivative exposures.

Credit Valuation Adjustment Risk
The Bank maintains policies and procedures that govern the valuation and hedging of Credit Valuation Adjustment (CVA) risk. These policies, procedures and associated results are regularly reviewed and approved by senior management. While CVA risk, capital and hedging is managed and owned by a dedicated business function, the independent Risk Management function oversees the process, including the effectiveness of hedges, reporting and monitoring for compliance to policies and frameworks and adherence to risk appetite. Quantitative models used for CVA risk and CVA capital comply with TD's Model Risk Management Framework.

Validation of the Credit Risk Rating System
Credit risk rating systems and methodologies are independently validated on a regular basis to verify that they remain accurate predictors of risk. The validation process includes the following considerations:
- Risk parameter estimates – PDs, LGDs, and EADs are reviewed and updated against actual loss experience to verify that estimates continue to be reasonable predictors of potential loss.
- Model performance – Estimates continue to be discriminatory, stable, and predictive.
- Data quality – Data used in the risk rating system is accurate, appropriate, and sufficient.
- Assumptions – Key assumptions underlying the development of the model remain valid for the current portfolio and environment.

Risk Management verifies that the credit risk rating system complies with the Bank's Model Risk Policy. At least annually, the Risk Committee is informed of the performance of the credit risk rating system. The Risk Committee must approve any material changes to the Bank's credit risk rating system.

Credit Risk Mitigation

The techniques the Bank uses to reduce or mitigate credit risk include written policies and procedures to value and manage financial and non-financial security (collateral) and to review and negotiate netting agreements. The amount and type of collateral, and other credit risk mitigation techniques required, are based on the Bank's own assessment of the borrower's or counterparty's credit quality and capacity to pay.

In the Retail and Commercial banking businesses, security for loans is primarily non-financial and includes residential real estate, real estate under development, commercial real estate, automobiles, and other business assets, such as accounts receivable, inventory, and fixed assets. In the Wholesale Banking business, a large portion of loans are to investment grade borrowers where no security is pledged. Non-investment grade borrowers typically pledge business assets in the same manner as commercial borrowers. Common standards across the Bank are used to value collateral, determine frequency of recalculation, and to document, register, perfect, and monitor collateral.

The Bank mitigates derivative counterparty exposure using mitigation strategies that include master netting agreements, collateral pledging, and central clearing houses. Master netting agreements allow the Bank to offset and arrive at a net obligation amount, whereas collateral agreements allow the Bank to secure the Bank's exposure. Security for derivative exposures is primarily financial and includes cash and negotiable securities issued by highly rated governments and investment grade issuers. Central clearing houses further reduce bilateral credit risk by taking the opposite position to each trade.

In all but exceptional situations, the Bank secures collateral by taking possession and controlling it in a jurisdiction where it can legally enforce its collateral rights. In exceptional situations and when demanded by the Bank's counterparty, the Bank holds or pledges collateral with an acceptable third-party custodian. The Bank documents all such third party arrangements with industry standard agreements.

Occasionally, the Bank may take guarantees to reduce the risk in credit exposures. For credit risk exposures subject to the IRB approaches, the Bank only recognizes irrevocable guarantees for Commercial Banking and Wholesale Banking credit exposures that are provided by entities with a better risk rating than that of the borrower or counterparty to the transaction.

The Bank makes use of credit derivatives to mitigate credit risk. 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 and transact predominantly on a collateralized basis. Credit risk to these counterparties is managed through the same approval, limit, and monitoring processes the Bank uses for all counterparties for which it has credit exposure.

The Bank uses appraisals as well as valuations via automated valuation models (AVMs) to support property values when adjudicating loans collateralized by residential property. AVMs are computer-based tools used to estimate or validate the market value of residential property and uses market comparables and price trends for local market areas. The primary risk associated with the use of these tools is that the value of an individual property may vary significantly from the average for the market area. The Bank has specific risk management guidelines addressing the circumstances when they may be used, and processes to periodically validate AVMs including obtaining third-party appraisals.

Gross Credit Risk Exposure

Gross credit risk exposure, also referred to as EAD, is the total amount the Bank is exposed to at the time of default of a loan and is measured before counterparty-specific provisions or write-offs. Gross credit risk exposure does not reflect the effects of credit risk mitigation and includes both on balance sheet and off-balance sheet exposures. On-balance sheet exposures consist primarily of outstanding loans, non-trading securities, derivatives, and certain other repo-style transactions. Off-balance sheet exposures consist primarily of undrawn commitments, guarantees, and certain other repo style transactions.

Gross credit risk exposures for the two approaches the Bank uses to measure credit risk are included in the following table.

TABLE 42: GROSS CREDIT RISK EXPOSURES – Standardized and Internal Ratings-Based (IRB) Approaches[1]

(millions of Canadian dollars)						*As at*
	October 31, 2025			October 31, 2024		
	Standardized	**IRB**	**Total**	Standardized	IRB	Total
Retail						
Residential secured	**$ 5,141**	**$ 552,249**	**$ 557,390**	$ 4,163	$ 537,075	$ 541,238
Qualifying revolving retail	**871**	**177,970**	**178,841**	866	172,203	173,069
Other retail	**3,660**	**110,316**	**113,976**	3,391	104,253	107,644
Total retail	**9,672**	**840,535**	**850,207**	8,420	813,531	821,951
Non-retail						
Corporate	**2,402**	**758,573**	**760,975**	2,346	721,156	723,502
Sovereign	**175**	**552,954**	**553,129**	205	588,498	588,703
Bank	**7,121**	**180,614**	**187,735**	4,541	171,250	175,791
Total non-retail	**9,698**	**1,492,141**	**1,501,839**	7,092	1,480,904	1,487,996
Gross credit risk exposures	**$ 19,370**	**$ 2,332,676**	**$ 2,352,046**	$ 15,512	$ 2,294,435	$ 2,309,947

[1] Gross credit risk exposures represent EAD and are before the effects of credit risk mitigation. This table excludes securitization, equity, and other credit RWA.

Other Credit Risk Exposures

Non-trading Equity Exposures

The Bank applies the standardized approach to calculate RWA on non-trading equity exposures. Under the standardized approach, a 250% risk weight is applied to equity holdings with the exception of speculative unlisted equities that receive a 400% risk weight. Equity exposures to sovereigns and holdings made under legislated programs continue to follow the OSFI prescribed risk weights of 0%, 20% or 100%.

Securitization Exposures

The Bank applies risk weights to all securitization exposures under the revised securitization framework published by OSFI. The revised securitization framework includes a hierarchy of approaches to determine capital treatment, and transactions that meet the simple, transparent, and comparable requirements that are eligible for preferential capital treatment.

The Bank uses Internal Ratings-Based Approach (SEC-IRBA) for qualified exposures. Under SEC-IRBA, risk weights are determined using a loss coverage model that quantifies and monitors the level of risk. The SEC-IRBA also considers credit enhancements available for loss protection.

For externally rated exposures that do not qualify for SEC-IRBA, the Bank uses an External Ratings-Based Approach (SEC-ERBA). Risk weights are assigned to exposures using external ratings by external rating agencies, including Moody's and S&P. The SEC-ERBA also takes into account additional factors, including the type of the rating (long-term or short-term), maturity, and the seniority of the position.

For exposures that do not qualify for SEC-IRBA or SEC-ERBA, and are held by an ABCP issuing conduit, the Bank uses the Internal Assessment Approach (IAA).

Under the IAA, the Bank considers all relevant risk factors in assessing the credit quality of these exposures, including those published by the Moody's and S&P rating agencies. The Bank also uses loss coverage models and policies to quantify and monitor the level of risk, and facilitate its management. The Bank's IAA process includes an assessment of the extent by which the enhancement available for loss protection provides coverage of expected losses. The levels of stressed coverage the Bank requires for each internal risk rating are consistent with the rating agencies' published stressed factor requirements for their equivalent external ratings by asset class. Under the IAA, exposures are multiplied by OSFI prescribed risk weights to calculate RWA for capital purposes.

For exposures that do not qualify for SEC-IRBA, SEC-ERBA or the IAA, the Bank uses the SA (SEC-SA). Under SEC-SA, the primary factors that determine the risk weights include the asset class of the underlying loans, the seniority of the position, the level of credit enhancements, and historical delinquency rates.

Irrespective of the approach being used to determine the risk weights, all exposures are assigned an internal risk rating-based on the Bank's assessment, which must be reviewed at least annually. The ratings scale TD uses corresponds to the long-term ratings scales used by the rating agencies.

The Bank's internal rating process is subject to all of the key elements and principles of the Bank's risk governance structure, and is managed in the same way as outlined in this "Credit Risk" section.

The Bank uses the results of the internal rating in all aspects of its credit risk management, including performance tracking, control mechanisms, and management reporting.

Market Risk

Trading Market Risk is the risk of loss from financial instruments held in trading portfolios due to adverse movements in market factors. These market factors include interest rates, foreign exchange rates, equity prices, commodity prices, credit spreads, and their respective volatilities.

Structural (Non-Trading) Market Risk is the risk of loss on the balance sheet or volatility in earnings from traditional banking activities, such as personal and commercial banking products (loans and deposits), as well as related funding, investments and high-quality liquid assets (HQLA), due to adverse movements in market factors. These market factors are primarily interest rates, and foreign exchange rates.

The Bank is exposed to market risk in its trading and investment portfolios, as well as through its non-trading activities. The Bank is an active participant in the market through its trading and investment portfolios, seeking to realize returns for the Bank through careful management of its positions and inventories. In the Bank's non trading activities, it is exposed to market risk through the everyday banking transactions that the Bank executes with its customers.

MARKET RISK LINKAGE TO THE BALANCE SHEET

The following table provides a breakdown of the Bank's balance sheet into assets and liabilities exposed to trading and non-trading market risks. Market risk of assets and liabilities included in the calculation of VaR and other metrics used for regulatory market risk capital purposes is classified as trading market risk.

TABLE 43: MARKET RISK LINKAGE TO THE BALANCE SHEET

(millions of Canadian dollars)									*As at*
	October 31, 2025				October 31, 2024				
	Balance sheet	**Trading market risk**	**Non-trading market risk**	**Other**	Balance sheet	Trading market risk	Non-trading market risk	Other	Non-trading market risk – primary risk sensitivity
Assets subject to market risk									
Interest-bearing deposits with banks	**$ 109,417**	**$ 940**	**$ 108,477**	**$ –**	$ 169,930	$ 1,601	$ 168,329	$ –	Interest rate
Trading loans, securities, and other	**220,136**	**213,151**	**6,985**	**–**	175,770	174,232	1,538	–	Interest rate
Non-trading financial assets at fair value through profit or loss	**7,395**	**–**	**7,395**	**–**	5,869	–	5,869	–	Equity, foreign exchange, interest rate
Derivatives	**82,972**	**72,906**	**10,066**	**–**	78,061	70,636	7,425	–	Equity, foreign exchange, interest rate
Financial assets designated at fair value through profit or loss	**6,986**	**–**	**6,986**	**–**	6,417	–	6,417	–	Interest rate
Financial assets at fair value through other comprehensive income	**126,369**	**–**	**126,369**	**–**	93,897	–	93,897	–	Equity, foreign exchange, interest rate
Debt securities at amortized cost, net of allowance for credit losses	**240,439**	**–**	**240,439**	**–**	271,615	–	271,615	–	Foreign exchange, interest rate
Securities purchased under reverse repurchase agreements	**247,078**	**7,574**	**239,504**	**–**	208,217	10,488	197,729	–	Interest rate
Loans, net of allowance for loan losses	**953,012**	**–**	**953,012**	**–**	949,549	–	949,549	–	Interest rate
Investment in Schwab	**–**	**–**	**–**	**–**	9,024	–	9,024	–	Equity
Other assets[1]	**2,047**	**–**	**2,047**	**–**	2,230	–	2,230	–	Interest rate
Assets not exposed to market risk	**98,707**	**–**	**–**	**98,707**	91,172	–	–	91,172	
Total Assets	**$ 2,094,558**	**$ 294,571**	**$ 1,701,280**	**$ 98,707**	$ 2,061,751	$ 256,957	$ 1,713,622	$ 91,172	
Liabilities subject to market risk									
Trading deposits	**$ 37,882**	**$ 28,955**	**$ 8,927**	**$ –**	$ 30,412	$ 26,827	$ 3,585	$ –	Equity, interest rate
Derivatives	**79,356**	**74,790**	**4,566**	**–**	68,368	66,976	1,392	–	Equity, foreign exchange, interest rate
Securitization liabilities at fair value	**25,283**	**25,283**	**–**	**–**	20,319	20,319	–	–	Interest rate
Financial liabilities designated at fair value through profit or loss	**197,635**	**3**	**197,632**	**–**	207,914	2	207,912	–	Interest rate
Deposits	**1,267,104**	**–**	**1,267,104**	**–**	1,268,680	–	1,268,680	–	Interest rate, foreign exchange
Obligations related to securities sold short	**43,795**	**42,475**	**1,320**	**–**	39,515	37,812	1,703	–	Interest rate
Obligations related to securities sold under repurchase agreements	**221,150**	**13,922**	**207,228**	**–**	201,900	13,540	188,360	–	Interest rate
Securitization liabilities at amortized cost	**14,841**	**–**	**14,841**	**–**	12,365	–	12,365	–	Interest rate
Subordinated notes and debentures	**10,733**	**–**	**10,733**	**–**	11,473	–	11,473	–	Interest rate
Other liabilities[1]	**16,934**	**–**	**16,934**	**–**	34,066	–	34,066	–	Equity, interest rate
Liabilities and Equity not exposed to market risk	**179,845**	**–**	**–**	**179,845**	166,739	–	–	166,739	
Total Liabilities and Equity	**$ 2,094,558**	**$ 185,428**	**$ 1,729,285**	**$ 179,845**	$ 2,061,751	$ 165,476	$ 1,729,536	$ 166,739	

[1] Relates to retirement benefits, insurance, and structured entity liabilities.

MARKET RISK IN TRADING ACTIVITIES

The overall objective of the Bank's trading businesses is to provide wholesale banking services, including facilitation and liquidity, to clients of the Bank. The Bank must take on risk in order to provide effective service in markets where its clients trade. In particular, the Bank needs to hold inventory, act as principal to facilitate client transactions, and underwrite new issues. The Bank also trades in order to have in-depth knowledge of market conditions to provide the most efficient and effective pricing and service to clients, while balancing the risks inherent in its dealing activities.

WHO MANAGES MARKET RISK IN TRADING ACTIVITIES

Primary responsibility for managing market risk in trading activities lies with Wholesale Banking, with oversight from the Market Risk function within Risk Management. The Global Market Risk Council meets regularly to review the market risk profile and trading results of the Bank's trading businesses. The committee is chaired by the Vice President, Head of Market Risk, and includes Wholesale Banking senior management.

HOW TD MANAGES MARKET RISK IN TRADING ACTIVITIES

Market risk plays a key part in the assessment of trading business strategies. The process for the Bank to launch new trading initiatives, or expand existing ones, involves an assessment of risk with respect to the Bank's risk appetite and business expertise and an assessment of the appropriate infrastructure required to monitor, control, and manage the risk. The Trading Market Risk Framework outlines the management of trading market risk and incorporates risk appetite, risk governance structures, risk identification, risk measurement, and risk control. The Trading Market Risk Framework is maintained by Risk Management and supports alignment with the Bank's risk appetite for trading market risk.

Processes are in place to classify positions as either trading book or banking book for the purpose of calculating regulatory capital, per OSFI CAR Guidelines. Policies define the governance and monitoring requirements of internal risk transfers.

Trading Limits

The Bank sets trading limits that are consistent with the approved business strategy for each business and its tolerance for the associated market risk, aligned to its market risk appetite. In setting limits, the Bank takes into account market volatility, market liquidity, organizational experience, and business strategy. Limits are prescribed at the Wholesale Banking level in aggregate, as well as at more granular levels.

The core market risk limits are based on the key risk drivers in the business and includes notional, credit spread, yield curve shift, price, and volatility limits.

Another primary measure of trading limits is VaR, which the Bank uses to monitor and control overall risk levels. VaR measures the adverse impact that potential changes in market rates and prices could have on the value of a portfolio over a specified period of time.

At the end of each day, risk positions are compared with risk limits, and any excesses are reported in accordance with established market risk policies and procedures.

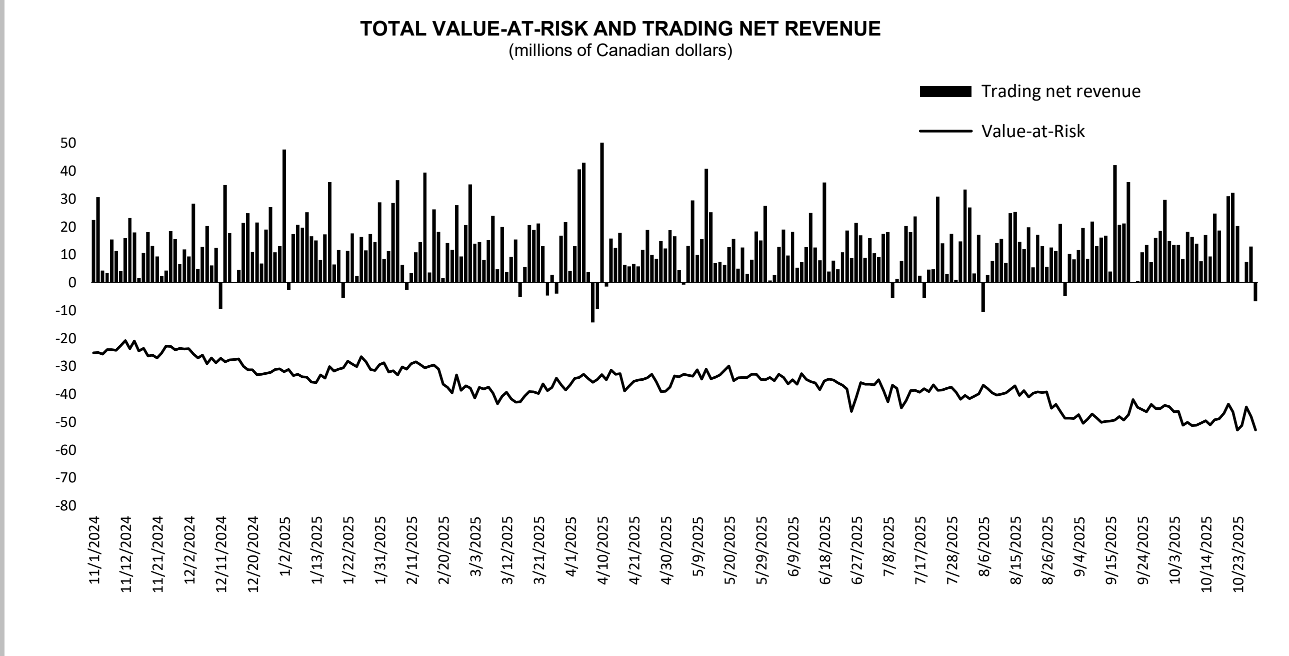
Calculating VaR

The Bank computes total VaR on a daily basis by combining the General Market Risk (GMR) and Idiosyncratic Debt Specific Risk (IDSR) associated with the Bank's trading positions.

GMR is determined by creating a distribution of potential changes to the market value of the current portfolio using historical simulation. The Bank values the current portfolio using the market price and rate changes of the most recent 259 trading days for equity, interest rate, foreign exchange, credit, and commodity products. GMR is computed as the threshold level that portfolio losses are not expected to exceed more than one out of every 100 trading days. A one-day holding period is used for GMR calculation.

IDSR measures idiosyncratic (single-name) credit spread risk for credit exposures in the trading portfolio using Monte Carlo simulation. The IDSR model is based on the historical behaviour of five-year idiosyncratic credit spreads. Similar to GMR, IDSR is computed as the threshold level that portfolio losses are not expected to exceed more than one out of every 100 trading days. IDSR is measured for a ten-day holding period.

The following graph discloses daily one-day VaR usage and trading net revenue, reported on a TEB, within Wholesale Banking. Trading net revenue includes trading income and net interest income related to positions within the Bank's market risk capital trading books. For the year ending October 31, 2025, there were 18 days of trading losses and trading net revenue was positive for 93% of the trading days, reflecting normal trading activity. Losses in the year did not exceed VaR on any trading day.



VaR is a valuable risk measure but it should be used in the context of its limitations, for example:

- VaR uses historical data to estimate future events, which limits its forecasting abilities;
- it does not provide information on losses beyond the selected confidence level; and
- it assumes that all positions can be liquidated during the holding period used for VaR calculation.

The Bank continuously improves its VaR methodologies and incorporates new risk measures in line with market conventions, industry practices, and regulatory requirements.

To mitigate some of the shortcomings of VaR, the Bank uses additional metrics designed for risk management. This include Stress Testing as well as sensitivities to various market risk factors.

The following table presents the end of year, average, high, and low usage of TD's portfolio metrics.

TABLE 44: PORTFOLIO MARKET RISK MEASURES

(millions of Canadian dollars)			2025					2024
	As at	**Average**	**High**	**Low**	As at	Average	High	Low
Interest rate risk	**$ 10.3**	**$ 10.5**	**$ 21.1**	**$ 1.6**	$ 8.4	$ 16.8	$ 27.7	$ 5.1
Credit spread risk	**15.8**	**19.3**	**27.4**	**13.7**	25.1	30.0	40.5	18.9
Equity risk	**14.1**	**11.0**	**29.3**	**6.6**	7.7	7.8	12.0	5.2
Foreign exchange risk	**4.6**	**4.1**	**10.2**	**1.2**	5.2	2.9	7.8	1.2
Commodity risk	**37.6**	**24.6**	**46.0**	**3.8**	6.0	4.5	11.5	2.2
Idiosyncratic debt specific risk	**13.1**	**19.8**	**28.0**	**13.1**	18.2	20.3	29.7	13.8
Diversification effect[1]	**(41.7)**	**(52.7)**	**n/m[2]**	**n/m**	(45.0)	(50.8)	n/m	n/m
Total Value-at-Risk (one-day)	**53.8**	**36.6**	**58.9**	**20.9**	25.6	31.5	44.9	21.8

[1] The aggregate VaR is less than the sum of the VaR of the different risk types due to risk offsets resulting from portfolio diversification.
[2] Not meaningful. It is not meaningful to compute a diversification effect because the high and low may occur on different days for different risk types.

