



TD Bank Group Reports Second Quarter 2024 Results

Report to Shareholders • Three and six months ended April 30, 2024

The financial information in this document is reported in Canadian dollars and is based on the Bank's unaudited Interim Consolidated Financial Statements and related Notes prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), unless otherwise noted. 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 measures are non-GAAP financial measures. For additional information about the Bank's use of non-GAAP financial measures, refer to "Significant Events" and "Non-GAAP and Other Financial Measures" in the "How We Performed" section of this document.

SECOND QUARTER FINANCIAL HIGHLIGHTS, compared with the second quarter last year:

- Reported diluted earnings per share were \$1.35, compared with \$1.69.
- Adjusted diluted earnings per share were \$2.04, compared with \$1.91.
- Reported net income was \$2,564 million, compared with \$3,306 million.
- Adjusted net income was \$3,789 million, compared with \$3,707 million.

YEAR-TO-DATE FINANCIAL HIGHLIGHTS, six months ended April 30, 2024, compared with the corresponding period last year:

- Reported diluted earnings per share were \$2.89, compared with \$2.52.
- Adjusted diluted earnings per share were \$4.04, compared with \$4.14.
- Reported net income was \$5,388 million, compared with \$4,887 million.
- Adjusted net income was \$7,426 million, compared with \$7,861 million.

SECOND QUARTER ADJUSTMENTS (ITEMS OF NOTE)

The second quarter reported earnings figures included the following items of note:

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

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

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

Canadian Personal and Commercial Banking delivered a strong quarter driven by continued volume growth and positive operating leverage

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

Canadian Personal and Commercial Banking continued to build momentum, delivering another strong quarter for New to Canada account openings. TD increased its support for international students with an agreement with HDFC, India's leading private sector bank, to help attract new customers with a simplified banking experience. The Bank also established a new collaboration with ApplyBoard, a Canadian educational organization that helps international students prepare their finances to study in Canada. In addition, TD Auto Finance was ranked #1 in Dealer Satisfaction with Non-Prime and Prime Credit Non-Captive Automotive Financing Lenders, according to the J.D. Power 2024 Canada Dealer Financing Satisfaction Study¹.

The U.S. Retail Bank delivered operating momentum with sequential earnings and loan growth in a challenging environment

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

The U.S. Retail Bank, which excludes the Bank's investment in Schwab, reported net income of \$397 million (US\$297 million), a decrease of 66% (65% in U.S. dollars) from the second quarter last year, primarily reflecting provisions for investigations related to the Bank's anti-money laundering program and the Federal Deposit Insurance Corporation (FDIC) Special Assessment, partially offset by acquisition and integration-related charges for the terminated First Horizon

¹ TD Auto Finance received the highest score in the retail non-captive non-prime segment and the retail non-captive prime segment in the J.D. Power 2024 Canada Dealer Financing Satisfaction Study, which measure Canadian auto dealers' satisfaction with their auto finance providers. Visit jdpower.com/awards for more details.

transaction in the second quarter last year. On an adjusted basis net income was \$1,089 million (US\$803 million), a decrease of 14% (15% in U.S. dollars) from the second quarter last year, primarily reflecting higher PCL and lower revenue.

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

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

Wealth Management and Insurance results reflect strong business momentum

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

Wealth Management and Insurance continued to invest in client-centric innovation this quarter. TD Direct Investing completed its migration of most active traders to the new TD Active Trader platform and TD Wealth Advice continued to gain market share as it grows its advisor network². TD Asset Management launched seven new actively managed fixed income ETFs, showcasing the value of its proprietary independent credit research capabilities, and offering investors the potential to earn a high rate of interest income. In TD Insurance, Small Business Insurance expanded its national reach to new customer segments including business professionals, healthcare, retail, small manufacturing, and hospitality.

Wholesale Banking delivered record revenue reflecting broad-based growth across the business

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

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

Enhancements to TD's anti-money laundering (AML) program

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

Capital

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

Conclusion

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

The foregoing contains forward-looking statements. Please refer to the "Caution Regarding Forward-Looking Statements" on page 4.