Markets experienced volatility across all asset classes in 2025 due to concerns surrounding ongoing U.S. tariffs and other geopolitical concerns. Key factors impacting VaR models during the period were new scenario shocks incorporating market volatility rolling into the most recent 259-day trading window. As a result of these factors, average VaR has increased year-over-year.

Validation of VaR Model

The Bank uses a back-testing process to compare the actual profits and losses to VaR to review their consistency with the statistical results of the VaR model.

Stress Testing

The Bank's trading business is subject to an overall global stress test limit. In addition, global businesses have stress test limits, and each broad risk class has an overall stress test threshold. Stress scenarios are designed to model extreme economic events, replicate worst-case historical experiences, or introduce severe, but plausible, hypothetical changes in key market risk factors. The stress testing program includes scenarios developed using actual historical market data during periods of market disruption, in addition to hypothetical scenarios developed by Risk Management. Stress tests are produced and reviewed regularly. The events the Bank has modelled include the 1987 equity market crash, the 1998 Russian debt default crisis, the aftermath of September 11, 2001, the 2007 ABCP crisis, the credit crisis of Fall 2008, the Brexit referendum of June 2016, and the COVID-19 pandemic of 2020.

WHO MANAGES STRUCTURAL (NON-TRADING) MARKET RISK

The TBSM group manages the market risks of traditional non-trading banking activities, while the Wholesale Banking business manages non-trading market risks within that segment, all subject to oversight from the Asset Liability and Capital Committee (ALCO). The Treasury CRO / Non-Trading Market Risk function within Risk Management provides independent oversight, governance, and control of these market risks. The Risk Committee reviews and approves key non-trading market risk policies and monitors the Bank's positions and compliance with these policies through regular reporting and updates from senior management.

HOW TD MANAGES STRUCTURAL (NON-TRADING) MARKET RISK

Non-trading interest rate risk, if not managed, has the potential to increase earnings volatility and generate losses without contributing long-term expected value. To manage this risk, the Bank's non-trading asset and liability profile is managed in accordance with a target and series of limits to control the impact of interest rate changes on the Bank's NII, while maintaining the Bank's economic value sensitivity within risk appetite.

Managing Structural Interest Rate Risk

Interest rate risk is the impact that changes in interest rates could have on the Bank's margins, earnings, and economic value. Interest rate risk management is designed to generate a predictable, high-quality NII stream over time. The Bank has adopted a disciplined hedging approach to manage the net interest income from its asset and liability positions. Key aspects of this approach are:

- Evaluating and managing the impact of rising or falling interest rates on net interest income and economic value, and developing strategies to manage overall sensitivity to rates across varying interest rate scenarios;
- Modelling the expected impact of customer behaviour on TD's products (e.g., how actively customers exercise embedded options, such as prepaying a loan or redeeming a deposit before its maturity date);
- Assigning target-modelled maturity profiles for non-maturity assets, liabilities, and equity;
- Measuring the margins of TD's banking products on a fully-hedged basis, including the impact of financial options that are granted to customers; and
- Developing and implementing strategies to stabilize net interest income from all retail and commercial banking products.

The Bank is exposed to the interest rate risk from "mismatched positions" which occur when asset and liability principal and interest cash flows have different repricing or maturity dates. The Bank measures this risk based on an assessment of: contractual cash flows, product-embedded optionality, customer behaviour expectations and the modelled maturity profiles for non-maturity products. To manage this risk, the Bank primarily uses financial derivatives, wholesale investments and funding transactions.

The Bank also measures its exposure to non-maturity liabilities, such as core deposits, by assessing interest rate elasticity and balance permanence using historical data and business judgment. Fluctuations of non-maturity deposits can occur due to factors such as interest rate and equity market movements, and changes to customer liquidity preferences.

Banking product optionality, whether from freestanding options such as mortgage rate commitments or options embedded within loans and deposits, expose the Bank to significant financial risk. To manage these exposures, the Bank uses a dynamic hedging approach designed to replicate the payoff of a purchased option.

- **Rate Commitments**: The Bank measures its exposure from freestanding mortgage rate commitment options using an expected funding profile based on historical experience. Customers' propensity to fund, and their preference for fixed or floating rate mortgage products, is influenced by factors such as market mortgage rates, client characteristics, and seasonality.
- **Asset Prepayment and other Embedded Options**: The Bank models its exposure to options embedded in some of its products based on analyses of customer behaviour. Examples of modeled options are the right to prepay residential mortgage loans, and the right to early redeem some term deposit products. For mortgages, econometric models are used to model prepayments and the effects of prepayment behaviour to the Bank. In general, mortgage prepayments

are also affected by factors such as rate incentive along with mortgage age, home prices, gross domestic product (GDP) growth, etc. A combined impact is also assessed to determine a core liquidation speed that is independent of market incentives. A similar analysis is undertaken for other products with embedded optionality.

Structural Interest Rate Risk Measures

The primary measures for this risk are Economic Value of Shareholders' Equity (EVE) Sensitivity and Net Interest Income Sensitivity (NIIS).

EVE Sensitivity measures the impact of a specified interest rate shock to the net present value of the Bank's banking book assets, liabilities, and certain off-balance sheet items. It reflects a measurement of the potential present value impact on shareholders' equity without an assumed term profile for the management of the Bank's own equity and excludes product margins.

NIIS measures the change in NII over a twelve-month horizon resulting from resetting interest rates on banking book assets, liabilities and certain off-balance sheet items under a specified interest rate shock scenario.

The Bank's Market Risk policy sets overall limits on structural interest rate risk measures. These limits are periodically reviewed and approved by the Risk Committee. In addition to the Board policy limits, book-level risk limits for the Bank's management of non-trading interest rate risk are set by Risk Management. Exposures against these limits are routinely monitored and reported, and breaches of the Board limits, if any, are escalated to both the ALCO and the Risk Committee.

TABLE 45: STRUCTURAL INTEREST RATE SENSITIVITY MEASURES

(millions of Canadian dollars)								*As at*
			October 31, 2025				October 31, 2024	
			EVE Sensitivity[1,2]			**NII Sensitivity[1,2,3]**	EVE Sensitivity[1]	NII Sensitivity[1,3]
	Canadian dollar[4]	**U.S. dollar**	**Total**	**Canadian dollar[4]**	**U.S. dollar**	**Total**	Total	Total
Before-tax impact of								
100 bps increase in rates	**$ (957)**	**$ (1,558)**	**$ (2,515)**	**$ 400**	**$ 390**	**$ 790**	$ (2,489)	$ 720
100 bps decrease in rates	**865**	**1,227**	**2,092**	**(441)**	**(419)**	**(860)**	1,914	(983)

[1] Does not include exposures from Wholesale Banking.
[2] Effective July 31, 2025, the sensitivity measures are reported by currency to better differentiate NIIS to movements in underlying rates.
[3] Represents the twelve-month NII exposure to an immediate and sustained shock in rates, and may include adjustments for non-recurring items.
[4] Includes other currency exposures.

As at October 31, 2025, an immediate and sustained 100 bps increase in interest rates would have a negative impact to the Bank's EVE of $2,515 million, an increase of $26 million from last year, and a positive impact to the Bank's NII of $790 million, an increase of $70 million from last year. An immediate and sustained 100 bps decrease in interest rates would have a positive impact to the Bank's EVE of $2,092 million, an increase of $178 million from last year, and a negative impact to the Bank's NII of $860 million, a decrease of $123 million from last year. The year-over-year increase in EVE Sensitivity is primarily attributed to an increase in net fixed rate assets held, commensurate with growth in book capital. Year-over-year changes in NII Sensitivity are largely related to Treasury hedging alongside marginal changes in product mix. As at October 31, 2025, reported EVE and NII Sensitivities remain within the Bank's risk appetite and established Board limits.

Managing Non-trading Foreign Exchange Risk

Foreign exchange risk refers to losses that could result from changes in foreign-currency exchange rates. Assets and liabilities that are denominated in foreign currencies create foreign exchange risk.

The Bank is exposed to non-trading foreign exchange risk primarily from its investments in foreign operations. When the Bank's foreign currency assets are greater or less than its liabilities in that currency, they create a foreign currency open position. An adverse change in foreign exchange rates can impact the Bank's reported net income and shareholders' equity, and its capital ratios.

To minimize the impact of an adverse foreign exchange rate change on certain capital ratios, the Bank's net investments in foreign operations are hedged so that changes in certain capital ratios fall within risk appetite, in response to movement in foreign exchange rates. The Bank does not generally hedge the earnings of foreign subsidiaries which results in changes to the Bank's consolidated earnings when relevant foreign exchange rates change.

Other Non-trading Market Risks

Other structural market risks monitored on a regular basis include:

- **Basis Risk** – The Bank is exposed to risks related to the difference in various market indices.
- **Equity Risk** – The Bank is exposed to non-trading equity risk from investment securities designated at FVOCI, equity-linked guaranteed investment certificate product offerings and share-based compensation plans where certain employees are awarded share units equivalent to the Bank's common shares as compensation for services provided to the Bank. These share units are recorded as a liability over the vesting period and revalued at each reporting period until settled in cash, and changes in the Bank's share price can impact non-interest expenses. The Bank uses equity derivative instruments to manage its non-trading equity risk.

Managing Investment Portfolios

The Bank manages a securities portfolio that is integrated into the overall asset and liability management process for traditional banking activities. The securities portfolio is comprised of high-quality, low-risk securities and managed in a manner appropriate to the attainment of the following goals: (1) to generate a targeted credit of funds to deposit balances that are in excess of loan balances; (2) to provide a sufficient pool of liquid assets to meet deposit and loan fluctuations and overall liquidity management objectives; (3) to provide eligible securities to meet collateral and cash management requirements; and (4) to manage the target interest rate risk profile of the balance sheet. The Risk Committee reviews and approves the Enterprise Investment Policy that sets out limits for the Bank's investment portfolio. In addition, the Wholesale Banking and Insurance businesses also hold investments that are managed separately.

WHY NET INTEREST MARGIN FLUCTUATES OVER TIME

As previously noted, the Bank's approach to structural (non-trading) market risk is designed to generate stable and predictable earnings over time, regardless of cash flow mismatches and the exercise of options granted to customers. This approach also creates margin certainty on loan and deposit profitability as they are booked. Despite this approach however, the Bank's NIM is subject to change over time for the following reasons (among others):

- Differences in margins earned on new and renewing products relative to the margin previously earned on matured products;
- Weighted-average margin impact from changes in business and product mix;
- Changes in the basis between certain market indices;

- Potential lags in changing product prices in response to changes in market interest rates, including rate-sensitive deposit pricing;
- Changes from the repricing of hedging strategies to manage the investment profile of the Bank's non-rate sensitive deposits; and
- Margin changes from the portion of the Bank's deposits that are non-rate sensitive but not expected to be longer term in nature, resulting in a shorter term investment profile and higher sensitivity to short-term rates.

The general level of interest rates will affect the return the Bank generates on its modelled maturity profile for core non-rate sensitive deposits and the investment profile for its net equity position as it evolves over time. The general level of market interest rate volatility is also a key driver of some modelled option exposures, and will affect the cost of hedging such exposures. The Bank's approach to managing these factors tends to moderate their impact over time, resulting in a more predictable NII stream over time.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events and also includes losses related to legal risk events and regulatory fines.

Operational risk is inherent in all of the Bank's business activities, including the practices and controls used to manage other risks such as credit, market, and liquidity risk. Failure to manage operational risk can result in financial loss (direct or indirect), reputational harm, or regulatory censure and penalties.

The Bank seeks to actively identify, mitigate and manage operational risk in order to create and sustain shareholder value, successfully execute the Bank's business strategies, operate efficiently, and provide reliable, secure and convenient access to financial services. The Bank maintains a formal enterprise-wide operational risk management framework that emphasizes a strong risk management and internal control culture throughout TD to help support operational resilience and the Bank's ability to withstand disruptions.

WHO MANAGES OPERATIONAL RISK

Operational Risk Management is an independent function that owns and maintains the Bank's Operational Risk Framework. This framework sets out the enterprise-wide governance processes, policies, and practices to identify, assess, measure, control, monitor, escalate, report, and communicate on operational risk. Operational Risk Management is designed to provide appropriate monitoring and reporting of the Bank's operational risk profile and exposures to senior management through the Operational Risk Oversight Committee (OROC), the Enterprise Risk Management Committee (ERMC), and the Risk Committee of the Board.

In addition to the framework, Operational Risk Management owns and maintains, or has oversight of, the Bank's operational risk policies including those that govern business continuity and crisis management, process & execution risk, third-party risk management, data risk management, fraud risk management, change governance, operational resilience, technology and cybersecurity risk management, people risk management and insider risk management.

Senior management of individual business segments and corporate functions are responsible for the day-to-day management of operational risk following the Bank's established operational risk framework, policies and the three lines of defence model. An independent risk management oversight function supports each business segment and corporate function to monitor and challenge the implementation and use of the operational risk management programs according to the nature and scope of the operational risks inherent in their area. Senior executives in each business segment and corporate area participate in a Risk Management Committee that oversees operational risk issues and initiatives.

Ultimately, every employee has a role to play in managing operational risk. In addition to policies and procedures guiding employee activities, training is available to all employees regarding specific types of operational risks and their role in helping to protect the Bank.

HOW TD MANAGES OPERATIONAL RISK

The Operational Risk Framework aligns with the Bank's Enterprise Risk Framework and risk appetite. The Framework outlines the internal risk and control environment to manage operational risk and includes the operational risk appetite, governance processes, and policies. The framework incorporates sound industry practices and is designed to meet regulatory requirements. Key components of the framework include:

Governance and Organization

Operational risk governance emphasizes and balances strong independent oversight with clear ownership for risk and control within each business segment and corporate function. Management reporting and organizational structures emphasize accountability, ownership, and effective oversight of each business segment's and each corporate function's operational risk exposures. In addition, the expectations of the Risk Committee and senior management for managing operational risk are set out by enterprise-wide policies and practices.

Risk and Control Self-Assessment

Internal controls are one of the primary methods of safeguarding the Bank's employees, customers, assets, and information, and in preventing and detecting errors and fraud. Management undertakes comprehensive assessments of key risk exposures and the internal controls in place to reduce or offset these risks. Senior management reviews the results of these assessments to assess whether management of the risk and internal controls are effective, appropriate, and compliant with the Bank's policies.

Operational Risk Event Monitoring

To reduce the Bank's exposure to future loss, the Bank must remain aware of and respond to its own and industry operational risks. The Bank's policies and processes require that operational risk events be identified, tracked, and reported to the appropriate level of management to facilitate the Bank's analysis and management of its risks and inform the assessment of suitable corrective and preventative action. The Bank also reviews, analyzes, and benchmarks itself against operational risk losses that have occurred at other institutions using information acquired through recognized industry data providers.

Scenario Analysis

Scenario Analysis is a systematic and repeatable process of obtaining expert business and risk opinion to derive assessments of the likelihood and potential loss estimates of high impact operational events that are unexpected and outside the normal course of business. The Bank applies this practice to meet risk measurement and risk management objectives. The process includes the use of relevant external operational loss event data along with the Bank's internal loss data and risk outlook that is assessed considering the Bank's operational risk profile and control structure. The program is designed to raise awareness and educate business segments and corporate functions regarding existing and emerging risks, which may result in the identification and assessment of new hypothetical scenarios and risk mitigation action plans to minimize tail risks.

Risk Reporting

Risk Management regularly monitors risk-related measures and the risk profile throughout the Bank to report to senior management and the Risk Committee. Operational risk measures are systematically tracked, assessed, and reported to promote management accountability and direct the appropriate level of attention to current and emerging issues.

Insurance

TD's Corporate Insurance team, with oversight from Risk Management, utilizes insurance and other risk transfer arrangements to mitigate and reduce potential future losses related to operational risk. Risk Management includes oversight of the effective use of insurance aligned with the Bank's risk management strategy and risk appetite. Insurance terms and provisions, including types and amounts of coverage, are regularly assessed so that the Bank's tolerance for risk and, where applicable, statutory requirements are satisfied. The management process includes conducting regular in-depth risk and financial analysis and identifying opportunities to transfer elements of the Bank's risk to third parties where appropriate. The Bank transacts with external insurers that satisfy its minimum financial strength rating requirements.

Technology and Cybersecurity

The Bank leverages technology to support its operations including new markets, competitive products, delivery channels, as well as other opportunities.

The Bank manages technology and cybersecurity risks to support day-to-day operations; and protect against unauthorized access to the Bank's technology, infrastructure, systems, information, and data. To enable this, the Bank monitors, manages, and continues to enhance its ability to mitigate these risks through enterprise-wide programs and the implementation of industry-accepted technology risk and cyber threat management practices to help support rapid detection and response.

The Bank's Platforms and Technology Risk Oversight Committee provides senior executive oversight, direction and guidance regarding management of risks relating to technology and cybersecurity, including cyber threats, cyber resiliency, cyber terrorism/activism, cyber fraud, cyber extortion, identity theft and data theft. This Committee endorses actions and makes recommendations to the CEO and the ERMC as appropriate, including in some instances, supporting onward recommendations to the Risk Committee and the Board of Directors. Together with the Bank's Operational Risk Framework, technology and cybersecurity programs also include resiliency planning and testing, as well as disciplined technology operations practices.

Data Management

The Bank manages data risk through the Data Risk Management Framework which describes the governance, policies, and processes that TD's business and corporate segments, including oversight functions employ to help manage and govern data risk within the Bank's risk appetite.

The Bank's data assets are governed and managed with a view to preserve value and support business objectives. Inconsistent or inadequate data governance and management practices may compromise the Bank's data and information assets which could result in financial, regulatory or reputational impacts. The Bank's Enterprise Data Management Office develops and implements enterprise-wide standards and practices that describe how data and information assets should be created, used, or maintained on behalf of the Bank.

Business Continuity and Crisis Management

The Bank maintains an Enterprise Business Continuity and Crisis Management (EBCCM) program that supports management's ability to operate the Bank's businesses and operations (including providing customers access to products and services) in the event of a crisis or business disruption. Ongoing threat assessments, business impact analysis, planning, exercises, and testing are leveraged to achieve a target level of operational resiliency within the Bank's risk appetite. The program also includes establishing appropriate crisis and incident management governance structures and protocols, including an escalation path to decision-makers, coordinated actions, and internal and external communications, to enable TD to respond effectively to significant business disruptions.

Third-Party Management

A Third-Party Business Arrangement refers to any type of strategic or business arrangement between TD Bank and an entity(ies) or individuals, by contract or otherwise, save for engagements with the Bank's customers and employment contracts. While these relationships bring benefits to the Bank's businesses and customers, the Bank also needs to manage and minimize any risks related to the activity. The Bank does this through an enterprise Third-Party Risk Management program that is designed to manage third-party risks throughout the lifecycle of a relationship with a third-party. This process also provides risk management and senior management oversight of these arrangements that management considers appropriate based on the risk and criticality of the arrangement.

Operational Resilience

Operational resilience is the ability of the Bank to continue to deliver, and rapidly recover, critical services through business disruption events, whether internal or external.

The Bank's Operational Resilience program assesses the end-to-end availability of the Bank's most essential business and shared services, across critical, single points of failure, such as technology, third-parties, people, premises, and data, to assess whether the service can be delivered through disruptive events, and without causing intolerable harm to customers and financial markets.

Change and Delivery

The Bank has established an enterprise-wide standard for identifying and assessing the risks of proposed changes that affect Products/Services, Process/Operations and Technology, and formal methodologies for delivering the changes (i.e., Project Delivery Lifecycle, TD Agile and TD Scaled Agile). This approach involves senior management governance and oversight of the Bank's change portfolio and leverages the use of a standardized change risk assessment, change delivery methodologies, defined accountabilities and capabilities, and portfolio reporting and management tools to help support successful delivery.

Fraud Management

The Bank develops and implements enterprise-wide fraud management strategies, policies, and practices that are designed to minimize the number, size and scope of external fraudulent activities perpetrated against it. The Bank employs prevention, detection and monitoring capabilities across the enterprise that are designed to help protect customers, shareholders, and employees from increasingly sophisticated external fraud risk. External Fraud risk is managed by communicating appropriate policies, procedures, employee education in external fraud risks, and monitoring activity to help maintain adherence to the Fraud Risk Management Framework. The Fraud Risk Management Framework describes the governance, policies, and processes that the Bank's businesses employ to proactively manage and govern external fraud risk within the Bank's risk appetite which is embedded in the Bank's day to day operations and culture.

Operational Risk Capital Measurement

The Bank's operational risk capital is determined using the Basel III Standardized Approach (SA) for operational risk, and is a product of a Business Indicator Component (BIC) and an Internal Loss Multiplier (ILM). BIC is a financial-statement-based proxy for operational risk and is derived using financial information over the previous three years. ILM is derived using operational risk losses, net of recoveries, over the previous ten years, and the BIC.

People Risk Management

People risk is the risk associated with inadequacies in the Bank's organizational capacity, capability, and resources to support its business goals, objectives and strategies, human resource policies, processes, and practices to hire, develop and retain resources with appropriate capabilities and requisite domain expertise to operate and grow the business in a manner consistent with employment laws, and regulatory expectations. This includes the risk associated with misalignment between the Bank's stated desired culture and its actual culture. HR sets policies for key people and talent programs that business lines implement within their daily operations. HR is an oversight function and has central oversight for TD's culture and people risk for the Bank including compensation, performance management, conduct (in partnership with Risk Management), appreciation and recognition and talent. The Bank undertakes a Talent Review and Succession Management program, which focuses on the assessment, development and succession planning for senior and key roles within the organization. In addition, a Critical Roles program exists to strengthen our practices to assess capabilities and aims to enhance the management of talent in roles most critical to the Bank's success. Risk Management provides oversight and independent challenge to HR through an effective objective assessment of their activities and programs.

Insider Risk Management

Insider Risk exposure is inherent in the normal course of operating TD's businesses and insider risk continues to evolve, leading to new or emerging threats. The Bank has developed and implemented enterprise-wide insider risk management strategies, policies and practices that are designed to identify, prevent, and mitigate unauthorized insider activities. The Enterprise Insider Risk Framework describes governance, roles and responsibilities, and processes that the Bank's businesses and corporate functions employ to proactively manage and govern insider risk within the Bank's risk appetite.

Conduct Risk

Conduct risk is an overarching risk category that correlates with various enterprise risks, including but not limited to, consumer protection, market integrity, financial crimes, and operational risks. Conduct risk encompasses the potential for actions or behaviours by an organization or its employees that may lead to legal, regulatory compliance, reputational, and financial impact that can adversely affect customers, the market, employees, and the organization. TD has prioritized conduct risk management and has policies in place to protect, to maintain trust, and to foster a culture of integrity and accountability with our customers, the market, our employees, and the organization. This involves fostering a culture of ethical behavior, implementing robust governance frameworks, and ensuring employees understand and adhere to the organization's Code of Conduct and Ethics.

Conduct Risk and Insider Risk intersect when the inappropriate or unethical behavior of employees manifest in conduct incidents that harm customers, violate regulatory compliance, or compromise ethical standards of the organization. While Conduct Risk encompasses a broader category of ethical and compliance issues, Insider Risk is more specifically focused on threats from within the organization.

Regulatory Compliance Risk

Regulatory compliance risk arises from potential non-compliance with applicable laws, regulations, rules, regulatory guidance, voluntary codes and public commitments, or standards and codes set by self-regulatory organizations. The Bank faces regulatory compliance risk in nearly all of its operations and manages this risk mainly through the Enterprise RCM Framework. The TD Compliance Department owns and maintains the Enterprise RCM Framework, which provides an overview of the Bank's risk-based RCM program and guidance for the Bank's businesses and corporate functions.

Model Risk

Model risk is the potential for adverse consequences arising from decisions based on incorrect or misused models and their outputs. It can lead to financial loss, reputational risk, or incorrect business and strategic decisions.

WHO MANAGES MODEL RISK

Primary accountability for the management of model risk resides with the senior management of individual businesses with respect to the models they use. The Operational Risk Oversight Committee provides oversight of model governance, risk, and control matters. Model Risk Management monitors and reports on existing and emerging model risks, and provides periodic assessments to senior management, Risk Management, the Risk Committee, and regulators on the state of model risk at TD and alignment with the Bank's Model risk appetite. The Risk Committee approves the Bank's Model Risk Management Framework and Model Risk Policy.

HOW TD MANAGES MODEL RISK

The Bank manages model risk in accordance with management approved model risk policies and supervisory guidance which encompass the life cycle of a model, including proof of concept, development, validation and approval, implementation, usage, and ongoing model monitoring. The Bank's Model Risk Management Framework also captures models that may be partially or wholly qualitative or based on expert judgment.

Segments identify the need for a new model and are responsible for model development and documentation according to the Bank's policies and standards. During model development, controls with respect to code generation, acceptance testing, and usage are established and documented to a level of detail and comprehensiveness commensurate with their model risk rating. Once models are implemented, model owners are responsible for ongoing monitoring and usage in accordance with the Bank's Model Risk Policy. In cases where a model is deemed obsolete or unsuitable for its originally intended purposes, it is decommissioned in accordance with the Bank's policies.

Model Risk Management provides oversight, including maintaining a centralized inventory of all models as defined in the Bank's Model Risk Policy, independent validation before each initial use, annual model review, and ongoing validation on a pre-determined schedule depending on the model risk rating. Model Risk Management sets model monitoring and model implementation standards, and provides training to all stakeholders. The validation process varies in rigour, depending on the model risk rating, but at a minimum contains a detailed determination of:

- the conceptual soundness of model methodologies and underlying quantitative and qualitative assumptions;
- the risk associated with a model based on intrinsic risk, materiality and criticality;
- the sensitivity of a model to assumptions within the model and changes in data inputs including stress testing; and
- the limitations of a model and the compensating risk mitigation mechanisms in place to address the limitations.

As with traditional model approaches, AI models (including machine learning and Generative AI models) are also subject to the same standards and risk management practices.

At the conclusion of the validation process, a model will either be approved for use or will be rejected and require redevelopment or other courses of action. Models identified as obsolete or no longer appropriate for use, due to changes in industry practice, the business environment or Bank strategies, are decommissioned.

The Bank has policies and procedures in place designed to discern models from non-models, and the level of independent challenge and oversight is commensurate with the risk rating of the model. Non-models are subject to governance requirements such as End User Computing Standards.

Artificial Intelligence Risk

Artificial Intelligence (AI) risk is the potential harm to people, organizations, or systems resulting from the development, deployment and use of AI models. These risks can stem from various sources, including the data used to train the AI, the AI model itself, the way the model is used, and its interaction with people, organizations and systems.

Primary accountability for the management of AI risk resides with the senior management of individual businesses with respect to the AI that they use. In addition, various Risk and Control functions have oversight of AI risks, including but not limited to Compliance, Data Risk Management, Model Risk Management, Technology and Cybersecurity Risk Management, Privacy and Third-Party Risk Management.

All models, including AI models, are managed through TD's model lifecycle management process which employs a "three lines of defense" approach to AI risk management that emphasizes and balances strong independent oversight involving multiple oversight functions with clear accountabilities for, and ownership of, risks related to the deployment of models (including AI systems). The Model Risk Management Framework and Global Compliance Model Oversight Policy are examples of our comprehensive risk management process, including with respect to safety, fairness, monitoring and validation.

Insurance Risk

Insurance risk is the risk of financial loss due to actual experience emerging differently from expectations in insurance product pricing and/or design, underwriting, reinsurance protection, and claims or reserving either at the inception of an insurance or reinsurance contract, during the lifecycle of the claim or at the valuation date. Unfavourable experience could emerge due to adverse fluctuations in timing, actual size, frequency of claims (for example, driven by non-life premium risk, non-life reserving risk, catastrophic risk, mortality risk, morbidity risk, and longevity risk), policyholder behaviour, or associated expenses.

Insurance contracts provide financial protection by transferring insured risks to the issuer in exchange for premiums. The Bank is engaged in insurance businesses relating to property and casualty insurance, life and health insurance, and reinsurance, through various subsidiaries; it is through these businesses that the Bank is exposed to insurance risk.

WHO MANAGES INSURANCE RISK

Senior management within the insurance business units has primary responsibility for managing insurance risk with oversight by the CRO for Insurance, who reports into the Bank's Risk Management Group. The Bank's Audit Committee and the Bank's Corporate Governance Committee respectively act as the Audit and Conduct review committees for the Canadian insurance company subsidiaries. The insurance company subsidiaries also have their own boards of directors who provide additional risk management oversight.

HOW TD MANAGES INSURANCE RISK

The Bank's risk governance practices are designed to support independent oversight and control of risk within the insurance business. The TD Insurance Risk Committee and its subcommittees provide critical oversight of the risk management activities within the insurance business and monitor compliance with insurance risk policies. The Bank's Insurance Risk Management Framework and Insurance Risk Policy collectively outline the internal risk and control structure to manage insurance risk and include risk appetite, policies, processes, as well as limits and governance. These documents are maintained by Risk Management and support alignment with the Bank's risk appetite for insurance risk.

The assessment of insurance contract liabilities (remaining coverage and incurred claims) is central to the insurance operation. TD Insurance establishes reserves to cover estimated future payments (including loss adjustment expenses) on all claims or terminations/surrenders of premium arising from insurance contracts underwritten. The reserves cannot be established with complete certainty and represent management's best estimate for future payments. As such, TD Insurance regularly monitors estimates against actual and emerging experience and adjusts reserves as appropriate if experience emerges differently than anticipated. Liabilities for incurred claims and liabilities for remaining coverage are governed by the Bank's general insurance and life and health reserving risk policies.

Sound product design is an essential element of managing risk. In addition, TD's insurance products are priced considering required capital levels, with targeted returns set by management. The Bank's exposure to insurance risk is mostly short-term in nature as the principal underwriting risk relates to personal automobile and home insurance and small commercial insurance.

Insurance market cycles, as well as changes in insurance legislation, the regulatory environment, judicial environment, trends in court awards, climate patterns, pandemics or other applicable public health emergencies, and the economic environment may impact the performance of the insurance business. We maintain premium, pricing and underwriting policies or standards to help manage these inherent risks.

There is also exposure to concentration risk associated with general insurance and life and health insurance coverage. Exposure to insurance risk concentration is managed with an Accumulation Management Policy and through established underwriting guidelines, limits, and authorization levels that govern the acceptance of risk. Concentration of insurance risk is also mitigated through the purchase of reinsurance. The insurance business' reinsurance programs are governed by catastrophe and reinsurance risk management policies.

Strategies are in place to help manage the risk to the Bank's reinsurance business. Underwriting risk on business assumed is managed through a policy that limits exposure to certain types of business and countries. The vast majority of reinsurance treaties are annually renewable, which minimizes long-term risk. Pandemic exposure is reviewed and estimated annually within the reinsurance business to manage concentration risk.

Liquidity Risk

The risk of having insufficient cash or collateral to meet financial obligations and an inability to, in a timely manner, raise funding or monetize assets at a non-distressed price. Financial obligations can arise from deposit withdrawals, debt maturities, commitments to provide credit or liquidity support or the need to pledge additional collateral.

TD'S LIQUIDITY RISK APPETITE

TD follows a disciplined liquidity management program, which is subject to risk governance and oversight, and is designed to maintain sufficient liquidity to permit the Bank to operate through a significant liquidity event without relying on extraordinary central bank assistance. The Bank maintains access to a stable and diversified funding base and aligns its funding profile with that of the assets and contingent obligations it supports.

WHO MANAGES LIQUIDITY RISK

The Risk Committee, the ALCO and the Treasurer are accountable for the identification, assessment, control, monitoring and oversight of liquidity risk.

- The Risk Committee regularly reviews the Bank's liquidity position and approves the Bank's Liquidity Risk Management Framework biennially and related policies annually.
- The Bank's ALCO is responsible for establishing effective management structures and practices to ensure appropriate measurement, management, and governance of liquidity risk.
- The Global Liquidity & Funding (GLF) Committee, a subcommittee of the ALCO comprised of senior management from Treasury, Wholesale Banking and Risk Management, identifies and monitors the Bank's liquidity risks.

In addition to our committee oversight framework, liquidity risk management activities are subject to the three lines of defence governance model. Treasury, the first line of defence for the management of liquidity risk, is subject to independent second line challenge and oversight by Risk Management. TD's Internal Audit is the third line of defence. The three lines of defence are independent of the business whose activities generate liquidity risks.

HOW TD MANAGES LIQUIDITY RISK

The Bank manages the liquidity profile of its businesses in accordance with its defined liquidity risk appetite. The Bank's strategies, plans and governance practices underpin an integrated liquidity risk management program that is designed to reduce exposure to liquidity risk and maintain compliance with regulatory requirements. A combination of quantitative and qualitative measures is used to control liquidity risk with the objective of maintaining sufficient liquidity to satisfy the Bank's operational needs and client commitments in both normal and stress conditions. The Bank targets a 90-day survival horizon under a combined bank-specific and market-wide stress scenario, and surpluses over regulatory requirements, including those prescribed by OSFI's Liquidity Adequacy Requirements (LAR) guideline. The Bank's funding program emphasizes a stable, diversified deposit base as a core source of funding and maintains ready access to wholesale funding markets to diversify across terms, funding types, and currencies. This approach helps lower exposure to sudden contractions of wholesale funding capacity and minimizes structural liquidity gaps. The Bank also maintains a contingency funding plan (CFP) to enhance preparedness to address potential liquidity stress events.

The Bank's internal stress testing informs the management of liquidity risk. Among scenarios considered is a severe combined stress event resulting in elevated liquidity requirements and a loss of confidence in the Bank's ability to meet obligations as they come due. In addition to this bank-specific event, this scenario incorporates a market-wide liquidity stress that materially reduces the availability of funding for all institutions and decreases the marketability of assets. The Bank's liquidity risk management policies stipulate that the Bank must maintain a sufficient level of liquid assets to support business growth, and to cover stressed liquidity requirements under the stress scenario for a period of up to 90 days. Key elements of the scenario include:

- loss of access to wholesale funding including repayment of maturing debt in the next 90 days;
- accelerated deposit attrition or "run-off";
- increased utilization of available credit and liquidity facilities; and
- increased collateral requirements associated with downgrades in the Bank's credit ratings.

Internal measures and limits complement regulatory liquidity requirements, such as the Liquidity Coverage Ratio (LCR), the Net Stable Funding Ratio (NSFR), and the Net Cumulative Cash Flow (NCCF) monitoring tool prescribed in OSFI's LAR guidance. The Bank's liquidity is managed to the higher of its internal liquidity requirements and target buffers over the regulatory minimums.

The Bank also considers regional regulatory metrics as well as potential restrictions on liquidity transferability in the calculation of enterprise liquidity positions. Accordingly, surplus liquidity domiciled in regulated subsidiaries may be excluded from consolidated liquidity positions as appropriate.

The Bank's Funds Transfer Pricing process considers liquidity risk as a key determinant of the cost or credit of funds to businesses.

LIQUID ASSETS

The Bank's unencumbered liquid assets could be used to help address potential funding needs arising from stress events. Liquid asset eligibility considers estimated stressed market values and trading market depth, as well as operational, legal, or other impediments to sale, rehypothecation or pledging.

Assets held by the Bank to meet liquidity requirements are summarized in the following tables. The tables do not include assets held within the Bank's insurance businesses as these are used to support insurance-specific liabilities and capital requirements.

TABLE 46: SUMMARY OF LIQUID ASSETS BY TYPE AND CURRENCY

(millions of Canadian dollars, except as noted)					*As at*
	Bank-owned liquid assets	**Securities received as collateral from securities financing and derivative transactions**	**Total liquid assets**	**Encumbered liquid assets**	**Unencumbered liquid assets[1]**
					October 31, 2025
Cash and central bank reserves	**$ 17,966**	**$ –**	**$ 17,966**	**$ 1,130**	**$ 16,836**
Obligations of government, federal agencies, public sector entities, and multilateral development banks[2]	**112,902**	**117,718**	**230,620**	**95,245**	**135,375**
Equities	**18,403**	**4,111**	**22,514**	**19,146**	**3,368**
Other debt securities	**6,229**	**6,219**	**12,448**	**9,213**	**3,235**
Other securities	**–**	**–**	**–**	**–**	**–**
Total Canadian dollar-denominated	**155,500**	**128,048**	**283,548**	**124,734**	**158,814**
Cash and central bank reserves	**89,425**	**–**	**89,425**	**185**	**89,240**
Obligations of government, federal agencies, public sector entities, and multilateral development banks	**215,537**	**160,502**	**376,039**	**179,623**	**196,416**
Equities	**65,295**	**42,664**	**107,959**	**62,020**	**45,939**
Other debt securities	**77,703**	**17,744**	**95,447**	**29,212**	**66,235**
Other securities	**31,647**	**2,937**	**34,584**	**8,161**	**26,423**
Total non-Canadian dollar-denominated	**479,607**	**223,847**	**703,454**	**279,201**	**424,253**
Total	**$ 635,107**	**$ 351,895**	**$ 987,002**	**$ 403,935**	**$ 583,067**
					October 31, 2024
Total Canadian dollar-denominated	163,269	117,083	280,352	110,064	170,288
Total non-Canadian dollar-denominated	482,052	179,665	661,717	247,478	414,239
Total	$ 645,321	$ 296,748	$ 942,069	$ 357,542	$ 584,527

[1] Unencumbered liquid assets include on-balance sheet assets, assets borrowed or purchased under resale agreements, and other off-balance sheet collateral received less encumbered liquid assets.

[2] Includes National Housing Act Mortgage-Backed Securities (NHA MBS).

Unencumbered liquid assets held in The Toronto-Dominion Bank, its domestic and foreign subsidiaries, and branches are summarized in the following table.

TABLE 47: SUMMARY OF UNENCUMBERED LIQUID ASSETS BY BANK, SUBSIDIARIES, AND BRANCHES

(millions of Canadian dollars)		*As at*
	October 31 2025	October 31 2024
The Toronto-Dominion Bank (Parent)	**$ 257,722**	$ 237,005
Bank subsidiaries	**306,961**	314,306
Foreign branches	**18,384**	33,216
Total	**$ 583,067**	$ 584,527

The Bank's monthly average liquid assets for the years ended October 31, 2025, and October 31, 2024, are summarized in the following table.

TABLE 48: SUMMARY OF AVERAGE LIQUID ASSETS BY TYPE AND CURRENCY

(millions of Canadian dollars, except as noted)					*Average for the years ended*
	Bank-owned liquid assets	**Securities received as collateral from securities financing and derivative transactions**	**Total liquid assets**	**Encumbered liquid assets**	**Unencumbered liquid assets[1]**
					October 31, 2025
Cash and central bank reserves	$ **25,713**	$ **–**	$ **25,713**	$ **1,062**	$ **24,651**
Obligations of government, federal agencies, public sector entities and multilateral development banks[2]	**112,447**	**109,050**	**221,497**	**92,535**	**128,962**
Equities	**15,946**	**4,607**	**20,553**	**16,422**	**4,131**
Other debt securities	**5,317**	**6,315**	**11,632**	**7,790**	**3,842**
Other securities	**–**	**–**	**–**	**–**	**–**
Total Canadian dollar-denominated	**159,423**	**119,972**	**279,395**	**117,809**	**161,586**
Cash and central bank reserves	**98,817**	**–**	**98,817**	**211**	**98,606**
Obligations of government, federal agencies, public sector entities and multilateral development banks	**223,041**	**147,932**	**370,973**	**163,352**	**207,621**
Equities	**60,733**	**42,275**	**103,008**	**59,742**	**43,266**
Other debt securities	**73,912**	**16,474**	**90,386**	**28,863**	**61,523**
Other securities	**22,523**	**4,100**	**26,623**	**8,076**	**18,547**
Total non-Canadian dollar-denominated	**479,026**	**210,781**	**689,807**	**260,244**	**429,563**
Total	$ **638,449**	$ **330,753**	$ **969,202**	$ **378,053**	$ **591,149**
					October 31, 2024
Total Canadian dollar-denominated	157,333	117,603	274,936	108,068	166,868
Total non-Canadian dollar-denominated	423,522	168,349	591,871	221,582	370,289
Total	$ 580,855	$ 285,952	$ 866,807	$ 329,650	$ 537,157

[1] Unencumbered liquid assets include on-balance sheet assets, assets borrowed or purchased under resale agreements, and other off-balance sheet collateral received less encumbered liquid assets.
[2] Includes NHA MBS.

Average unencumbered liquid assets held in The Toronto-Dominion Bank, its domestic and foreign subsidiaries, and branches are summarized in the following table.

TABLE 49: SUMMARY OF AVERAGE UNENCUMBERED LIQUID ASSETS BY BANK, SUBSIDIARIES, AND BRANCHES

(millions of Canadian dollars)		*Average for the years ended*
	October 31, 2025	October 31, 2024
The Toronto-Dominion Bank (Parent)	$ **250,006**	$ 219,007
Bank subsidiaries	**315,518**	290,536
Foreign branches	**25,625**	27,614
Total	$ **591,149**	$ 537,157

ASSET ENCUMBRANCE

In the course of the Bank's daily operations, assets are pledged to obtain funding, support trading and brokerage businesses, and participate in clearing and/or settlement systems. TD has pledging policies in place that govern the amount of assets we encumber, ensuring sufficient assets are available to meet liquidity requirements. A summary of on- and off-balance sheet encumbered and unencumbered assets is presented as follows.

TABLE 50: ENCUMBERED AND UNENCUMBERED ASSETS

(millions of Canadian dollars)					*As at*
	Total Assets	**Encumbered**		**Unencumbered**	
	Total Assets	**Pledged as Collateral[1]**	**Other[2]**	**Available as Collateral[3]**	**Other[4]**
					October 31, 2025
Cash and due from banks	$ **7,512**	$ **–**	$ **–**	$ **–**	$ **7,512**
Interest-bearing deposits with banks	**109,417**	**5,700**	**–**	**99,510**	**4,207**
Securities, trading loans, and other	**1,042,834**	**478,953**	**25,714**	**502,937**	**35,230**
Derivatives	**82,972**	**–**	**–**	**–**	**82,972**
Loans, net of allowance for loan losses	**929,408**	**40,472**	**101,568**	**69,890**	**717,478**
Other assets[5]	**93,242**	**262**	**–**	**–**	**92,980**
Total assets	$ **2,265,385**	$ **525,387**	$ **127,282**	$ **672,337**	$ **940,379**
					October 31, 2024
Total assets	$ 2,202,763	$ 509,319	$ 113,528	$ 635,491	$ 944,425

[1] Pledged collateral refers to the portion of assets that are pledged through encumbering activities, such as repurchase agreements, securities lending, derivative contracts, and requirements associated with participation in clearing houses and payment systems.
[2] Includes assets supporting TD's long-term funding activities such as asset securitization and issuance of covered bonds.
[3] Represents assets that are readily available for use as collateral to generate funding or support collateral requirements. This category includes unencumbered loans backed by real estate that qualify as eligible collateral at the FHLB system.
[4] Other unencumbered assets are not subject to any restrictions on their use to secure funding or as collateral but would not be considered immediately available.
[5] Other assets include goodwill, other intangibles, land, buildings, equipment, other depreciable assets and right-of-use assets, deferred tax assets, amounts receivable from brokers, dealers, and clients, and other assets on the balance sheet not reported in the above categories.