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

ENHANCED DISCLOSURE TASK FORCE

The Enhanced Disclosure Task Force (EDTF) was established by the Financial Stability Board in 2012 to identify fundamental disclosure principles, recommendations and leading practices to enhance risk disclosures of banks. The index below includes the recommendations (as published by the EDTF) and lists the location of the related EDTF disclosures presented in the second quarter 2024 Report to Shareholders (RTS), Supplemental Financial Information (SFI), or Supplemental Regulatory Disclosures (SRD). Information on TD's website, SFI, and SRD is not and should not be considered incorporated herein by reference into the second quarter 2024 RTS, Management's Discussion and Analysis, or the Interim Consolidated Financial Statements. Certain disclosure references have been made to the Bank's 2023 Annual Report.

Type of Risk	Topic	EDTF Disclosure	Page			
			RTS Second Quarter 2024	SFI Second Quarter 2024	SRD Second Quarter 2024	Annual Report 2023
General	1	Present all related risk information together in any particular report.	Refer to below for location of disclosures			
	2	The bank's risk terminology and risk measures and present key parameter values used.				83-88, 92, 97, 99-101, 112-114
	3	Describe and discuss top and emerging risks.				76-82
	4	Outline plans to meet each new key regulatory ratio once applicable rules are finalized.	28, 41			72, 109
Risk Governance and Risk Management and Business Model	5	Summarize the bank's risk management organization, processes, and key functions.				84-87
	6	Description of the bank's risk culture and procedures applied to support the culture.				83-84
	7	Description of key risks that arise from the bank's business models and activities.				71, 83, 88-116
	8	Description of stress testing within the bank's risk governance and capital frameworks.				70, 87, 95, 112
Capital Adequacy and Risk Weighted Assets	9	Pillar 1 capital requirements and the impact for global systemically important banks.	26-28, 80		1-3, 6	67-69, 73, 219
	10	Composition of capital and reconciliation of accounting balance sheet to the regulatory balance sheet.			1-3, 5	67
	11	Flow statement of the movements in regulatory capital.			4	
	12	Discussion of capital planning within a more general discussion of management's strategic planning.				68-70, 112
	13	Analysis of how risk-weighted asset (RWA) relate to business activities and related risks.		9-13		70-71
	14	Analysis of capital requirements for each method used for calculating RWA.			13	89-92, 94-95
	15	Tabulate credit risk in the banking book for Basel asset classes and major portfolios.			35-52, 60-64	
Liquidity	16	Flow statement reconciling the movements of RWA by risk type.			17-18	
	17	Discussion of Basel III back-testing requirements.			78	91, 95, 99
	18	The bank's management of liquidity needs and liquidity reserves.	33-35, 37-38			101-103, 105-106
	19	Encumbered and unencumbered assets in a table by balance sheet category.	36			104, 214
	20	Tabulate consolidated total assets, liabilities and off-balance sheet commitments by remaining contractual maturity at the balance sheet date.	41-43			109-111
Funding	21	Discussion of the bank's funding sources and the bank's funding strategy.	36-41			106-109
	22	Linkage of market risk measures for trading and non-trading portfolio and balance sheet.	30			93
	23	Breakdown of significant trading and non-trading market risk factors.	30, 32			93, 96-97
	24	Significant market risk measurement model limitations and validation procedures.	31			94-97, 99
Market Risk	25	Primary risk management techniques beyond reported risk measures and parameters.	31			94-97
	26	Provide information that facilitates users' understanding of the bank's credit risk profile, including any significant credit risk concentrations.	23-26, 61-69	21-36	1-5, 13, 17, 19-78	54-66, 88-92, 171-178, 187, 190-191, 217-218
	27	Description of the bank's policies for identifying impaired loans.	69			62, 147-148, 154, 177
	28	Reconciliation of the opening and closing balances of impaired loans in the period and the allowance for loan losses.	24, 64-68	25, 29		60, 174-176
Credit Risk	29	Analysis of the bank's counterparty credit risks that arise from derivative transactions.			53-54, 66-69	91, 159, 181-183, 187, 190-191
	30	Discussion of credit risk mitigation, including collateral held for all sources of credit risk.				91, 151, 159
	31	Description of 'other risk' types based on management's classifications and discuss how each one is identified, governed, measured, and managed.				97-100, 112-116
	32	Discuss publicly known risk events related to other risks.	78			81-82, 212-213, 221