LIQUIDITY STRESS TESTING AND CONTINGENCY FUNDING PLANS

In addition to the Bank's internal liquidity stress metric, the Bank performs liquidity stress testing on multiple alternate scenarios. These scenarios consist of a mix of TD-specific and market-wide stress events designed to evaluate the potential impact of risk factors material to the Bank's risk profile. Liquidity risk assessments are also part of the Bank's EWST program.

The Bank maintains CFPs for the enterprise and material subsidiaries operating in foreign jurisdictions. As they provide a playbook for managing stressed liquidity conditions, these plans are an integral component of the Bank's overall liquidity risk management framework. The CFPs outline different contingency levels based on the severity and duration of the liquidity event and identify recovery actions appropriate for each level. To support operational readiness, CFPs provide key steps required to implement each recovery action. Regional CFPs identify recovery actions to address region-specific stress events. The actions and governance structure outlined in the Bank's CFP are aligned with the Bank's Crisis Management Recovery Plan.

CREDIT RATINGS

Credit ratings may affect the Bank's access to, and cost of, raising funding and its ability to engage in certain business activities on a cost-effective basis. Credit ratings and outlooks provided by rating agencies reflect their views and methodologies and are subject to change based on several factors including the Bank's financial strength, competitive position, and liquidity, as well as factors not entirely within the Bank's control, including conditions affecting the overall financial services industry.

TABLE 51: CREDIT RATINGS[1]

				As at
				October 31, 2025
	Moody's	**S&P**	**Fitch**	**DBRS**
Deposits/Counterparty[2]	**Aa1**	**A+**	**AA**	**AA**
Legacy Senior Debt[3]	**Aa2**	**A+**	**AA**	**AA**
Senior Debt[4]	**A2**	**A-**	**AA-**	**AA (low)**
Covered Bonds	**Aaa**	**–**	**AAA**	**AAA**
Legacy Subordinated Debt – non-NVCC	**A3**	**A-**	**A**	**A (high)**
Tier 2 Subordinated Debt – NVCC	**A3 (hyb)**	**BBB+**	**A**	**A (low)**
AT1 Perpetual Debt – NVCC	**Baa2 (hyb)**	**BBB-**	**BBB+**	**–**
Limited Recourse Capital Notes – NVCC	**Baa2 (hyb)**	**BBB-**	**BBB+**	**BBB (high)**
Preferred Shares – NVCC	**Baa2 (hyb)**	**BBB-**	**BBB+**	**Pfd-2**
Short-Term Debt (Deposits)	**P-1**	**A-1**	**F1+**	**R-1 (high)**
Outlook	**Stable**	**Stable**	**Negative**	**Stable**

[1] The above ratings are for The Toronto-Dominion Bank legal entity. Subsidiaries' ratings are available on the Bank's website at http://www.td.com/investor/credit.jsp. Credit ratings are not recommendations to purchase, sell, or hold a financial obligation in as much as they do not comment on market price or suitability for a particular investor. Ratings are subject to revision or withdrawal at any time by the rating organization.

[2] Represents Moody's Long-Term Deposits Ratings and Counterparty Risk Rating, S&P's Issuer Credit Rating, Fitch's Long-Term Deposits Rating and DBRS' Long-Term Issuer Rating.

[3] Includes (a) Senior debt issued prior to September 23, 2018; and (b) Senior debt issued on or after September 23, 2018 which is excluded from the bank recapitalization "bail-in" regime.

[4] Subject to conversion under the bank recapitalization "bail-in" regime.

The Bank regularly reviews the level of increased collateral its trading counterparties would require in the event of a downgrade of TD's credit rating. The following table presents the additional collateral that could have been contractually required to be posted to over-the-counter (OTC) derivative counterparties as of the reporting date in the event of one, two, and three-notch downgrades of the Bank's credit ratings.

TABLE 52: ADDITIONAL COLLATERAL REQUIREMENTS FOR RATING DOWNGRADES[1]

(millions of Canadian dollars)	*Average for the years ended*	
	October 31, 2025	October 31, 2024
One-notch downgrade	**$ 968**	$ 127
Two-notch downgrade	**1,435**	287
Three-notch downgrade	**2,506**	1,014

[1] These collateral requirements are based on each OTC trading counterparty's Credit Support Annex and the Bank's credit rating across applicable rating agencies.

LIQUIDITY COVERAGE RATIO

The LCR is a Basel III standard designed to ensure that banks have an adequate stock of unencumbered HQLA, consisting of cash or assets that can be converted into cash, to meet their liquidity needs for a 30-calendar day liquidity stress scenario.

In accordance with OSFI's LAR, the Bank must maintain a minimum LCR of 100%, except during periods of financial stress when institutions are permitted to use their stock of HQLA. The Bank's LCR is calculated according to the scenario parameters in the LAR guideline, including prescribed HQLA eligibility criteria and haircuts, deposit run-off and, other outflow and inflow rates. LCR-eligible HQLA consist primarily of central bank reserves, sovereign-issued or sovereign-guaranteed securities, and high-quality securities issued by non-financial entities.

The following table summarizes the Bank's average daily LCR as of the relevant dates.

TABLE 53: AVERAGE LIQUIDITY COVERAGE RATIO[1]

(millions of Canadian dollars, except as noted)	*Average for the three months ended*	
	October 31, 2025	
	Total unweighted value (average)[2]	**Total weighted value (average)[3]**
High-quality liquid assets		
Total high-quality liquid assets	**$ n/a[4]**	**$ 346,383**
Cash outflows		
Retail deposits and deposits from small business customers, of which:	**$ 509,076**	**$ 32,890**
Stable deposits	**270,781**	**8,123**
Less stable deposits	**238,295**	**24,767**
Unsecured wholesale funding, of which:	**396,154**	**194,365**
Operational deposits (all counterparties) and deposits in networks of cooperative banks	**144,433**	**34,275**
Non-operational deposits (all counterparties)	**225,836**	**134,205**
Unsecured debt	**25,885**	**25,885**
Secured wholesale funding	**n/a**	**52,452**
Additional requirements, of which:	**353,824**	**110,125**
Outflows related to derivative exposures and other collateral requirements	**53,113**	**46,624**
Outflows related to loss of funding on debt products	**12,058**	**12,058**
Credit and liquidity facilities	**288,653**	**51,443**
Other contractual funding obligations	**20,715**	**10,842**
Other contingent funding obligations	**842,403**	**13,118**
Total cash outflows	**$ n/a**	**$ 413,792**
Cash inflows		
Secured lending	**$ 276,164**	**$ 48,573**
Inflows from fully performing exposures	**36,025**	**12,167**
Other cash inflows	**87,208**	**87,208**
Total cash inflows	**$ 399,397**	**$ 147,948**

	Average for the three months ended	
	October 31, 2025	July 31, 2025
	Total weighted value	Total weighted value
Total high-quality liquid assets	**$ 346,383**	$ 361,014
Total net cash outflows	**265,844**	261,288
Liquidity coverage ratio	**130 %**	138 %

[1] The LCR is calculated in accordance with OSFI's LAR guideline, which is reflective of liquidity-related requirements published by the BCBS. The LCR for the quarter ended October 31, 2025, is calculated as an average of the 62 daily data points in the quarter.
[2] Unweighted inflow and outflow values are outstanding balances maturing or callable within 30 days.
[3] Weighted values are calculated after the application of respective HQLA haircuts, or inflow and outflow rates, and caps as prescribed by the OSFI LAR guideline.
[4] Not applicable as per the LCR common disclosure template.

The Bank's average LCR was 130% for the quarter ended October 31, 2025 and continues to meet regulatory requirements.

The Bank holds a variety of liquid assets commensurate with its liquidity needs. Most of these liquid assets also qualify as HQLA under the OSFI LAR guideline. The LCR trended lower throughout the quarter as the bank continued to focus on deploying elevated surpluses from the sale of its equity investment in Schwab, this has reduced the LCR to a more sustainable level[59]. The Bank's Level 1 assets for the quarter ended October 31, 2025, as calculated according to OSFI LAR and the BCBS LCR requirements, represent 86% of total HQLA (July 31, 2025 – 86%). In accordance with the OSFI LAR guideline, the Bank's reported HQLA excludes excess HQLA from U.S. Retail operations to reflect liquidity transfer considerations between U.S. Retail and affiliates as a result of the U.S. Federal Reserve Board's regulations. By excluding excess HQLA, the U.S. Retail LCR is effectively capped at 100% prior to total Bank consolidation.

NET STABLE FUNDING RATIO

The NSFR is a Basel III metric calculated as the ratio of total Available Stable Funding (ASF) to total Required Stable Funding (RSF). The Bank must maintain an NSFR ratio equal to or above 100% in accordance with the LAR guideline. The Bank's ASF comprises the Bank's liability and capital instruments (including deposits and wholesale funding). The assets that require stable funding are a function of the Bank's on and off-balance sheet activities, their liquidity characteristics, and OSFI's LAR guideline requirements.

[59] The Bank's expectations regarding liquidity levels are based on the Bank's assumptions regarding certain factors, including product growth, strategic plans, pace of share repurchases under the Bank's normal course issuer bid (which is subject to financial forecasts and capital requirements). The Bank's assumptions are subject to inherent uncertainties and may vary based on factors both within and outside the Bank's control, including general market conditions, economic outlooks and geopolitical matters. Refer to the "Risk Factors That May Affect Future Results" section of this document for additional information about risks and uncertainties that may impact the Bank's estimates.

TABLE 54: NET STABLE FUNDING RATIO[1]

(millions of Canadian dollars, except as noted)

					As at
					October 31, 2025
	Unweighted value by residual maturity				
	No maturity[2]	**Less than 6 months**	**6 months to less than 1 year**	**More than 1 year**	**Weighted value[3]**
Available Stable Funding Item					
Capital	**$ 123,903**	**$ n/a**	**$ n/a**	**$ 7,298**	**$ 131,201**
Regulatory capital	**123,903**	**n/a**	**n/a**	**7,298**	**131,201**
Other capital instruments	**n/a**	**n/a**	**n/a**	**–**	**–**
Retail deposits and deposits from small business customers:	**470,047**	**77,963**	**31,984**	**29,816**	**566,493**
Stable deposits	**260,797**	**30,528**	**13,738**	**14,385**	**304,196**
Less stable deposits	**209,250**	**47,435**	**18,246**	**15,431**	**262,297**
Wholesale funding:	**277,611**	**413,129**	**83,843**	**242,848**	**468,169**
Operational deposits	**121,012**	**2,494**	**–**	**–**	**61,753**
Other wholesale funding	**156,599**	**410,635**	**83,843**	**242,848**	**406,416**
Liabilities with matching interdependent assets[4]	**–**	**2,100**	**2,184**	**35,293**	**–**
Other liabilities:	**56,372**			**100,455**	**8,261**
NSFR derivative liabilities	**n/a**			**7,130**	**n/a**
All other liabilities and equity not included in the above categories	**56,372**	**84,006**	**2,116**	**7,203**	**8,261**
Total Available Stable Funding					**$ 1,174,124**
Required Stable Funding Item					
Total NSFR high-quality liquid assets	**$ n/a**	**$ n/a**	**$ n/a**	**$ n/a**	**$ 58,247**
Deposits held at other financial institutions for operational purposes	**–**	**–**	**–**	**–**	**–**
Performing loans and securities:	**130,084**	**283,945**	**145,572**	**664,550**	**788,062**
Performing loans to financial institutions secured by Level 1 HQLA	**–**	**85,880**	**7,854**	**10**	**10,823**
Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	**–**	**76,604**	**11,047**	**14,305**	**27,942**
Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	**41,424**	**63,444**	**49,312**	**295,335**	**346,858**
With a risk weight of less than or equal to 35% under the Basel II standardized approach for credit risk	**n/a**	**–**	**–**	**–**	**–**
Performing residential mortgages, of which:	**36,947**	**53,704**	**74,431**	**280,717**	**291,115**
With a risk weight of less than or equal to 35% under the Basel II standardized approach for credit risk	**36,947**	**53,704**	**74,431**	**280,717**	**291,115**
Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	**51,712**	**4,313**	**2,928**	**74,183**	**111,324**
Assets with matching interdependent liabilities[4]	**–**	**2,526**	**3,638**	**33,412**	**–**
Other assets:	**90,168**			**146,980**	**126,170**
Physical traded commodities, including gold	**31,479**	**n/a**	**n/a**	**n/a**	**27,131**
Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	**–**	**–**	**–**	**21,565**	**18,330**
NSFR derivative assets	**n/a**	**–**	**–**	**11,764**	**4,634**
NSFR derivative liabilities before deduction of variation margin posted	**n/a**			**21,995**	**1,100**
All other assets not included in the above categories	**58,689**	**82,963**	**1,120**	**7,573**	**74,975**
Off-balance sheet items	**n/a**			**861,123**	**31,045**
Total Required Stable Funding					**$ 1,003,524**
Net Stable Funding Ratio					**117 %**

	As at
	October 31, 2024
Total Available Stable Funding	$ 1,154,060
Total Required Stable Funding	994,567
Net Stable Funding Ratio	116 %

[1] The NSFR is calculated in accordance with OSFI's LAR guideline, which is reflective of liquidity-related requirements published by the BCBS.
[2] Items in the "no maturity" time bucket do not have a stated maturity. These may include, but are not limited to, items such as capital with perpetual maturity, non-maturity deposits, short positions, open maturity positions, non-HQLA equities, and physical traded commodities.
[3] Weighted values are calculated after the application of respective NSFR weights, as prescribed by the OSFI LAR guideline.
[4] Interdependent asset and liability items are deemed by OSFI to be interdependent and have RSF and ASF risk factors adjusted to zero. Interdependent liabilities cannot fall due while the asset is still on balance sheet, cannot be used to fund any other assets and principal payments from the asset cannot be used for anything other than repaying the liability. As such, the only interdependent assets and liabilities that qualify for this treatment at the Bank are the liabilities arising from the Canada Mortgage Bonds Program and their corresponding encumbered assets.

The Bank's NSFR for the quarter ended October 31, 2025 is 117% (October 31, 2024 – 116%), representing a surplus of $171 billion, adhering to regulatory requirements.

FUNDING

The Bank has access to a variety of unsecured and secured funding sources. The Bank's funding activities are conducted in accordance with liquidity risk management policies that require assets be funded to the appropriate term and to a prudent diversification profile.

The Bank's primary approach to funding is to maximize the use of deposits raised through its personal, wealth and business banking channels. The deposits raised from these sources were approximately 64% (October 31, 2024 – 63%) of the Bank's total funding. Non-personal deposit funding as reflected below does not include the Bank's Wholesale Banking deposits (including Corporate & Investment Banking).

TABLE 55: SUMMARY OF DEPOSIT FUNDING[1]		
(millions of Canadian dollars)		*As at*
	October 31, 2025	October 31, 2024
Personal	**$ 650,396**	$ 641,667
Non-personal	**316,319**	310,422
Total	**$ 966,715**	$ 952,089

[1] The calculation methodology has been changed to reflect deposit funding from personal, wealth and business banking channels.

WHOLESALE FUNDING

The Bank maintains various registered external wholesale term (greater than 1 year) funding programs to provide access to diversified funding sources, including asset securitization, covered bonds, and unsecured wholesale debt. The Bank raises term funding through Senior Notes, NHA MBS, and notes backed by credit card receivables (Evergreen Credit Card Trust) and home equity lines of credit (Genesis Trust II). The Bank's wholesale funding is diversified by geography, currency, and funding types. The Bank raises short-term (1 year or less) funding using certificates of deposit and commercial paper.

The following table summarizes the registered term funding and capital programs by geography, with the related program size as at October 31, 2025.

Canada	**United States**	**Europe**
Capital Securities Program ($20 billion) Canadian Senior Medium-Term Linked Notes Program ($5 billion) HELOC ABS Program (Genesis Trust II) ($7 billion)	U.S. SEC (F-3) Registered Capital and Debt Program (US$75 billion)	U.K. Financial Conduct Authority (FCA) Registered Legislative Covered Bond Program ($100 billion) FCA Registered Global Medium-Term Note Program (US$40 billion) Non-Registered Structured Global Medium-Term Linked Notes Program (US$20 billion)

The following table presents a breakdown of the Bank's term debt by currency and funding type. Term funding as at October 31, 2025, was $192.0 billion (October 31, 2024 – $184.5 billion).

Note that Table 56: Long-Term Funding and Table 57: Wholesale Funding do not include any funding accessed via repurchase transactions or securities financing.

TABLE 56: LONG-TERM FUNDING[1]		
		As at
Long-term funding by currency	**October 31, 2025**	October 31, 2024
Canadian dollar	**26 %**	25 %
U.S. dollar	**33**	31
Euro	**32**	33
British pound	**4**	5
Other	**5**	6
Total	**100 %**	100 %
Long-term funding by type		
Senior unsecured medium-term notes	**53 %**	51 %
Covered bonds	**37**	40
Mortgage securitization[2]	**8**	7
Term asset backed securities	**2**	2
Total	**100 %**	100 %

[1] The table includes secured and unsecured, senior and subordinated notes – excluding structured notes and commercial paper – issued to external investors with an original term-to-maturity of greater than one year.
[2] Mortgage securitization excludes the residential mortgage trading business.

The Bank maintains depositor concentration limits in respect of short-term wholesale deposits so that it is not overly reliant on individual depositors for funding. The Bank further limits short-term wholesale funding maturity concentration in an effort to mitigate refinancing risk during a stress event.

TABLE 57: WHOLESALE FUNDING

(millions of Canadian dollars) *As at*

	Less than 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	Up to 1 year	Over 1 to 2 years	Over 2 years	October 31 2025 Total	October 31 2024 Total
Deposits from banks[1]	$ 1,763	$ 195	$ 316	$ 464	$ 2,738	$ –	$ –	$ 2,738	$ 1,856
Bearer deposit notes	646	2,179	2,652	255	5,732	–	–	5,732	787
Certificates of deposit	9,957	17,974	32,695	29,592	90,218	295	–	90,513	101,168
Commercial paper	7,373	15,625	19,777	10,544	53,319	440	–	53,759	60,339
Covered bonds	–	140	9,958	8,876	18,974	24,335	27,249	70,558	75,399
Mortgage securitization[2]	–	1,814	752	2,742	5,308	3,851	30,965	40,124	32,684
Legacy senior unsecured medium-term notes[3]	–	–	114	1,341	1,455	–	–	1,455	88
Senior unsecured medium-term notes[4]	–	6,051	2,754	8,867	17,672	25,187	57,822	100,681	93,157
Subordinated notes and debentures[5]	–	–	–	–	–	–	10,733	10,733	11,473
Term asset backed securitization	1,154	3,606	3,822	4,270	12,852	1,351	1,499	15,702	9,604
Other[6]	35,181	4,494	962	1,975	42,612	1,375	3,833	47,820	70,951
Total	$ 56,074	$ 52,078	$ 73,802	$ 68,926	$ 250,880	$ 56,834	$ 132,101	$ 439,815	$ 457,506
Of which:									
Secured	$ 1,155	$ 5,560	$ 14,532	$ 15,888	$ 37,135	$ 29,538	$ 59,715	$ 126,388	$ 153,855
Unsecured	54,919	46,518	59,270	53,038	213,745	27,296	72,386	313,427	303,651
Total	$ 56,074	$ 52,078	$ 73,802	$ 68,926	$ 250,880	$ 56,834	$ 132,101	$ 439,815	$ 457,506

[1] Only includes fixed-term commercial bank deposits.

[2] Includes mortgaged backed securities (MBS) issued to external investors and Wholesale Banking residential mortgage trading business.

[3] Includes a) senior debt issued prior to September 23, 2018; and b) senior debt issued on or after September 23, 2018 which is excluded from the bank recapitalization “bail-in” regime, including debt with an original term-to-maturity of less than 400 days.

[4] Comprised of senior debt subject to conversion under the bank recapitalization “bail-in” regime. Excludes $3.3 billion of structured notes subject to conversion under the “bail-in” regime (October 31, 2024 – $4.4 billion).

[5] Subordinated notes and debentures are not considered wholesale funding as they may be raised primarily for capital management purposes.

[6] Includes fixed-term deposits from non-bank institutions (unsecured) of $26.9 billion (October 31, 2024 – $17.3 billion) and the remaining are non-term deposits.

Excluding the Wholesale Banking residential mortgage trading business, the Bank’s total 2025 mortgage-backed securities issued to external investors was $4.6 billion (2024 – $2.3 billion) and other asset-backed securities issued was $1.4 billion (2024 – $2.6 billion). The Bank also issued $28.2 billion of unsecured medium-term notes (2024 – $13.6 billion) and $4.8 billion of covered bonds (2024 – $27.1 billion) during the year ended October 31, 2025.

MATURITY ANALYSIS OF ASSETS, LIABILITIES, AND OFF-BALANCE SHEET COMMITMENTS

The following table summarizes on-balance sheet and off-balance sheet categories by remaining contractual maturity. The values of credit instruments reported in the following table represent the maximum amount of additional credit that the Bank could be obligated to extend should such instruments be fully drawn or utilized. Since a significant portion of guarantees and commitments are expected to expire without being drawn upon, the total of the contractual amounts is not representative of expected future liquidity requirements. These contractual obligations have an impact on the Bank’s short-term and long-term liquidity and capital resource needs.

The maturity analysis presented does not depict the degree of the Bank’s maturity transformation or the Bank’s exposure to interest rate and liquidity risk. The Bank’s objective is to fund its assets appropriately to protect against borrowing cost volatility and potential reductions to funding market availability. The Bank utilizes stable non-maturity deposits (chequing and savings accounts) and term deposits as the primary source of long-term funding for the Bank’s non-trading assets including personal and business term loans and the stable balance of revolving lines of credit. Additionally, the Bank issues long-term funding in respect of such non-trading assets and raises short-term funding primarily to finance trading assets. The liquidity of trading assets under stressed market conditions is considered when determining the appropriate term of the funding.

TABLE 58: REMAINING CONTRACTUAL MATURITY

(millions of Canadian dollars)										*As at*
										October 31, 2025
	Less than 1 month	**1 to 3 months**	**3 to 6 months**	**6 to 9 months**	**9 months to 1 year**	**Over 1 to 2 years**	**Over 2 to 5 years**	**Over 5 years**	**No specific maturity**	**Total**
Assets										
Cash and due from banks	$ 7,512	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ 7,512
Interest-bearing deposits with banks	106,857	724	39	–	–	–	–	–	1,797	109,417
Trading loans, securities, and other[1]	4,243	5,867	5,219	3,647	4,107	10,100	33,372	31,052	122,529	220,136
Non-trading financial assets at fair value through profit or loss	–	–	–	74	–	332	2,939	1,873	2,177	7,395
Derivatives	10,478	12,594	7,269	4,638	5,006	11,761	17,913	13,313	–	82,972
Financial assets designated at fair value through profit or loss	271	226	543	649	251	1,396	2,715	935	–	6,986
Financial assets at fair value through other comprehensive income	1,959	4,006	3,698	3,802	6,061	6,002	48,054	49,739	3,048	126,369
Debt securities at amortized cost, net of allowance for credit losses	4,850	3,768	5,670	7,152	3,992	28,954	70,952	115,102	(1)	240,439
Securities purchased under reverse repurchase agreements[2]	164,872	40,541	28,394	6,906	4,840	786	739	–	–	247,078
Loans										
Residential mortgages	3,463	7,240	16,334	25,284	23,462	78,900	112,140	48,240	–	315,063
Consumer instalment and other personal	1,115	2,652	6,373	9,240	7,052	31,673	96,668	37,975	66,285	259,033
Credit card	–	–	–	–	–	–	–	–	41,662	41,662
Business and government	59,741	12,360	13,577	17,631	17,491	44,950	89,699	56,975	33,519	345,943
Total loans	64,319	22,252	36,284	52,155	48,005	155,523	298,507	143,190	141,466	961,701
Allowance for loan losses	–	–	–	–	–	–	–	–	(8,689)	(8,689)
Loans, net of allowance for loan losses	64,319	22,252	36,284	52,155	48,005	155,523	298,507	143,190	132,777	953,012
Goodwill[3]	–	–	–	–	–	–	–	–	18,980	18,980
Other intangibles[3]	–	–	–	–	–	–	–	–	3,409	3,409
Land, buildings, equipment, other depreciable assets, and right-of-use assets[3]	–	3	2	4	10	86	679	3,333	6,015	10,132
Deferred tax assets	–	–	–	–	–	–	–	–	5,388	5,388
Amounts receivable from brokers, dealers, and clients	27,345	–	–	–	–	–	–	–	–	27,345
Other assets	5,207	2,630	3,076	521	485	199	412	507	14,951	27,988
Total assets	$ 397,913	$ 92,611	$ 90,194	$ 79,548	$ 72,757	$ 215,139	$ 476,282	$ 359,044	$ 311,070	$ 2,094,558
Liabilities										
Trading deposits	$ 3,346	$ 4,147	$ 5,288	$ 2,790	$ 4,967	$ 6,314	$ 7,931	$ 3,099	$ –	$ 37,882
Derivatives	10,690	13,350	8,930	7,039	4,359	8,034	15,169	11,785	–	79,356
Securitization liabilities at fair value	–	1,096	570	1,069	739	2,248	13,667	5,894	–	25,283
Financial liabilities designated at fair value through profit or loss	48,996	46,231	57,600	26,665	17,192	652	3	–	296	197,635
Deposits[4,5]										
Personal	15,300	30,652	24,351	17,289	19,285	17,296	12,784	2	513,437	650,396
Banks	15,232	96	56	–	49	2	2	–	11,796	27,233
Business and government	18,548	20,498	19,236	15,276	10,272	51,067	56,791	32,004	365,783	589,475
Total deposits	49,080	51,246	43,643	32,565	29,606	68,365	69,577	32,006	891,016	1,267,104
Obligations related to securities sold short[1]	2,677	575	1,304	1,647	1,245	6,351	14,346	12,879	2,771	43,795
Obligations related to securities sold under repurchase agreements[2]	196,625	20,970	3,017	237	114	164	23	–	–	221,150
Securitization liabilities at amortized cost	–	719	182	367	567	1,602	5,104	6,300	–	14,841
Amounts payable to brokers, dealers, and clients	27,434	–	–	–	–	–	–	–	–	27,434
Insurance-related liabilities	215	405	607	608	641	1,137	1,508	1,288	869	7,278
Other liabilities	5,198	6,600	2,535	1,628	922	2,380	2,024	5,944	7,009	34,240
Subordinated notes and debentures	–	–	–	–	–	–	–	10,733	–	10,733
Equity	–	–	–	–	–	–	–	–	127,827	127,827
Total liabilities and equity	$ 344,261	$ 145,339	$ 123,676	$ 74,615	$ 60,352	$ 97,247	$ 129,352	$ 89,928	$ 1,029,788	$ 2,094,558
Off-balance sheet commitments										
Credit and liquidity commitments[6,7]	$ 16,424	$ 45,279	$ 31,734	$ 23,774	$ 23,268	$ 49,354	$ 174,265	$ 3,658	$ 1,990	$ 369,746
Other commitments[8]	131	233	271	325	246	931	2,864	376	12	5,389
Unconsolidated structured entity commitments	1,312	1,004	1,855	3,143	1,787	7,012	2,930	–	–	19,043
Total off-balance sheet commitments	$ 17,867	$ 46,516	$ 33,860	$ 27,242	$ 25,301	$ 57,297	$ 180,059	$ 4,034	$ 2,002	$ 394,178

[1] Amount has been recorded according to the remaining contractual maturity of the underlying security.
[2] Certain contracts considered short-term are presented in ‘less than 1 month’ category.
[3] Certain non-financial assets have been recorded as having ‘no specific maturity’.
[4] As the timing of demand deposits and notice deposits is non-specific and callable by the depositor, obligations have been included as having ‘no specific maturity’.
[5] Includes $70 billion of covered bonds with remaining contractual maturities of $10 billion in ‘over 3 months to 6 months’, $4 billion in ‘over 6 months to 9 months’, $5 billion in ‘over 9 months to 1 year’ $24 billion in ‘over 1 to 2 years’, $19 billion in ‘over 2 to 5 years’, and $8 billion in ‘over 5 years’.
[6] Includes $623 million in commitments to extend credit to private equity investments.
[7] 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.
[8] Includes various purchase commitments as well as commitments for leases not yet commenced, and lease-related payments.

TABLE 58: REMAINING CONTRACTUAL MATURITY (continued)

(millions of Canadian dollars)										*As at*
										October 31, 2024
	Less than 1 month	**1 to 3 months**	**3 to 6 months**	**6 to 9 months**	**9 months to 1 year**	**Over 1 to 2 years**	**Over 2 to 5 years**	**Over 5 years**	**No specific maturity**	**Total**
Assets										
Cash and due from banks	$ 6,437	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ 6,437
Interest-bearing deposits with banks	165,665	23	–	–	–	–	–	–	4,242	169,930
Trading loans, securities, and other[1]	3,773	4,852	6,777	4,852	4,729	11,756	28,458	27,484	83,089	175,770
Non-trading financial assets at fair value through profit or loss	–	2	301	1,431	96	702	810	694	1,833	5,869
Derivatives	11,235	12,059	5,501	4,257	2,587	10,485	17,773	14,164	–	78,061
Financial assets designated at fair value through profit or loss	367	251	486	613	292	1,144	1,865	1,399	–	6,417
Financial assets at fair value through other comprehensive income	357	7,284	6,250	6,459	9,367	5,766	19,729	34,270	4,415	93,897
Debt securities at amortized cost, net of allowance for credit losses	1,620	4,237	4,763	6,367	4,072	30,513	93,429	126,617	(3)	271,615
Securities purchased under reverse repurchase agreements[2]	134,310	35,360	19,897	10,119	5,299	1,722	482	–	1,028	208,217
Loans										
Residential mortgages	7,502	11,817	13,066	16,074	4,353	86,112	132,381	60,344	–	331,649
Consumer instalment and other personal	974	1,758	2,509	4,077	6,137	28,498	88,052	35,096	61,281	228,382
Credit card	–	–	–	–	–	–	–	–	40,639	40,639
Business and government	55,591	15,405	10,866	19,340	18,982	47,488	98,362	61,904	29,035	356,973
Total loans	64,067	28,980	26,441	39,491	29,472	162,098	318,795	157,344	130,955	957,643
Allowance for loan losses	–	–	–	–	–	–	–	–	(8,094)	(8,094)
Loans, net of allowance for loan losses	64,067	28,980	26,441	39,491	29,472	162,098	318,795	157,344	122,861	949,549
Investment in Schwab	–	–	–	–	–	–	–	–	9,024	9,024
Goodwill[3]	–	–	–	–	–	–	–	–	18,851	18,851
Other intangibles[3]	–	–	–	–	–	–	–	–	3,044	3,044
Land, buildings, equipment, other depreciable assets, and right-of-use assets[3]	–	8	1	4	12	81	562	3,130	6,039	9,837
Deferred tax assets	–	–	–	–	–	–	–	–	4,937	4,937
Amounts receivable from brokers, dealers, and clients	22,115	–	–	–	–	–	–	–	–	22,115
Other assets	6,556	2,478	2,989	556	367	373	312	153	14,397	28,181
Total assets	$ 416,502	$ 95,534	$ 73,406	$ 74,149	$ 56,293	$ 224,640	$ 482,215	$ 365,255	$ 273,757	$ 2,061,751
Liabilities										
Trading deposits	$ 4,522	$ 2,516	$ 2,768	$ 2,101	$ 3,715	$ 5,488	$ 7,566	$ 1,736	$ –	$ 30,412
Derivatives	9,923	11,556	5,740	3,319	2,783	8,800	12,877	13,370	–	68,368
Securitization liabilities at fair value	–	1,004	328	644	97	3,313	9,443	5,490	–	20,319
Financial liabilities designated at fair value through profit or loss	50,711	25,295	51,967	40,280	37,964	1,477	–	–	220	207,914
Deposits[4,5]										
Personal	14,229	31,997	30,780	16,971	19,064	15,120	15,590	7	497,909	641,667
Banks	14,714	4,287	2,434	16,343	6,954	–	3	–	12,963	57,698
Business and government	23,536	24,136	11,295	19,038	9,020	37,681	76,667	24,144	343,798	569,315
Total deposits	52,479	60,420	44,509	52,352	35,038	52,801	92,260	24,151	854,670	1,268,680
Obligations related to securities sold short[1]	1,431	2,392	750	971	603	8,303	10,989	12,610	1,466	39,515
Obligations related to securities sold under repurchase agreements[2]	173,741	21,172	2,096	1,036	30	1,225	23	–	2,577	201,900
Securitization liabilities at amortized cost	119	589	819	438	144	1,843	4,823	3,590	–	12,365
Amounts payable to brokers, dealers, and clients	26,598	–	–	–	–	–	–	–	–	26,598
Insurance-related liabilities	224	448	671	671	705	1,184	1,656	727	883	7,169
Other liabilities	12,396	14,478	7,279	1,114	876	1,886	1,421	5,608	6,820	51,878
Subordinated notes and debentures	–	–	–	200	–	–	–	11,273	–	11,473
Equity	–	–	–	–	–	–	–	–	115,160	115,160
Total liabilities and equity	$ 332,144	$ 139,870	$ 116,927	$ 103,126	$ 81,955	$ 86,320	$ 141,058	$ 78,555	$ 981,796	$ 2,061,751
Off-balance sheet commitments										
Credit and liquidity commitments[6,7]	$ 31,198	$ 28,024	$ 26,127	$ 24,731	$ 21,440	$ 52,706	$ 174,388	$ 4,743	$ 1,948	$ 365,305
Other commitments[8]	113	266	270	400	254	1,019	1,591	403	50	4,366
Unconsolidated structured entity commitments	–	–	–	125	766	490	19	–	–	1,400
Total off-balance sheet commitments	$ 31,311	$ 28,290	$ 26,397	$ 25,256	$ 22,460	$ 54,215	$ 175,998	$ 5,146	$ 1,998	$ 371,071

[1] Amount has been recorded according to the remaining contractual maturity of the underlying security.
[2] Certain contracts considered short-term are presented in 'less than 1 month' category.
[3] Certain non-financial assets have been recorded as having 'no specific maturity'.
[4] As the timing of demand deposits and notice deposits is non-specific and callable by the depositor, obligations have been included as having 'no specific maturity'.
[5] Includes $75 billion of covered bonds with remaining contractual maturities of $2 billion in 'over 3 months to 6 months', $10 billion in 'over 6 months to 9 months', $18 billion in 'over 1 to 2 years', $37 billion in 'over 2 to 5 years', and $8 billion in 'over 5 years'.
[6] Includes $609 million in commitments to extend credit to private equity investments.
[7] 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.
[8] Includes various purchase commitments as well as commitments for leases not yet commenced, and lease-related payments.

REGULATORY DEVELOPMENTS CONCERNING LIQUIDITY AND FUNDING

In May 2025, OSFI released draft guidelines for its 2026 proposed amendments to LAR for public consultation. Proposals introduce deposit categorizations for measuring liquidity risks from structured notes and deposits sourced through non-bank financial intermediaries and clarify expectations for instruments with contingent features and/or uncertain maturity profiles, particularly in relation to their early redemption characteristics and associated liquidity implications. Finalized proposals post-consultation are expected to be implemented in spring 2026.

Also in May, OSFI engaged institutions in a public consultation focused on Pillar 2: the supervisory review process. The discussion paper seeks views concerning how the four Basel III principles of Pillar 2 should apply to liquidity adequacy in Canada. OSFI's goal is to implement an internal liquidity adequacy assessment process (ILAAP) as a codified process for institutions to regularly assess their overall liquidity adequacy as part of the supervisory review process. This discussion paper is meant to consider the costs and benefits of implementing an ILAAP in Canada, and industry consultations are ongoing.

Capital Adequacy Risk

Capital adequacy risk is the risk of insufficient level and composition of capital being available in relation to the amount of capital required to carry out the Bank's strategy and/or satisfy regulatory and internal capital adequacy requirements under normal and stress conditions.

Capital is held to protect the viability of the Bank in the event of unexpected financial losses. Capital represents the loss-absorbing funding required to provide a cushion to protect depositors and other creditors from unexpected losses.

Managing capital levels requires that the Bank holds sufficient capital, in normal and stress environments, to avoid the risk of breaching minimum capital levels prescribed by regulators and internal limits.

WHO MANAGES CAPITAL ADEQUACY RISK

The Board oversees the Bank's capital adequacy and capital management by reviewing adherence to capital targets and approving the annual capital plan and the Capital Adequacy Risk Management Policy. The Risk Committee reviews and approves the Capital Adequacy Risk Management Framework. The CRO and the CFO oversee that the Bank's ICAAP is effective in meeting capital adequacy requirements.

The ALCO recommends and maintains the Capital Adequacy Risk Management Framework and the Capital Adequacy Risk Management Policy, and sets additional capital targets and minimum requirements, including the allocation of capital limits to business segments, to support ongoing compliance with the Capital Adequacy Risk Management Policy. The ALCO also reviews the ongoing adherence to established capital targets in support of the effective and prudent management of the Bank's capital position and maintenance of adequate capital.

TBSM is responsible for forecasting and monitoring compliance with capital targets, on a consolidated basis, with oversight provided by ALCO. TBSM updates the capital forecast, including appropriate changes to capital issuance, repurchase and redemption. The capital forecast is reviewed by ALCO. TBSM also leads the ICAAP and EWST processes. The Bank's business segments are responsible for managing to assigned RWA and leverage exposure limits.

Additionally, regulated subsidiaries of the Bank, including certain insurance subsidiaries and subsidiaries in the U.S. and other jurisdictions, manage their capital adequacy risk in accordance with applicable regulatory requirements. Capital management policies and procedures of subsidiaries are also required to conform with those of the Bank. U.S. regulated subsidiaries of the Bank are required to follow several regulatory guidelines, rules and expectations related to capital planning and stress testing including the U.S. Federal Reserve Board's Regulation YY establishing Enhanced Prudential Standards for Foreign Banking Organizations, applicable to U.S. Bank Holding Companies. Refer to the sections on "Future Regulatory Capital Developments", "Enterprise-Wide Stress Testing", and "Risk Factors That May Affect Future Results" for further details.

HOW TD MANAGES CAPITAL ADEQUACY RISK

Capital resources are managed in a manner designed so that the Bank's capital position can support business strategies under both current and future business operating environments. The Bank manages its operations within the capital constraints defined by both internal and regulatory capital requirements, so that it meets the higher of these requirements.

Regulatory capital requirements represent minimum capital levels. Capital targets are established to provide a sufficient buffer so that the Bank is able to continuously meet these minimum capital requirements. The purpose of these capital targets is to reduce the risk of a breach of minimum capital requirements, due to unexpected events, allowing management the opportunity to react to declining capital levels before minimum capital requirements are breached.

A periodic monitoring process is undertaken to plan and forecast capital requirements. As part of the annual planning process, business segments are allocated individual RWA and Leverage exposure limits. Capital generation and usage are monitored and reported to the ALCO.

The Bank assesses the sensitivity of its forecast capital requirements and new capital formations to various economic conditions through its EWST process. The results of the EWST are considered in the determination of capital targets and capital risk appetite limits.

The Bank also determines its internal capital requirements through the ICAAP process using models to measure the risk-based capital required based on its own tolerance for the risk of unexpected losses. This risk tolerance is calibrated to the required confidence level so that the Bank will be able to meet its obligations, even after absorbing severe unexpected losses over a one-year period.

In addition, the Bank has a Capital Contingency Plan that is designed to prepare management to maintain capital adequacy through periods of bank-specific or systemic market stress. The Capital Contingency Plan outlines the governance and procedures to be followed if the Bank's consolidated capital levels are forecast to fall below capital targets or when there are capital concerns from disruptive events or trends. It also outlines potential management actions that may be taken to prevent such a breach from occurring.

Compliance Risk

Compliance risk is the risk associated with the Bank's failure to comply (with letter or intent) with key federal and provincial/state banking, securities, trust and insurance laws, regulations, regulatory guidelines, voluntary codes and public commitments (collectively referred to as laws, rules and regulations (LRRs)), and other TD policies related to TD's activities and practices with respect to business conduct and market conduct as well as regulatory requirements applicable across the Bank, which can lead to fines, sanctions, liabilities, or reputational harm that could be material to the Bank.

The Bank is exposed to Compliance risk in virtually all of its activities. Failure to mitigate Compliance risk and meet regulatory and legal requirements can impact the Bank's ability to meet strategic objectives, poses a risk of censure or penalty, may lead to litigation, and puts the Bank's reputation at risk. Financial penalties, reputational damage, and other costs associated with legal proceedings and unfavourable judicial or regulatory determinations may also adversely affect the Bank's business, results of operations and financial condition. Compliance risk generally cannot be effectively mitigated by trying to limit its impact to any one business or jurisdiction as realized Compliance risk may adversely impact unrelated businesses or jurisdictions. Compliance risk exposure is inherent in the normal course of operating the Bank's businesses. Known Compliance risks continue to rapidly change as a result of evolving laws and regulatory expectations, as well as new or emerging threats, including geopolitical and those associated with use of new, emerging and interrelated technologies and use of, AI, machine learning, models and decision-making tools.

WHO MANAGES COMPLIANCE RISK

The proactive and effective management of Compliance risk is complex given the breadth and pervasiveness of exposure. All the Bank's businesses are accountable for operating their business in compliance with Compliance requirements applicable to their jurisdiction and specific businesses. All the Bank's businesses, including corporate functions, are also accountable for the Compliance risk that they generate in their operations, including Compliance risks that may arise in their dealings with third-party vendors. These accountabilities involve assessing the risk, designing and implementing controls, and monitoring and reporting on their ongoing effectiveness to safeguard the businesses from operating outside of the Bank's risk appetite. TD Compliance is an independent oversight function for Compliance Risk and provides objective guidance, and oversight with respect to managing Compliance risk. Legal, U.S. Regulatory Relations (USRR)/and Regulatory Risk provide advice with respect to managing Compliance risk. Representatives of these groups interact regularly with senior executives of the Bank's businesses. Also, the senior management of Compliance have established regular meetings with and reporting to the Audit Committee, which oversees the establishment and maintenance of policies and programs designed to help achieve and maintain the Bank's compliance with the applicable LRRs. Senior management of the TD Compliance Department also report regularly to the Corporate Governance Committee, which oversees conduct risk management in the Bank, the establishment and maintenance of policies in respect of the Bank's compliance with the consumer protection provisions of the Canadian Financial Consumer Protection Framework, and in its capacity as the Bank's conduct review committee, related party transactions for the Bank and certain of its Canadian subsidiaries that are federally-regulated financial institutions. In addition, senior management of Regulatory Risk has established periodic reporting to the Board and regular reporting to the Risk Committee.