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF OPERATING PERFORMANCE

This 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 three and six months ended April 30, 2024, compared with the corresponding periods shown. This MD&A should be read in conjunction with the Bank's unaudited Interim Consolidated Financial Statements and related Notes included in this Report to Shareholders and with the 2023 Consolidated Financial Statements and related Notes and 2023 MD&A. This MD&A is dated May 22, 2024. Unless otherwise indicated, all amounts are expressed in Canadian dollars and have been primarily derived from the Bank's 2023 Consolidated Financial Statements and related Notes or Interim Consolidated Financial Statements and related Notes, prepared in accordance with IFRS as issued by the IASB. Note that certain comparative amounts have been revised to conform with the presentation adopted in the current period. Additional information relating to the Bank, including the Bank's 2023 Annual Information Form, is available on the Bank's website at <http://www.td.com> as well as on SEDAR+ at <http://www.sedarplus.ca> and on the SEC'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 ("2023 MD&A") in the Bank's 2023 Annual Report under the heading "Economic Summary and Outlook", under the headings "Key Priorities for 2024" and "Operating Environment and Outlook" for the Canadian Personal and Commercial Banking, U.S. Retail, Wealth Management and Insurance, and Wholesale Banking segments, and under the heading "2023 Accomplishments and Focus for 2024" for the Corporate segment, and in other statements regarding the Bank's objectives and priorities for 2024 and beyond and strategies to achieve them, the regulatory environment in which the Bank operates, and the Bank's anticipated financial performance. Forward-looking statements can be identified by words such as "anticipate", "believe", "could", "estimate", "expect", "forecast", "goal", "intend", "may", "outlook", "plan", "possible", "potential", "predict", "project", "should", "target", "will", and "would" and similar expressions or variations thereof, or the negative thereof, but these terms are not the exclusive means of identifying such statements. By their very nature, these forward-looking statements require the Bank to make assumptions and are subject to inherent risks and uncertainties, general and specific. Especially in light of the uncertainty related to the physical, financial, economic, political, and regulatory environments, such risks and uncertainties – many of which are beyond the Bank's control and the effects of which can be difficult to predict – may cause actual results to differ materially from the expectations expressed in the forward-looking statements. Risk factors that could cause, individually or in the aggregate, such differences include: strategic, credit, market (including equity, commodity, foreign exchange, interest rate, and credit spreads), operational (including technology, cyber security, and infrastructure), model, insurance, liquidity, capital adequacy, legal, regulatory compliance and conduct, reputational, environmental and social, and other risks. Examples of such risk factors include general business and economic conditions in the regions in which the Bank operates; geopolitical risk; inflation, rising rates and recession; regulatory oversight and compliance risk; the ability of the Bank to execute on long-term strategies, shorter-term key strategic priorities, including the successful completion of acquisitions and dispositions and integration of acquisitions, the ability of the Bank to achieve its financial or strategic objectives with respect to its investments, business retention plans, and other strategic plans; technology and cyber security risk (including cyber-attacks, data security breaches or technology failures) on the Bank's technologies, systems and networks, those of the Bank's customers (including their own devices), and third parties providing services to the Bank; model risk; fraud activity; insider risk; the failure of third parties to comply with their obligations to the Bank or its affiliates, including relating to the care and control of information, and other risks arising from the Bank's use of third parties; the impact of new and changes to, or application of, current laws, rules and regulations, including without limitation tax laws, capital guidelines and liquidity regulatory guidance; increased competition from incumbents and new entrants (including Fintechs and big technology competitors); shifts in consumer attitudes and disruptive technology; environmental and social risk (including climate change); exposure related to significant litigation and regulatory matters; ability of the Bank to attract, develop, and retain key talent; changes to the Bank's credit ratings; changes in foreign exchange rates, interest rates, credit spreads and equity prices; the interconnectivity of Financial Institutions including existing and potential international debt crises; increased funding costs and market volatility due to market illiquidity and competition for funding; Interbank Offered Rate (IBOR) transition risk; critical accounting estimates and changes to accounting standards, policies, and methods used by the Bank; the economic, financial, and other impacts of pandemics; and the occurrence of natural and unnatural catastrophic events and claims resulting from such events. The Bank cautions that the preceding list is not exhaustive of all possible risk factors and other factors could also adversely affect the Bank's results. For more detailed information, please refer to the "Risk Factors and Management" section of the 2023 MD&A, as may be updated in subsequently filed quarterly reports to shareholders and news releases (as applicable) related to any events or transactions discussed under the heading "Significant Events" in the relevant MD&A, which applicable releases may be found on www.td.com. All such factors, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements, should be considered carefully when making decisions with respect to the Bank. The Bank cautions readers not to place undue reliance on the Bank's forward-looking statements.

Material economic assumptions underlying the forward-looking statements contained in this document are set out in the 2023 MD&A under the heading "Economic Summary and Outlook", under the headings "Key Priorities for 2024" and "Operating Environment and Outlook" for the Canadian Personal and Commercial Banking, U.S. Retail, Wealth Management and Insurance, and Wholesale Banking segments, and under the heading "2023 Accomplishments and Focus for 2024" for the Corporate segment, each as may be updated in subsequently filed quarterly reports to shareholders.

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

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

TABLE 1: FINANCIAL HIGHLIGHTS

(millions of Canadian dollars, except as noted)

	For the three months ended			For the six months ended	
	April 30 2024	January 31 2024	April 30 2023	April 30 2024	April 30 2023
Results of operations					
Total revenue – reported ¹	\$ 13,819	\$ 13,714	\$ 12,397	\$ 27,533	\$ 24,598
Total revenue – adjusted ^{1,2}	13,883	13,771	12,570	27,654	25,647
Provision for (recovery of) credit losses	1,071	1,001	599	2,072	1,289
Insurance service expenses (ISE) ¹	1,248	1,366	1,118	2,614	2,282
Non-interest expenses – reported ¹	8,401	8,030	6,756	16,431	14,868
Non-interest expenses – adjusted ^{1,2}	7,084	7,125	6,462	14,209	12,799
Net income – reported ¹	2,564	2,824	3,306	5,388	4,887
Net income – adjusted ^{1,2}	3,789	3,637	3,707	7,426	7,861
Financial position (billions of Canadian dollars)					
Total loans net of allowance for loan losses	\$ 928.1	\$ 904.3	\$ 849.6	\$ 928.1	\$ 849.6
Total assets	1,966.7	1,910.9	1,924.8	1,966.7	1,924.8
Total deposits	1,203.8	1,181.3	1,189.4	1,203.8	1,189.4
Total equity	112.0	112.4	116.2	112.0	116.2
Total risk-weighted assets ³	602.8	579.4	549.4	602.8	549.4
Financial ratios					
Return on common equity (ROE) – reported ^{1,4}	9.5 %	10.9 %	12.4 %	10.2 %	9.1 %
Return on common equity – adjusted ^{1,2}	14.5	14.1	14.0	14.3	15.0
Return on tangible common equity (ROTCE) ^{1,2,4}	13.0	14.9	16.5	13.9	12.3
Return on tangible common equity – adjusted ^{1,2}	19.2	18.7	18.3	18.9	19.7
Efficiency ratio – reported ^{1,4}	60.8	58.6	54.5	59.7	60.4
Efficiency ratio – adjusted, net of ISE ^{1,2,4,5}	56.1	57.4	56.4	56.7	54.8
Provision for (recovery of) credit losses as a % of net average loans and acceptances	0.47	0.44	0.28	0.45	0.30
Common share information – reported (Canadian dollars)					
Per share earnings ¹					
Basic	\$ 1.35	\$ 1.55	\$ 1.69	\$ 2.90	\$ 2.52
Diluted	1.35	1.55	1.69	2.89	2.52
Dividends per share	1.02	1.02	0.96	2.04	1.92
Book value per share ⁴	57.69	57.34	57.08	57.69	57.08
Closing share price ⁶	81.67	81.67	82.07	81.67	82.07
Shares outstanding (millions)					
Average basic	1,762.8	1,776.7	1,828.3	1,769.8	1,824.4
Average diluted	1,764.1	1,778.2	1,830.3	1,771.2	1,826.6
End of period	1,759.3	1,772.1	1,838.5	1,759.3	1,838.5