HOW TD MANAGES COMPLIANCE RISK

Effective management of Compliance risk is a result of enterprise-wide collaboration and requires (a) independent and objective identification and oversight of Compliance risk, (b) objective guidance and advisory services and/or independent challenge and oversight to identify, assess, control, and monitor Compliance risk, and (c) an approved set of frameworks, policies, procedures, guidelines, and practices. While each business line and corporate function is accountable for owning Compliance risk, Compliance as an oversight function plays a critical role in the management of Compliance risk at the Bank. Depending on the circumstances, it plays different roles at different times: 'trusted advisor', provider of objective guidance, independent challenge, and oversight and control (including 'gatekeeper' or approver).

Compliance performs the following functions: it acts as an independent oversight function to establish enterprise standards for business and oversight functions in managing compliance risk; it fosters a culture of integrity, ethics and compliance, with accountability understood and accepted throughout TD to manage and mitigate Compliance Risks. In addition to its responsibilities as an oversight function for Compliance risk, TD Compliance is also responsible for the design, implementation and update of the RCM program and assesses the adequacy of, adherence to, and effectiveness of the Bank's day-to-day RCM controls; it proactively manages regulatory change and maintains a RCM Regulatory Change Standard for oversight functions to do the same; and it supports the Chief Compliance Officer, TDBG in providing an opinion to the Audit Committee as to whether the RCM controls are sufficiently robust to achieve compliance with applicable regulatory requirements.

Compliance has developed methodologies and processes to measure and aggregate compliance risks on an ongoing basis as a baseline to assess whether the Bank's internal controls are effective in adequately identifying and mitigating such risks and determine whether individual or aggregate business activities are conducted within the Bank's risk appetite.

Legal acts as an independent provider of legal services and advice and protects the Bank from unacceptable legal risk. Legal has also developed methodologies for measuring litigation risk for adherence to the Bank's risk appetite.

Processes employed by Legal and Compliance (including policies and frameworks, training and education) support the responsibility of each business to adhere to Compliance requirements.

Finally, the Corporate and Public Affairs (CAPA), Regulatory Risk Management and Regulatory Relationships and Government Affairs (RRGA) departments also create and facilitate communication with elected officials and regulators, monitor legislation and regulations, support business relationships with governments, coordinate regulatory examinations, track and monitor issues from those examinations, support regulatory discussions on new or proposed products or business initiatives, and advance the public policy objectives of the Bank.

Financial Crime Risk

Financial Crime Risk is the risk associated with the Bank failing to sufficiently identify and manage risks associated with money laundering, terrorist financing, bribery/corruption activities and economic sanctions, or otherwise comply with associated legal and regulatory requirements for financial crime. Money Laundering and Terrorist Financing Risk is the risk that the Bank does not effectively identify or deter persons engaged in money laundering or terrorist financing from utilizing the Bank's products and services. Sanctions risk is the risk that the Bank does not effectively identify and manage exposure associated with applicable anti-terrorism, economic, and trade sanctions and export control laws and regulations required to fulfill foreign policy and national security goals of governments in the jurisdictions where the Bank operates. Bribery and Corruption risk is the risk that the Bank does not effectively identify and manage bribery or corruption-related activities and that would contravene applicable Anti-Bribery and Anti-Corruptions laws, regulations, and guidelines.

Financial Crime Risk is inherent in all business activities, including the practices for managing other risks across the Bank. The Bank plays a critical role in safeguarding the economy and protecting against money laundering and other financial crime. A strong risk management culture and comprehensive approach to preventing, detecting, and reporting financial crime risk is fundamental to effectively complying with legal and regulatory obligations. Effective anti-money laundering and countering the financing of terrorism measures are critical to the integrity of the global financial system. By implementing such measures, the Bank can help determine it is not facilitating money laundering or its predicate offences.

WHO MANAGES FINANCIAL CRIME RISK

Consistent with its overall approach to risk management, the Bank emphasizes and balances strong independent oversight and control of financial crime risk with clear accountabilities for, and ownership of, Financial Crime Risk. Effective financial crime risk management is a result of enterprise-wide collaboration and requires objective guidance, independent challenge, and subject matter expertise provided by Financial Crime Risk Management (FCRM), as well as other oversight functions partnering with Business Lines to identify, assess, control, test, monitor, and escalate Financial Crime Risk.
The Bank establishes a strong risk management culture, starting from the Boards of Directors down through all levels within the organization, through its clear articulation of roles and responsibilities, and its overall infrastructure for governing the FCRM Program.

Financial Crime Risk Management, the Bank's dedicated financial crime risk management function in the Second Line of Defense, sets key financial crime programs and policies that Business Lines implement within daily operations. The FCRM Program is responsible for Anti-Money Laundering and Anti-Terrorist Financing, Sanctions, and Anti-Bribery and Anti-Corruption regulatory compliance and broader prudential risk management across the Bank and it owns and oversees the Enterprise-wide programs and associated policies, standards, and models. It is the FCRM Program's responsibility, as a proactive and trusted advisor to Businesses and Corporate Office Functions, to support a consistent, adaptable, and effective culture across the organization so that Financial Crime Risk is appropriately identified and mitigated. Under the direction of the Global Head of Financial Crime Risk Management and U.S. Bank Secrecy Officer, the FCRM Program sets key policies and operates within a defined set of internal control processes, subject to governance and testing mechanisms designed to confirm its ongoing effective operation. While the FCRM Program sets and oversees the requirements to satisfy regulatory expectations, it is the responsibility of all employees across the Enterprise to meet these requirements and exercise effective risk management practices.

HOW TD MANAGES FINANCIAL CRIME RISK
The Financial Crime Risk Management Program is built around the prevention, detection, and reporting of Financial Crime Risk. The Program is designed to clearly articulate requirements to establish regulatory compliance and enable effective oversight from management and the Boards of Directors. The Bank achieves this through establishing program leadership with defined roles and responsibilities, documenting requirements in policy, and establishing a financial crime risk appetite that the Bank can review and assess against.

The effective management of Financial Crime Risk requires: (1) Independent and objective FCRM functions engaged in the identification and oversight of Financial Crime Risk; (2) Objective guidance and advisement, and/or independent challenge and oversight provided by FCRM and other oversight functions by partnering themselves with the First Line of Defense to identify, assess, control, and monitor Financial Crime Risk; (3) A set of frameworks, polices, procedures, guidelines, and practices established for the consistent identification, assessment, monitoring, testing, and management of Financial Crime Risk across the Bank; and (4) Mandated authority to address and, if not satisfactorily resolved, escalate business activity, including individual or aggregate transactional, product, service, change management, corporate business or general business activity, significant regulatory investigations, regulatory enforcement actions and internal investigations, and strategic transaction activity, that is not managed within the Bank's risk appetite. To satisfy regulatory requirements and effectively address Financial Crime Risk, the FCRM Program follows an operating model with defined protocols for Program oversight, clear roles and responsibilities, and established communication channels. These processes are supported by the following areas: (1) People and Talent: (2) Training and Communications; (3) Policies and Standards; and (4) Risk Assessment. The Bank's comprehensive and proactive approach to financial crime risk management is comprised of four components: Risk Identification and Assessment, Measurement, Control, and Monitoring and Reporting.

Under the remediation of the Bank's U.S. BSA/AML Program and Enterprise AML Program, the Bank is strengthening its U.S. BSA/AML Program and Enterprise-wide AML/Anti-Terrorist Financing and Sanctions Programs. The Bank has established a dedicated program management infrastructure to monitor execution against these programs. For the U.S., the work is being overseen by the Compliance Committee of the U.S. subsidiary boards and is a multi-year endeavour, involving additional investments. In Canada, the work is subject to oversight by a Remediation Office and senior executive governance forums, including an Enterprise Risk Management Remediation Subcommittee, along with regular reporting to the Remediation Committee of the Board and the Audit Committee of the Board.

Reputational Risk

Reputational risk is the potential that stakeholders' perceptions regarding the Bank's business practices, actions or inactions, will or may cause a significant decline in TD's value, brand, or customer base, financial condition, or require costly measures to address. Stakeholders include customers, shareholders, employees, regulators, and the communities in which we operate.

TD recognizes that its reputation is a valuable business asset that is essential to optimizing shareholder value and therefore, is constantly at risk. Reputational risk can arise as a consequence of negative perceptions about the Bank's business practices involving any aspect of the Bank's operations but usually involves concerns about business ethics and integrity, competence, or the quality or suitability of products and services. As such, reputational risk is not managed in isolation from TD's other major risk categories, as all risk categories can have an impact on reputation, which in turn can impact the Bank's value, brand, liquidity or customer base

WHO MANAGES REPUTATIONAL RISK
Effective reputational risk management is achieved through enterprise-wide collaboration supported by centralized oversight and coordination of the Reputational Risk Management governance and committee processes. Every employee and representative of the Bank has a responsibility to contribute in a positive way to the Bank's reputation and the management of reputational risk. Every Bank employee is expected and required to follow ethical practices at all times, including compliance with applicable policies, legislation, and regulations, and support positive interactions with the Bank's stakeholders. Reputational risk is most effectively managed when everyone at TD works continuously to protect and enhance the Bank's reputation. Where an employee is aware of or suspects any conduct that violates TD's Code of Conduct and Ethics, they have an obligation to immediately report such conduct.

TD senior management provides governance and oversight to the management of reputational risk through an established enterprise-wide structure of governing committees and mandates. The ERRC oversees the management of reputational risk within the Bank's risk appetite, including reputational risks arising from traditional and non-traditional risk. The Committee is the final point of senior management discussion and decision on reputational risks, subject to escalation to the Group President and CEO.

HOW TD MANAGES REPUTATIONAL RISK
The Bank's approach to the management of reputational risk combines the experience and knowledge of individual business and corporate segments, as well as governance, risk and oversight functions. It is based on enabling the Bank's businesses to understand their risks and developing the policies, processes, and controls required to manage these risks appropriately and in line with the Bank's strategy and reputational risk appetite. The Bank's Reputational Risk Management Framework provides a comprehensive overview of its approach to the management of this risk, and is supported by the Enterprise Risk Management Policy. This Policy is approved by the Group Head and CRO and sets out the requirements that business and corporate segments must meet to support TD in managing reputational risk within its risk appetite, including reputational risk arising from traditional and non-traditional risks. These requirements include implementing procedures and designating a business-level committee (where required by the Policy) to review and assess reputational risks and escalation to the ERRC as appropriate.

Environmental and Social Risk

E&S risk is the risk of financial loss or other harm resulting from the Bank's inability to manage and respond to changing environmental or social factors that impact or are associated with the Bank's operations, business activities, products, clients, or the communities in which the Bank operates.

Operating a complex financial institution in multiple jurisdictions exposes the Bank's businesses and operations to a broad range of financial and non-financial risks. Environmental and social issues, including climate change, expose the Bank to a set of risks (collectively, E&S risk) that are transverse, meaning they can drive financial and non-financial risks, including but not limited to credit, strategic, reputational, legal and regulatory compliance risks.

WHO MANAGES ENVIRONMENTAL AND SOCIAL RISK

ESG Risk Management (ESG RM) establishes enterprise governance, environmental, climate, and social risk frameworks, and policies for business segments and corporate functions to identify, manage, measure, control and monitor current and emerging environmental, climate, and social risks in day-to-day activities, operations, products, and services. Internal polices and procedures require business segments and corporate functions to consider the applicability and assessment of E&S risk in current and new business activity. Business unit governance and processes are required to incorporate an assessment of E&S risk, and apply an appropriate level of governance and oversight consistent with their business procedures. ESG RM also develops enterprise-wide tools, programs and training to support identification, measurement, management, and monitoring of E&S risk.

Senior Management oversight is maintained through monitoring and reporting to the OROC, ERRC and Risk Committee of the Board.

HOW TD MANAGES ENVIRONMENTAL AND SOCIAL RISK

The Bank follows a disciplined approach to managing financial and non-financial risks, including E&S risks which may have a present or future impact on the Bank's competitive position, brand or long-term shareholder value creation. The Bank considers current and potential E&S risk in our strategies by enabling informed decision-making based on internal capabilities, industry practices, legal and regulatory obligations, and stakeholder expectations – including shareholders and customers – as they continue to evolve.

The Enterprise E&S Risk Framework outlines how the Bank manages E&S risk, and this is reinforced by the Enterprise E&S Risk Policy and other risk-specific policies.

With respect to lending activities, the Bank takes a measured, client-focused and risk-based approach to E&S risks. The Bank conducts risk assessment and due diligence that could include the use of tools such as a Physical Risk Classification Framework, industry risk ratings, client engagement and questionnaires, financed emissions estimation, environmental site assessments, industry research, and media scans, as applicable. Risk assessment and due diligence results follow the Bank's risk governance process, which may include segment level and enterprise-level reputational risk committee oversight. Following this process, TD makes informed decisions to conduct transactions based on the risks presented and the Bank's ability to manage those risks.

The Bank continues to assess the impacts associated with new and material changes made to TD products, services, projects, and initiatives by incorporating E&S risk assessment into the Bank's Change Risk Management process. Additionally, the Bank's enterprise-wide Business Continuity and Crisis Management Program continue to support management's ability to operate the Bank's businesses and operations in the event of a business disruption incident, including the incremental impact of climate change, while the Third Party Risk Management program integrates E&S assessment factors as appropriate, for our most significant third parties.

The Bank's E&S metrics, targets and performance are publicly reported within the annual sustainability reporting suite. Key performance measures reported by the Bank are informed by the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB) and the FSB's Task Force on Climate-Related Financial Disclosures (TCFD) recommendations, with select metrics that are independently assured.

Climate-Related Risk

Climate-related risk is the risk of financial loss or other harm, including but not limited to credit, strategic, reputational, legal and regulatory compliance, resulting from the physical and transition risks of climate change to the Bank, its clients or the communities in which the Bank operates. This includes physical risks arising from the consequences of a changing climate, as well as transition risks arising from the process of shifting to a low-carbon economy. In its 2024 annual sustainability reporting suite, the Bank highlighted its progress to assess and manage climate-related risk and effectively manage its business strategies and continues to capture opportunities in light of these evolving risks.

The Bank's Climate Scenario Analysis program helps the Bank better understand the impacts of climate-related financial risks. Climate scenario analysis evaluates a range of hypothetical outcomes by considering a variety of alternative plausible future scenarios under a given set of assumptions and constraints. While scenarios are not designed to deliver precise outcomes or forecasts, they provide a way for the Bank to consider how the future might look and how it can prepare. The Bank continues to develop tools and capabilities regarding climate data and climate-related risk modelling to support its understanding of the transition and physical risks of climate change, which will help inform the Bank's approach to further integrate climate-related risk management activities across the enterprise.

The Bank continues to refresh and enhance the scope of its climate risk heatmap, supported by an industry risk review process and Physical Risk Classification Framework, to support physical and transition climate-related risk identification and assessment and to refine its understanding of the industry sector and geographical location sensitivities that climate-related risk may have on the Bank and its assets, clients, and communities in which it operates. The Bank continues to refine and expand the application of the Physical Climate Risk Classification Framework across its footprint and business lines to inform risk assessment processes and risk mitigation strategies.

The Bank contributes to public consultations and advocacy initiatives on emerging climate issues, including disclosure frameworks proposed by regulators and standard setters. The Bank also engages with environmental and community NGOs, industry associations, rating agencies, Indigenous communities and responsible investment organizations.

The Bank also participates in various North American working groups, and as a member of the Partnership for Carbon Accounting Financials, helps develop and refine calculation methodologies for emerging climate metrics. The Bank continues its membership in the Risk Management Association Climate Risk Consortium, which focuses on bringing financial institutions together to advance the awareness of and address the risks relevant to climate change, by developing frameworks and recommendations for governance, disclosure, and risk management principles.

TD recognizes it faces transition risk from its own activities, as well as from the clients we serve. In 2020, the Bank announced a target to achieve net-zero greenhouse gas (GHG) emissions associated with the Bank's operations and financing activities by 2050, in alignment with the associated principles of the Paris Agreement.

The Bank monitors and assesses legal, policy, regulatory, economic, technological and stakeholder developments and may adjust its metrics or targets to reflect these developments. In addition, methodologies or standards used by regulators, the financial sector, industry groups or associations that the Bank participates in or belongs to, or that the Bank or its clients use to measure and report on their GHG emissions could result in the Bank amending or restating its baselines, calculated results or targets, and may result in the Bank withdrawing from or modifying its membership in certain groups or associations. Limitations on the availability and reliability of data may also impact the Bank's ability to assess and evaluate climate-related risks. The Bank is mindful of data availability and data quality limitations impacting risk management and financed emissions efforts and work continues through industry forums to address the lack of standardized taxonomies and methodologies. These limitations are expected to improve over time as the Bank continues to advance its data capabilities by working with internal and external subject matter experts.

Regulatory and Standard Setter Developments Concerning E&S Risk
In March 2025, OSFI released updates to Guideline B-15 to ensure continued interoperability with the requirements of the final Canadian Sustainability Standards Board (CSSB) standards. Key updates include postponing the implementation date for industry-based metrics and Scope 3 GHG emissions disclosures from fiscal year end 2025 to 2028. The Bank's 2025 annual sustainability report suite will incorporate the phased-in cross-industry metrics requirements, effective for October 31, 2025.

In April 2025, the Canadian Securities Administrators (CSA) announced that it is pausing work on the development of a new mandatory climate-related disclosure rule that is based on the two standards issued by the CSSB. The CSSB standards were released in December 2024 and are based on the international sustainability standards issued by the International Sustainability Standards Board (ISSB). They set out the disclosure requirements for financially material information about sustainability and climate-related risks and opportunities to meet investor information needs. For these standards to become mandatory requirements in Canada, they would need to be incorporated into a CSA rule. The Bank continues to assess the impact of adopting these standards and to monitor developments from various standard setters and regulators

Codes of Conduct and Human Rights
The Bank has several policies, including the Bank's Code of Conduct and Ethics, which reflect the Bank's commitment to manage its business responsibly and in compliance with applicable laws. For additional information on the Code of Conduct and Ethics, refer to the "Compliance and Legal Risk" section above. The Bank publishes a Statement on Human Rights, which is refreshed periodically and reflects the corporate responsibility to respect human rights as set out in the United Nations Guiding Principles on Business and Human Rights (UNGP). The Bank and its applicable subsidiaries also publish reports pursuant to modern slavery legislation to which they are subject. The Bank's current Human Rights Statement and Modern Slavery and Human Trafficking Report can be found here: https://www.td.com/ca/en/about-td/for-investors/policies-and-references.

TD's Financial Consumer Protection Framework Policy aims to promote responsible conduct within TD and protect its Canadian banking customers. It also includes components related to promoting transparency for customers to help them make informed decisions and provisions related to fair and equitable dealing (e.g., requirements for cancelling agreements, access to basic banking services and complaints processes).

In the U.S., TD's Fair & Responsible Banking Policy supports the Bank's commitment to treat all individuals fairly and equitably in offering and providing banking products and services: to mitigate risk to the consumer; to prevent discriminatory practices and unfair, deceptive or abusive acts or practices (UDAAP); and to maintain compliance with applicable federal and state laws and regulations. TD's Complaint Policy establishes requirements for the Bank to identify and address customer issues and continue to enhance its legendary customer experience.

The Bank's Supplier Code of Conduct also reflects its commitment to respect human rights. New or prospective suppliers providing goods or services through the Bank's centralized Procurement Group must register through an enterprise procurement system requiring them to represent that they operate in accordance with the expectations described in its Supplier Code of Conduct, including those relating to the protection of human rights and fair labour practices.

ACCOUNTING STANDARDS AND POLICIES

Critical Accounting Policies and Estimates

ACCOUNTING POLICIES AND ESTIMATES

The Bank's accounting policies and estimates are essential to understanding its results of operations and financial condition. A summary of the Bank's material accounting policies and estimates are presented in the Notes of the 2025 Consolidated Financial Statements. The Bank's material accounting policies are reviewed with the Audit Committee on a periodic basis. Critical accounting policies that require management's judgment and estimates include the classification and measurement of financial assets, accounting for impairments of financial assets, accounting for leases, the determination of fair value of financial instruments, accounting for derecognition, the valuation of goodwill and other intangibles, accounting for employee benefits, accounting for income taxes, accounting for provisions, accounting for insurance, the consolidation of structured entities, and accounting for revenue from contract with customers.

The Bank's 2025 Consolidated Financial Statements have been prepared in accordance with IFRS. For details of the Bank's accounting policies under IFRS, refer to Note 2 of the Bank's 2025 Consolidated Financial Statements.

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 of the Bank's 2025 Consolidated Financial Statements 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 solely payments of principal and interest (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, LGD, and 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 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.

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 assets 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 assets, a decision must be made as to whether the Bank has retained control of the financial assets.

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 cash-generating units (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 of the 2025 Consolidated Financial Statements.

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.

ACCOUNTING STANDARDS AND POLICIES

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.

ACCOUNTING STANDARDS AND POLICIES

Controls and Procedures

DISCLOSURE CONTROLS AND PROCEDURES

An evaluation was performed under the supervision and with the participation of the Bank's management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the Bank's disclosure controls and procedures, as defined in the rules of the SEC and Canadian Securities Administrators, as of October 31, 2025. Based on that evaluation, the Bank's management, including the Chief Executive Officer and Chief Financial Officer, concluded that the Bank's disclosure controls and procedures were effective as of October 31, 2025.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The Bank's management is responsible for establishing and maintaining adequate internal control over financial reporting for the Bank. The Bank'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 Bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that receipts and expenditures of the Bank are being made only in accordance with authorizations of the Bank's management and directors; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Bank's assets that could have a material effect on the financial statements.

The Bank's management has used the criteria established in the 2013 Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission to assess, with the participation of the Chief Executive Officer and Chief Financial Officer, the effectiveness of the Bank's internal control over financial reporting. Based on this assessment management has concluded that as at October 31, 2025, the Bank's internal control over financial reporting was effective based on the applicable criteria. The effectiveness of the Bank's internal control over financial reporting has been audited by the independent auditors, Ernst & Young LLP, a registered public accounting firm that has also audited the Consolidated Financial Statements of the Bank as of, and for the year ended October 31, 2025. Their Report on Internal Control over Financial Reporting under Standards of the Public Company Accounting Oversight Board (United States), included in the Report of Independent Registered Public Accounting Firm – Internal Control over Financial Reporting, expresses an unqualified opinion on the effectiveness of the Bank's internal control over financial reporting as of October 31, 2025.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

During the year and quarter ended October 31, 2025, there have been no changes in the Bank's policies and procedures and other processes that comprise its internal control over financial reporting, that have materially affected, or are reasonably likely to materially affect, the Bank's internal control over financial reporting. Refer to Note 2 and Note 3 of the Bank's 2025 Consolidated Financial Statements for further information regarding the Bank's changes to accounting policies, procedures, and estimates.

Additional Financial Information

Unless otherwise indicated, all amounts are expressed in Canadian dollars and have been primarily derived from the Bank's 2025 Consolidated Financial Statements, prepared in accordance with IFRS as issued by the IASB.

TABLE 59: SELECT ANNUAL INFORMATION[1]

(millions of Canadian dollars, except as noted)	**2025**	2024	2023
Total revenue	**$ 67,777**	$ 57,223	$ 50,690
Net income available to common shareholders	**19,973**	8,316	10,071
Basic earnings per share	**11.57**	4.73	5.53
Diluted earnings per share	**11.56**	4.72	5.52
Dividends declared per common share	**4.20**	4.08	3.84
Total Assets (billions of Canadian dollars)	**2,094.6**	2,061.8	1,955.1
Deposits (billions of Canadian dollars)	**1,267.1**	1,268.7	1,198.2

[1] For the year ended October 31, 2023, certain amounts have been restated for the adoption of IFRS 17, *Insurance Contracts* (IFRS 17).

TABLE 60: INVESTMENT PORTFOLIO – Securities Maturity Schedule[1,2]

(millions of Canadian dollars)	Remaining terms to maturities[3]							*As at*
	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 October 31 2025**	Total October 31 2024
Securities at fair value through other comprehensive income								
Government and government-related securities								
Canadian government debt								
Federal								
Fair value	**$ 1,878**	**$ 1,619**	**$ 5,108**	**$ 7,175**	**$ 111**	**$ –**	**$ 15,891**	$ 18,139
Amortized cost	**1,876**	**1,611**	**5,109**	**7,210**	**150**	**–**	**15,956**	18,281
Yield	**2.36 %**	**2.16 %**	**2.65 %**	**3.16 %**	**2.81 %**	**– %**	**2.80 %**	2.30 %
Provinces								
Fair value	**1,050**	**3,253**	**5,973**	**10,372**	**432**	**–**	**21,080**	21,270
Amortized cost	**1,046**	**3,232**	**5,928**	**10,335**	**430**	**–**	**20,971**	21,263
Yield	**2.61 %**	**2.60 %**	**2.24 %**	**3.18 %**	**4.09 %**	**– %**	**2.82 %**	2.61 %
U.S. federal government debt								
Fair value	**8,859**	**1,500**	**12,997**	**17,278**	**–**	**–**	**40,634**	29,503
Amortized cost	**8,852**	**2,223**	**14,316**	**15,007**	**–**	**–**	**40,398**	29,553
Yield	**3.28 %**	**3.82 %**	**4.03 %**	**4.21 %**	**– %**	**– %**	**3.92 %**	4.02 %
U.S. states, municipalities, and agencies								
Fair value	**3,146**	**1**	**3,507**	**4,370**	**2,834**	**–**	**13,858**	5,694
Amortized cost	**3,146**	**1**	**3,504**	**4,359**	**2,871**	**–**	**13,881**	5,818
Yield	**3.89 %**	**4.05 %**	**4.58 %**	**4.70 %**	**4.83 %**	**– %**	**4.51 %**	2.17 %
Other OECD government-guaranteed debt								
Fair value	**273**	**1,612**	**5,932**	**58**	**–**	**–**	**7,875**	1,679
Amortized cost	**273**	**1,612**	**5,921**	**58**	**–**	**–**	**7,864**	1,687
Yield	**1.17 %**	**4.10 %**	**4.34 %**	**4.07 %**	**– %**	**– %**	**4.18 %**	1.80 %
Canadian mortgage-backed securities								
Fair value	**436**	**1,460**	**–**	**–**	**–**	**–**	**1,896**	2,137
Amortized cost	**431**	**1,438**	**–**	**–**	**–**	**–**	**1,869**	2,125
Yield	**2.25 %**	**3.22 %**	**– %**	**– %**	**– %**	**– %**	**3.00 %**	2.43 %
Other debt securities								
Asset-backed securities								
Fair value	**914**	**274**	**2,932**	**1,615**	**2,974**	**–**	**8,709**	1,384
Amortized cost	**913**	**273**	**2,929**	**1,612**	**2,986**	**–**	**8,713**	1,397
Yield	**2.84 %**	**4.41 %**	**4.46 %**	**4.58 %**	**4.94 %**	**– %**	**4.48 %**	5.78 %
Non-agency CMO[4]								
Fair value	**–**	**–**	**–**	**–**	**–**	**–**	**–**	–
Amortized cost	**–**	**–**	**–**	**–**	**–**	**–**	**–**	–
Yield	**– %**	**– %**	**– %**	**– %**	**– %**	**– %**	**– %**	– %
Corporate and other debt								
Fair value	**2,681**	**3,280**	**2,212**	**1,643**	**3,275**	**–**	**13,091**	9,446
Amortized cost	**2,675**	**3,257**	**2,190**	**1,609**	**3,279**	**1**	**13,011**	9,419
Yield	**3.26 %**	**3.35 %**	**3.91 %**	**3.98 %**	**4.38 %**	**– %**	**3.77 %**	3.01 %
Equity securities								
Common shares								
Fair value	**–**	**–**	**–**	**–**	**–**	**2,536**	**2,536**	3,914
Cost	**–**	**–**	**–**	**–**	**–**	**2,332**	**2,332**	3,810
Yield	**– %**	**– %**	**– %**	**– %**	**– %**	**3.57 %**	**3.57 %**	5.59 %
Preferred shares								
Fair value	**–**	**–**	**–**	**–**	**–**	**511**	**511**	501
Cost	**–**	**–**	**–**	**–**	**–**	**523**	**523**	632
Yield	**– %**	**– %**	**– %**	**– %**	**– %**	**5.04 %**	**5.04 %**	3.82 %
Total securities at fair value through other comprehensive income								
Fair value	**$ 19,237**	**$ 12,999**	**$ 38,661**	**$ 42,511**	**$ 9,626**	**$ 3,047**	**$ 126,081**	$ 93,667
Amortized cost	**19,212**	**13,647**	**39,897**	**40,190**	**9,716**	**2,856**	**125,518**	93,985
Yield	**3.18 %**	**3.21 %**	**3.71 %**	**3.82 %**	**4.65 %**	**3.84 %**	**3.68 %**	3.16 %

[1] Yields represent the weighted-average yield of each security owned at the end of the period. The effective yield includes the contractual interest or stated dividend rate and is adjusted for the amortization of premiums and discounts; the effect of related hedging activities is excluded.

[2] There were securities from two issuers where the book values were greater than 10% as at October 31, 2025 but none as at October 31, 2024.

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

[4] Collateralized mortgage obligation.

TABLE 60: INVESTMENT PORTFOLIO – Securities Maturity Schedule (continued)[1,2]

(millions of Canadian dollars) *As at*

	Remaining terms to maturities[3]							
	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 October 31 2025**	Total October 31 2024
Debt securities at amortized cost								
Government and government-related securities								
Canadian government debt								
Federal								
Fair value	**$ 12,262**	**$ 12,295**	**$ 2,770**	**$ 9,361**	**$ 1,257**	**$ –**	**$ 37,945**	$ 22,825
Amortized cost	**12,267**	**12,206**	**2,784**	**9,368**	**1,293**	**–**	**37,918**	22,991
Yield	**2.22 %**	**2.99 %**	**2.54 %**	**3.09 %**	**3.73 %**	**– %**	**2.76 %**	2.35 %
Provinces								
Fair value	**931**	**3,358**	**7,836**	**6,417**	**328**	**–**	**18,870**	18,514
Amortized cost	**934**	**3,370**	**7,811**	**6,395**	**326**	**–**	**18,836**	18,614
Yield	**1.69 %**	**2.33 %**	**2.30 %**	**3.16 %**	**3.85 %**	**– %**	**2.59 %**	2.67 %
U.S. federal government and agencies debt								
Fair value	**–**	**21,273**	**5,122**	**–**	**13,713**	**–**	**40,108**	49,281
Amortized cost	**–**	**21,692**	**5,775**	**91**	**13,633**	**–**	**41,191**	51,326
Yield	**– %**	**1.42 %**	**1.63 %**	**3.89 %**	**2.14 %**	**– %**	**1.69 %**	1.40 %
U.S. states, municipalities, and agencies								
Fair value	**1,922**	**1,908**	**5,206**	**23,713**	**19,580**	**–**	**52,329**	70,247
Amortized cost	**1,922**	**1,939**	**5,286**	**24,090**	**20,099**	**–**	**53,336**	72,773
Yield	**2.65 %**	**1.69 %**	**2.77 %**	**1.89 %**	**4.69 %**	**– %**	**3.05 %**	3.48 %
Other OECD government-guaranteed debt								
Fair value	**7,966**	**13,945**	**7,832**	**3,099**	**–**	**–**	**32,842**	40,909
Amortized cost	**8,006**	**13,428**	**6,882**	**2,891**	**–**	**–**	**31,207**	39,394
Yield	**1.15 %**	**1.70 %**	**2.35 %**	**1.99 %**	**– %**	**– %**	**1.73 %**	1.61 %
Other debt securities								
Asset-backed securities								
Fair value	**10**	**1,128**	**4,504**	**6,008**	**15,406**	**–**	**27,056**	29,422
Amortized cost	**10**	**1,140**	**4,509**	**5,981**	**15,407**	**–**	**27,047**	29,708
Yield	**2.79 %**	**2.95 %**	**3.81 %**	**4.66 %**	**4.99 %**	**– %**	**4.63 %**	4.41 %
Non-agency CMO								
Fair value	**–**	**–**	**–**	**–**	**13,163**	**–**	**13,163**	14,874
Amortized cost	**–**	**–**	**–**	**–**	**13,274**	**–**	**13,274**	15,362
Yield	**– %**	**– %**	**– %**	**– %**	**3.21 %**	**– %**	**3.21 %**	3.02 %
Canadian issuers								
Fair value	**105**	**1,052**	**871**	**532**	**10**	**–**	**2,570**	4,620
Amortized cost	**105**	**1,051**	**867**	**532**	**9**	**–**	**2,564**	4,722
Yield	**2.10 %**	**2.17 %**	**2.08 %**	**3.77 %**	**4.22 %**	**– %**	**2.48 %**	2.10 %
Other issuers								
Fair value	**2,177**	**6,572**	**3,920**	**1,605**	**–**	**–**	**14,274**	15,484
Amortized cost	**2,188**	**6,775**	**4,392**	**1,711**	**–**	**–**	**15,066**	16,725
Yield	**1.40 %**	**2.55 %**	**2.94 %**	**3.06 %**	**– %**	**– %**	**2.56 %**	2.71 %
Total debt securities at amortized cost								
Fair value	**$ 25,373**	**$ 61,531**	**$ 38,061**	**$ 50,735**	**$ 63,457**	**$ –**	**$ 239,157**	$ 266,176
Amortized cost	**25,432**	**61,601**	**38,306**	**51,059**	**64,041**	**–**	**240,439**	271,615
Yield	**1.83 %**	**2.02 %**	**2.54 %**	**2.66 %**	**3.89 %**	**– %**	**2.72 %**	2.67 %

1 Yields represent the weighted-average yield of each security owned at the end of the period. The effective yield includes the contractual interest or stated dividend rate and is adjusted for the amortization of premiums and discounts; the effect of related hedging activities is excluded.

2 There were securities from two issuers where the book values were greater than 10% as at October 31, 2025 but none as at October 31, 2024.

3 Represents contractual maturities. Actual maturities may differ due to prepayment privileges in the applicable contract.

TABLE 61: LOAN PORTFOLIO – Maturity Schedule

(millions of Canadian dollars)						*As at*
	Remaining term-to-maturity					
	Within 1 year	**Over 1 to 5 years**	**Over 5 years to 15 years**	**Over 15 years**	**Total**	
					October 31 2025	October 31 2024
Canada						
Residential mortgages	**$ 75,041**	**$ 190,608**	**$ 1,820**	**$ –**	**$ 267,469**	$ 273,069
Consumer instalment and other personal						
HELOC	**61,934**	**85,823**	**170**	**–**	**147,927**	123,036
Indirect auto	**899**	**15,159**	**16,036**	**–**	**32,094**	29,837
Other	**19,142**	**723**	**1,167**	**–**	**21,032**	19,885
Credit card	**21,867**	**–**	**–**	**–**	**21,867**	20,510
Total personal	**178,883**	**292,313**	**19,193**	**–**	**490,389**	466,337
Real estate						
Residential	**16,590**	**10,795**	**1,260**	**157**	**28,802**	27,874
Non-residential	**14,868**	**10,788**	**1,813**	**312**	**27,781**	25,962
Total real estate	**31,458**	**21,583**	**3,073**	**469**	**56,583**	53,836
Total business and government (including real estate)	**109,737**	**48,362**	**7,942**	**1,417**	**167,458**	163,958
Total loans – Canada	**288,620**	**340,675**	**27,135**	**1,417**	**657,847**	630,295
United States						
Residential mortgages	**745**	**443**	**1,542**	**44,864**	**47,594**	58,580
Consumer instalment and other personal						
HELOC	**9,921**	**75**	**740**	**1,745**	**12,481**	11,525
Indirect auto	**533**	**25,550**	**18,142**	**–**	**44,225**	42,981
Other	**253**	**972**	**6**	**–**	**1,231**	1,099
Credit card	**19,789**	**–**	**–**	**–**	**19,789**	20,123
Total personal	**31,241**	**27,040**	**20,430**	**46,609**	**125,320**	134,308
Real estate						
Residential	**3,567**	**7,992**	**2,738**	**330**	**14,627**	13,727
Non-residential	**8,109**	**15,366**	**3,665**	**703**	**27,843**	28,152
Total real estate	**11,676**	**23,358**	**6,403**	**1,033**	**42,470**	41,879
Total business and government (including real estate)	**43,770**	**81,743**	**34,532**	**7,024**	**167,069**	183,107
Total loans – United States	**75,011**	**108,783**	**54,962**	**53,633**	**292,389**	317,415
Other International						
Personal	**49**	**–**	**–**	**–**	**49**	25
Business and government	**7,371**	**3,902**	**431**	**–**	**11,704**	10,138
Total loans – Other international	**7,420**	**3,902**	**431**	**–**	**11,753**	10,163
Other loans						
Debt securities classified as loans	**–**	**–**	**–**	**–**	**–**	–
Acquired credit-impaired loans	**–**	**–**	**–**	**–**	**–**	–
Total other loans	**–**	**–**	**–**	**–**	**–**	–
Total loans	**$ 371,051**	**$ 453,360**	**$ 82,528**	**$ 55,050**	**$ 961,989**	$ 957,873

TABLE 62: LOAN PORTFOLIO – Rate Sensitivity

(millions of Canadian dollars)						*As at*
	October 31, 2025			October 31, 2024		
	Over 1 to 5 years	**Over 5 to 15 years**	**Over 15 years**	Over 1 to 5 years	Over 5 to 15 years	Over 15 years
Fixed rate	**$ 287.967**	**$ 67.523**	**$ 36.896**	$ 302.548	$ 68.990	$ 44.741
Variable rate	**165,393**	**15,005**	**18,154**	168,941	16,419	20,037
Total	**$ 453,360**	**$ 82,528**	**$ 55,050**	$ 471,489	$ 85,409	$ 64,778

TABLE 63: ALLOWANCE FOR LOAN LOSSES

(millions of Canadian dollars, except as noted)	2025	2024
Allowance for loan losses – Balance at beginning of year	**$ 8,094**	$ 7,136
Provision for credit losses	**4,505**	4,253
Write-offs		
Canada		
Residential mortgages	**7**	5
Consumer instalment and other personal		
HELOC	**4**	8
Indirect Auto	**531**	437
Other	**324**	281
Credit card	**704**	587
Total personal	**1,570**	1,318
Real estate		
Residential	**2**	3
Non-residential	**5**	4
Total real estate	**7**	7
Total business and government (including real estate)	**417**	264
Total Canada	**1,987**	1,582
United States		
Residential mortgages	**4**	3
Consumer instalment and other personal		
HELOC	**7**	3
Indirect Auto	**523**	501
Other	**209**	266
Credit card	**1,373**	1,293
Total personal	**2,116**	2,066
Real estate		
Residential	**57**	8
Non-residential	**56**	100
Total real estate	**113**	108
Total business and government (including real estate)	**540**	336
Total United States	**2,656**	2,402
Other International		
Personal	**–**	–
Business and government	**82**	–
Total other international	**82**	–
Other loans		
Debt securities classified as loans	**–**	–
Acquired credit-impaired loans[1,2]	**–**	–
Total other loans	**–**	–
Total write-offs against portfolio	**4,725**	3,984
Recoveries		
Canada		
Residential mortgages	**–**	–
Consumer instalment and other personal		
HELOC	**1**	1
Indirect Auto	**93**	77
Other	**48**	47
Credit card	**116**	107
Total personal	**258**	232
Real estate		
Residential	**–**	–
Non-residential	**1**	–
Total real estate	**1**	–
Total business and government (including real estate)	**24**	23
Total Canada	**282**	255
United States		
Residential mortgages	**7**	1
Consumer instalment and other personal		
HELOC	**9**	3
Indirect Auto	**172**	163
Other	**26**	32
Credit card	**278**	212
Total personal	**492**	411
Real estate		
Residential	**1**	2
Non-residential	**27**	14
Total real estate	**28**	16
Total business and government (including real estate)	**57**	41
Total United States	**549**	452
Other International		
Personal	**–**	–
Business and government	**1**	–
Total other international	**1**	–
Other loans		
Debt securities classified as loans	**–**	–
Acquired credit-impaired loans[1,2]	**–**	–
Total other loans	**–**	–
Total recoveries on portfolio	**832**	707
Net write-offs	**(3,893)**	(3,277)
Disposals	**(22)**	(39)
Foreign exchange and other adjustments	**14**	15
Total allowance for loan losses, including off-balance sheet positions	**8,698**	8,088
Less: Change in allowance for off-balance sheet positions[3]	**9**	(6)
Total allowance for loan losses, at end of period	**$ 8,689**	$ 8,094
Ratio of net write-offs in the period to average loans outstanding	**0.41 %**	0.35 %

1 Includes all FDIC covered loans and other ACI loans.

2 Other adjustments are required as a result of the accounting for FDIC covered loans.

3 The allowance for loan losses for off-balance sheet positions is recorded in Other liabilities on the Consolidated Balance Sheet.

TABLE 64: AVERAGE DEPOSITS

(millions of Canadian dollars, except as noted) *For the years ended*

	October 31, 2025			October 31, 2024		
	Average balance	**Total interest expense**	**Average rate paid**	Average balance	Total interest expense	Average rate paid
Deposits booked in Canada[1]						
Non-interest-bearing demand deposits	**$ 19,166**	**$ –**	**– %**	$ 18,246	$ –	– %
Interest-bearing demand deposits	**98,939**	**5,006**	**5.06**	87,264	7,291	8.36
Notice deposits	**329,475**	**1,387**	**0.42**	312,014	1,595	0.51
Term deposits	**408,341**	**15,353**	**3.76**	383,720	16,730	4.36
Total deposits booked in Canada	**855,921**	**21,746**	**2.54**	801,244	25,616	3.20
Deposits booked in the United States						
Non-interest-bearing demand deposits	**11,051**	**–**	**–**	11,233	–	–
Interest-bearing demand deposits	**42,417**	**1,372**	**3.23**	34,784	1,377	3.96
Notice deposits	**366,734**	**7,764**	**2.12**	363,171	8,780	2.42
Term deposits	**144,428**	**6,075**	**4.21**	131,054	6,985	5.33
Total deposits booked in the United States	**564,630**	**15,211**	**2.69**	540,242	17,142	3.17
Deposits booked in other international						
Non-interest-bearing demand deposits	**–**	**–**	**–**	5	–	–
Interest-bearing demand deposits	**7,885**	**254**	**3.22**	1,532	81	5.29
Notice deposits	**–**	**–**	**–**	–	–	–
Term deposits	**73,069**	**2,828**	**3.87**	79,611	4,021	5.05
Total deposits booked in other international	**80,954**	**3,082**	**3.81**	81,148	4,102	5.05
Total average deposits	**$ 1,501,505**	**$ 40,039**	**2.67 %**	$ 1,422,634	$ 46,860	3.29 %

[1] As at October 31, 2025, deposits by foreign depositors in TD's Canadian bank offices amounted to $234 billion (October 31, 2024 – $218 billion).

TABLE 65: DEPOSITS – Denominations of $100,000 or greater[1]

(millions of Canadian dollars) *As at*

	Remaining term-to-maturity				
	Within 3 months	**3 months to 6 months**	**6 months to 12 months**	**Over 12 months**	**Total**
					October 31, 2025
Canada	**$ 98,967**	**$ 53,964**	**$ 61,602**	**$ 164,862**	**$ 379,395**
United States[2]	**45,371**	**33,745**	**15,509**	**4,006**	**98,631**
Other international	**37,949**	**7,220**	**20,475**	**84**	**65,728**
Total	**$ 182,287**	**$ 94,929**	**$ 97,586**	**$ 168,952**	**$ 543,754**
					October 31, 2024
Canada	$ 87,189	$ 39,584	$ 68,581	$ 162,097	$ 357,451
United States[2]	41,824	33,614	27,596	3,336	106,370
Other international	36,401	9,911	35,960	258	82,530
Total	$ 165,414	$ 83,109	$ 132,137	$ 165,691	$ 546,351

[1] Deposits in Canada, U.S., and Other international include wholesale and retail deposits.

[2] Includes deposits based on denominations of US$250,000 or greater of $43.5 billion in 'within 3 months', $35.2 billion in 'over 3 months to 6 months', $17.6 billion in 'over 6 months to 12 months', and $3.8 billion in 'over 12 months' (October 31, 2024 – $36.9 billion in 'within 3 months', $30.5 billion in 'over 3 months to 6 months', $30.0 billion in 'over 6 months to 12 months', $3.2 billion in 'over 12 months').

TABLE 66: NET INTEREST INCOME ON AVERAGE INTEREST-EARNING BALANCES[1,2]

(millions of Canadian dollars, except as noted)	2025			2024		
	Average balance	**Interest[3]**	**Average rate**	Average balance	Interest[3]	Average rate
Interest-earning assets						
Interest-bearing deposits with Banks						
Canada	**$ 32,986**	**$ 1,141**	**3.46 %**	$ 29,251	$ 1,833	6.27 %
U.S.	**96,099**	**3,950**	**4.11**	72,331	3,446	4.76
Securities						
Trading						
Canada	**82,454**	**3,026**	**3.67**	77,792	3,110	4.00
U.S.	**26,674**	**976**	**3.66**	26,410	999	3.78
Non-trading						
Canada	**129,989**	**4,630**	**3.56**	117,514	6,067	5.16
U.S.	**214,597**	**9,793**	**4.56**	226,820	10,293	4.54
Securities purchased under reverse repurchase agreements						
Canada	**86,383**	**2,711**	**3.14**	86,905	4,253	4.89
U.S.	**86,647**	**4,644**	**5.36**	74,237	4,837	6.52
Loans						
Residential mortgages[4]						
Canada	**295,546**	**11,654**	**3.94**	287,609	12,772	4.44
U.S.	**52,366**	**2,111**	**4.03**	56,771	2,203	3.88
Consumer instalment and other personal						
Canada	**180,223**	**9,364**	**5.20**	165,582	8,377	5.06
U.S.	**55,762**	**3,454**	**6.19**	52,340	3,243	6.20
Credit card						
Canada	**22,093**	**2,985**	**13.51**	20,581	2,712	13.18
U.S.	**19,291**	**3,615**	**18.74**	18,953	3,652	19.27
Business and government[4]						
Canada	**182,407**	**9,170**	**5.03**	173,410	10,364	5.98
U.S.	**164,923**	**9,165**	**5.56**	163,744	10,097	6.17
International[5]	**145,420**	**5,232**	**3.60**	124,093	5,131	4.13
Total interest-earning assets[6]	**1,873,860**	**87,621**	**4.68**	1,774,343	93,389	5.26
Interest-bearing liabilities						
Deposits						
Personal[7]						
Canada	**344,072**	**5,393**	**1.57**	328,798	7,124	2.17
U.S.	**271,867**	**7,103**	**2.61**	264,636	7,647	2.89
Banks[8,9]						
Canada	**23,160**	**766**	**3.31**	20,121	1,078	5.36
U.S.	**28,597**	**903**	**3.16**	24,319	908	3.73
Business and government[8,9]						
Canada	**429,316**	**15,587**	**3.63**	394,345	17,414	4.42
U.S.	**191,620**	**7,205**	**3.76**	179,530	8,587	4.78
Subordinated notes and debentures	**11,673**	**519**	**4.45**	10,417	436	4.19
Obligations related to securities sold short and under repurchase agreements						
Canada	**78,361**	**2,590**	**3.31**	77,529	3,596	4.64
U.S.	**111,981**	**6,345**	**5.67**	109,960	7,015	6.38
Securitization liabilities[10]	**36,304**	**886**	**2.44**	30,503	1,002	3.28
Other liabilities						
Canada	**5,117**	**234**	**4.57**	4,092	156	3.81
U.S.	**15,879**	**1,277**	**8.04**	20,321	1,137	5.60
International[8,9]	**143,342**	**5,751**	**4.01**	135,392	6,817	5.04
Total interest-bearing liabilities[6]	**1,691,289**	**54,559**	**3.23**	1,599,963	62,917	3.93
Total interest-earning assets, net interest income, and net interest margin	**$ 1,873,860**	**$ 33,062**	**1.76 %**	$ 1,774,343	$ 30,472	1.72 %
Add: non-interest earning assets	**234,004**	**–**	**–**	201,032	–	–
Total assets, net interest income and margin	**$ 2,107,864**	**$ 33,062**	**1.57 %**	$ 1,975,375	$ 30,472	1.54 %

[1] Net interest income includes dividends on securities.
[2] Geographic classification of assets and liabilities is based on the domicile of the booking point of assets and liabilities.
[3] Interest income includes loan fees earned by the Bank, which are recognized in net interest income over the life of the loan through the effective interest rate method (EIRM).
[4] Includes average trading loans of $26 billion (2024 – $20 billion).
[5] Comprised of interest-bearing deposits with Banks, securities, securities purchased under reverse repurchase agreements, and business and government loans.
[6] Average interest-earning assets and average interest-bearing liabilities are non-GAAP financial measures that depict the Bank's financial position, and are calculated using daily balances. For additional information about the Bank's use of non-GAAP financial measures, refer to "Non-GAAP and Other Financial Measures" in the "Financial Results Overview" section of this document.
[7] Includes charges incurred on the Schwab IDA Agreement of $1.4 billion (2024 – $0.9 billion).
[8] Includes average trading deposits with a fair value of $31 billion (2024 – $31 billion).
[9] Includes average deposit designated at FVTPL of $202 billion (2024 – $188 billion).
[10] Includes average securitization liabilities at fair value of $23 billion (2024 – $18 billion) and average securitization liabilities at amortized cost of $14 billion (2024 – $13 billion).

The following table presents an analysis of the change in net interest income due to volume and interest rate changes. In this analysis, changes due to volume/interest rate variance have been allocated to average interest rate.

TABLE 67: ANALYSIS OF CHANGE IN NET INTEREST INCOME[1,2]

(millions of Canadian dollars)			2025 vs. 2024
	Increase (decrease) due to changes in		
	Average volume	Average rate	Net change
Interest-earning assets			
Interest-bearing deposits with banks			
Canada	$ 234	$ (926)	$ (692)
U.S.	1,132	(628)	504
Securities			
Trading			
Canada	186	(270)	(84)
U.S.	10	(33)	(23)
Non-trading			
Canada	644	(2,081)	(1,437)
U.S.	(555)	55	(500)
Securities purchased under reverse repurchase agreements			
Canada	(26)	(1,516)	(1,542)
U.S.	809	(1,002)	(193)
Loans			
Residential mortgages			
Canada	352	(1,470)	(1,118)
U.S.	(170)	78	(92)
Consumer instalment and other personal			
Canada	741	246	987
U.S.	213	(2)	211
Credit card			
Canada	199	74	273
U.S.	65	(102)	(37)
Business and government			
Canada	537	(1,731)	(1,194)
U.S.	73	(1,005)	(932)
International	896	(795)	101
Total interest income	5,340	(11,108)	(5,768)
Interest-bearing liabilities			
Deposits			
Personal			
Canada	331	(2,062)	(1,731)
U.S.	210	(754)	(544)
Banks			
Canada	163	(475)	(312)
U.S.	160	(165)	(5)
Business and government			
Canada	1,545	(3,372)	(1,827)
U.S.	578	(1,960)	(1,382)
Subordinated notes and debentures	53	30	83
Obligations related to securities sold short and under repurchase agreements			
Canada	39	(1,045)	(1,006)
U.S.	129	(799)	(670)
Securitization liabilities	191	(307)	(116)
Other liabilities			
Canada	38	40	78
U.S.	(249)	389	140
International	389	(1,455)	(1,066)
Total interest expense	3,577	(11,935)	(8,358)
Net interest income	$ 1,763	$ 827	$ 2,590

[1] Geographic classification of assets and liabilities is based on the domicile of the booking point of assets and liabilities.
[2] Interest income includes loan fees earned by the Bank, which are recognized in net interest income over the life of the loan through the EIRM.

Financial and Banking Terms

Adjusted Results: Non-GAAP financial measures used to assess each of the Bank's businesses and to measure the Bank's overall performance. To arrive at adjusted results, the Bank adjusts for "items of note", from reported results. The items of note relate to items which management does not believe are indicative of underlying business performance.

Allowance for Credit Losses: Represent expected credit losses (ECLs) on financial assets, including any off-balance sheet exposures, at the balance sheet date. Allowance for credit losses consists of Stage 3 allowance for impaired financial assets and Stage 2 and Stage 1 allowance for performing financial assets and off-balance sheet instruments. The allowance is increased by the provision for credit losses, decreased by write-offs net of recoveries and disposals, and impacted by foreign exchange.

Amortized Cost: The amount at which a financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization, using EIRM, of any differences between the initial amount and the maturity amount, and minus any reduction for impairment.

Assets under Administration (AUA): Assets that are beneficially owned by customers where the Bank provides services of an administrative nature, such as the collection of investment income and the placing of trades on behalf of the clients (where the client has made his or her own investment selection). The majority of these assets are not reported on the Bank's Consolidated Balance Sheet.

Assets under Management (AUM): Assets that are beneficially owned by customers, managed by the Bank, where the Bank has discretion to make investment selections on behalf of the client (in accordance with an investment policy). In addition to the TD family of mutual funds, the Bank manages assets on behalf of individuals, pension funds, corporations, institutions, endowments and foundations. These assets are not reported on the Bank's Consolidated Balance Sheet. Some assets under management that are also administered by the Bank are included in assets under administration.

Asset-Backed Commercial Paper (ABCP): A form of commercial paper that is collateralized by other financial assets. Institutional investors usually purchase such instruments in order to diversify their assets and generate short-term gains.

Asset-Backed Securities (ABS): A security whose value and income payments are derived from and collateralized (or "backed") by a specified pool of underlying assets.

Average Common Equity: Average common equity for the business segments reflects the average allocated capital. The Bank's methodology for allocating capital to its business segments is largely aligned with the common equity capital requirements under Basel III.

Average Interest-Earning Assets: A non-GAAP financial measure that depicts the Bank's financial position, and is calculated as the average carrying value of deposits with banks, loans and securities based on daily balances for the period ending October 31 in each fiscal year.

Basic Earnings per Share (EPS): A performance measure calculated by dividing net income available to common shareholders by the weighted average number of common shares outstanding for the period. Adjusted basic EPS is calculated in the same manner using adjusted net income.

Basis Points (bps): A unit equal to 1/100 of 1%. Thus, a 1% change is equal to 100 basis points.

Book Value per Share: A measure calculated by dividing common shareholders' equity by number of common shares at the end of the period.

Carrying Value: The value at which an asset or liability is carried at on the Consolidated Balance Sheet.

Catastrophe Claims: Insurance claims that relate to any single event that occurred in the period, for which the aggregate insurance claims are equal to or greater than an internal threshold of $5 million before reinsurance. The Bank's internal threshold may change from time to time.

Collateralized Mortgage Obligation (CMO): They are collateralized debt obligations consisting of mortgage-backed securities that are separated and issued as different classes of mortgage pass-through securities with different terms, interest rates, and risks. CMOs by private issuers are collectively referred to as non-agency CMOs.

Common Equity Tier 1 (CET1) Capital: This is a primary Basel III capital measure comprised mainly of common equity, retained earnings and qualifying non-controlling interest in subsidiaries. Regulatory deductions made to arrive at the CET1 Capital include goodwill and intangibles, unconsolidated investments in banking, financial, and insurance entities, deferred tax assets, defined benefit pension fund assets, and shortfalls in allowances.

Common Equity Tier 1 (CET1) Capital Ratio: CET1 Capital ratio represents the predominant measure of capital adequacy under Basel III and equals CET1 Capital divided by RWA.

Compound Annual Growth Rate (CAGR): A measure of growth over multiple time periods from the initial investment value to the ending investment value assuming that the investment has been compounding over the time period.

Credit Valuation Adjustment (CVA): CVA represents a capital charge that measures credit risk due to default of derivative counterparties. This charge requires banks to capitalize for the potential changes in counterparty credit spread for the derivative portfolios.

Diluted EPS: A performance measure calculated by dividing net income available to common shareholders by the weighted average number of common shares outstanding adjusting for the effect of all potentially dilutive common shares. Adjusted diluted EPS is calculated in the same manner using adjusted net income.

Dividend Payout Ratio: A ratio represents the percentage of Bank's earnings being paid to common shareholders in the form of dividends and is calculated by dividing common dividends by net income available to common shareholders. Adjusted dividend payout ratio is calculated in the same manner using adjusted net income.

Dividend Yield: A ratio calculated as the dividend per common share for the year divided by the daily average closing stock price during the year.

Effective Income Tax Rate: A rate and performance indicator calculated by dividing the provision for income taxes as a percentage of net income before taxes. Adjusted effective income tax rate is calculated in the same manner using adjusted results.

Effective Interest Rate (EIR): 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.

Effective Interest Rate Method (EIRM): A technique for calculating the actual interest rate in a period based on the amount of a financial instrument's book value at the beginning of the accounting period. Under EIRM, the effective interest rate, which is a key component of the calculation, discounts the expected future cash inflows and outflows expected over the life of a financial instrument.

Efficiency Ratio: The efficiency ratio measures operating efficiency and is calculated by taking the non-interest expenses as a percentage of total revenue. A lower ratio indicates a more efficient business operation. Adjusted efficiency ratio is calculated in the same manner using adjusted non-interest expenses and adjusted total revenue.

Enhanced Disclosure Task Force (EDTF): Established by the FSB in May 2012, comprised of banks, analysts, investors, and auditors, with the goal of enhancing the risk disclosures of banks and other financial institutions.

Expected Credit Losses (ECLs): ECLs are the probability-weighted present value of expected cash shortfalls over the remaining expected life of the financial instrument and considers 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.

Fair Value: The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, under current market conditions.

Fair value through other comprehensive income (FVOCI): Under IFRS 9, if the asset passes the contractual cash flows test (named SPPI), the business model assessment determines how the instrument is classified. If the instrument is being held to collect contractual cash flows, that is, if it is not expected to be sold, it is measured as amortized cost. If the business model for the instrument is to both collect contractual cash flows and potentially sell the asset, it is measured at FVOCI.

Fair value through profit or loss (FVTPL): Under IFRS 9, the classification is dependent on two tests, a contractual cash flow test (named SPPI) and a business model assessment. Unless the asset meets the requirements of both tests, it is measured at fair value with all changes in fair value reported in profit or loss.

Federal Deposit Insurance Corporation (FDIC): A U.S. government corporation which provides deposit insurance guaranteeing the safety of a depositor's accounts in member banks. The FDIC also examines and supervises certain financial institutions for safety and soundness, performs certain consumer-protection functions, and manages banks in receiverships (failed banks).

Forward Contracts: Over-the-counter contracts between two parties that oblige one party to the contract to buy and the other party to sell an asset for a fixed price at a future date.

Futures: Exchange-traded contracts to buy or sell a security at a predetermined price on a specified future date.

Hedging: A risk management technique intended to mitigate the Bank's exposure to fluctuations in interest rates, foreign currency exchange rates, or other market factors. The elimination or reduction of such exposure is accomplished by engaging in capital markets activities to establish offsetting positions.

Impaired Loans: Loans where, in management's opinion, there has been a deterioration of credit quality to the extent that the Bank no longer has reasonable assurance as to the timely collection of the full amount of principal and interest.

Loss Given Default (LGD): It is the amount of the loss the Bank would likely incur when a borrower defaults on a loan, which is expressed as a percentage of exposure at default.

Mark-to-Market (MTM): A valuation that reflects current market rates as at the balance sheet date for financial instruments that are carried at fair value.

Master Netting Agreements: Legal agreements between two parties that have
multiple derivative contracts with each other that provide for the net settlement of all contracts through a single payment, in a single currency, in the event of default or termination of any one contract.

Net Corporate Expenses: Non-interest expenses related to corporate service and control groups which are not allocated to a business segment.

Net Interest Margin: A non-GAAP ratio calculated as net interest income as a percentage of average interest-earning assets to measure performance. This metric is an indicator of the profitability of the Bank's earning assets less the cost of funding. Adjusted net interest margin is calculated in the same manner using adjusted net interest income.

Non-Viability Contingent Capital (NVCC): Instruments (preferred shares and subordinated debt) that contain a feature or a provision that allows the financial institution to either permanently convert these instruments into common shares or fully write-down the instrument, in the event that the institution is no longer viable.

Notional: A reference amount on which payments for derivative financial instruments are based.

Office of the Superintendent of Financial Institutions Canada (OSFI): The regulator of Canadian federally chartered financial institutions and federally administered pension plans.

Operating Leverage: A non-GAAP measure that the Bank calculates as the difference between the % change in adjusted revenue (U.S. Retail in source currency) net of insurance service expense (ISE), and adjusted expenses (U.S. Retail in US$) grossed up by the retailer program partners' share of PCL for the Bank's U.S. strategic card portfolio. Collectively, these adjustments provide a measure of operating leverage that management believes is more reflective of underlying business performance.

Options: Contracts in which the writer of the option grants the buyer the future right, but not the obligation, to buy or to sell a security, exchange rate, interest rate, or other financial instrument or commodity at a predetermined price at or by a specified future date.

Price-Earnings Ratio: A ratio calculated by dividing the closing share price by EPS based on a trailing four quarters to indicate market performance. Adjusted price-earnings ratio is calculated in the same manner using adjusted EPS.

Probability of Default (PD): It is the likelihood that a borrower will not be able to meet its scheduled repayments.

Provision for Credit Losses (PCL): Amount added to the allowance for credit losses to bring it to a level that management considers adequate to reflect expected credit-related losses on its portfolio.

Return on Common Equity (ROE): The consolidated Bank ROE is calculated as net income available to common shareholders as a percentage of average common shareholders' equity, utilized in assessing the Bank's use of equity. ROE for the business segments is calculated as the segment net income available to common shareholders as a percentage of average allocated capital. Adjusted ROE is calculated in the same manner using adjusted net income.

Return on Tangible Common Equity (ROTCE): A non-GAAP financial measure calculated as reported net income available to common shareholders after adjusting for the after-tax amortization of acquired intangibles, which are treated as an item of note, as a percentage of average Tangible common equity. Adjusted ROTCE is calculated in the same manner using adjusted net income. Both measures can be utilized in assessing the Bank's use of equity.

Return on Risk-weighted Assets: Net income available to common shareholders as a percentage of average risk-weighted assets.

Risk-Weighted Assets (RWA): Assets calculated by applying a regulatory risk-weight factor to on and off-balance sheet exposures. The risk-weight factors are established by the OSFI to convert on and off-balance sheet exposures to a comparable risk level.

Securitization: The process by which financial assets, mainly loans, are transferred to structures, which normally issue a series of asset-backed securities to investors to fund the purchase of loans.

Solely Payments of Principal and Interest (SPPI): Contractual cash flows of a financial asset that are consistent with a basic lending arrangement.

Swaps: Contracts that involve the exchange of fixed and floating interest rate payment obligations and currencies on a notional principal for a specified period of time.

Tangible common equity (TCE): A non-GAAP financial measure calculated as common shareholders' equity less goodwill, imputed goodwill, and intangibles on an investment in Schwab and other acquired intangible assets, net of related deferred tax liabilities. It can be utilized in assessing the Bank's use of equity.

Taxable Equivalent Basis (TEB): A calculation method (not defined in GAAP) that increases revenues and the provision for income taxes on certain tax-exempt securities to an equivalent before-tax basis to facilitate comparison of net interest income from both taxable and tax-exempt sources.

Tier 1 Capital Ratio: Tier 1 Capital represents the more permanent forms of capital, consisting primarily of common shareholders' equity, retained earnings, preferred shares and innovative instruments. Tier 1 Capital ratio is calculated as Tier 1 Capital divided by RWA.

Total Capital Ratio: Total Capital is defined as the total of net Tier 1 and Tier 2 Capital. Total Capital ratio is calculated as Total Capital divided by RWA.

Total Shareholder Return (TSR): The total return earned on an investment in TD's common shares. The return measures the change in shareholder value, assuming dividends paid are reinvested in additional shares.

Trading-Related Revenue: A non-GAAP financial measure that is the total of trading income (loss), net interest income on trading positions, and income from financial instruments designated at FVTPL that are managed within a trading portfolio. Trading-related revenue (TEB) in the Wholesale Banking segment is also a non-GAAP financial measure and is calculated in the same manner, including TEB adjustments. Both are used for measuring trading performance.

Value-at-Risk (VaR): A metric used to monitor and control overall risk levels and to calculate the regulatory capital required for market risk in trading activities. VaR measures the adverse impact that potential changes in market rates and prices could have on the value of a portfolio over a specified period of time.