Market capitalization (billions of Canadian dollars)	\$ 143.7	\$ 144.7	\$ 150.9	\$ 143.7	\$ 150.9
Dividend yield ⁴	5.1 %	4.9 %	4.5 %	5.0 %	4.4 %
Dividend payout ratio ⁴	75.6	65.7	56.7	70.3	76.2
Price-earnings ratio ^{1,4}	13.8	13.1	10.4	13.8	10.4
Total shareholder return (1 year) ⁴	4.5	(6.9)	(7.5)	4.5	(7.5)
Common share information – adjusted (Canadian dollars) ^{1,2}					
Per share earnings ¹					
Basic	\$ 2.04	\$ 2.01	\$ 1.91	\$ 4.05	\$ 4.15
Diluted	2.04	2.00	1.91	4.04	4.14
Dividend payout ratio	49.9 %	50.7 %	50.2 %	50.3 %	46.2 %
Price-earnings ratio ¹	10.5	10.6	9.8	10.5	9.8
Capital ratios³					
Common Equity Tier 1 Capital ratio	13.4 %	13.9 %	15.3 %	13.4 %	15.3 %
Tier 1 Capital ratio	15.1	15.7	17.3	15.1	17.3
Total Capital ratio	17.1	17.6	19.7	17.1	19.7
Leverage ratio	4.3	4.4	4.6	4.3	4.6
TLAC ratio	30.6	30.8	34.2	30.6	34.2
TLAC Leverage ratio	8.7	8.6	9.0	8.7	9.0

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

² The Toronto-Dominion Bank ("TD" or the "Bank") prepares its Interim Consolidated Financial Statements in accordance with IFRS, the current GAAP, and refers to results prepared in accordance with IFRS as the "reported" results. The Bank also utilizes non-GAAP financial measures such as "adjusted" results and non-GAAP ratios to assess each of its businesses and to measure overall Bank performance. To arrive at adjusted results, the Bank adjusts reported results for "items of note". Refer to "Significant Events" and "How We Performed" sections of this document for further explanation, a list of the items of note, and a reconciliation of adjusted to reported results. Non-GAAP financial measures and ratios used in this document are not defined terms under IFRS and, therefore, may not be comparable to similar terms used by other issuers.

³ These measures have been included in this document in accordance with the Office of the Superintendent of Financial Institutions Canada's (OSFI's) Capital Adequacy Requirements (CAR), Leverage Requirements (LR), and Total Loss Absorbing Capacity (TLAC) guidelines. Refer to the "Capital Position" section of this document for further details.

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

⁵ Efficiency ratio – adjusted, net of ISE is calculated by dividing adjusted non-interest expenses by adjusted total revenue, net of ISE. Adjusted total revenue, net of ISE – Q2 2024: \$12,635 million, Q1 2024: \$12,405 million, Q2 2023: \$11,452 million, 2024 YTD: \$25,040 million, 2023 YTD: \$23,365 million. Effective the first quarter of 2024, the composition of this non-GAAP ratio and the comparative amounts have been revised.

⁶ Toronto Stock Exchange closing market price.

SIGNIFICANT EVENTS

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

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

b) Restructuring Charges

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

c) Federal Deposit Insurance Corporation Special Assessment

On November 16, 2023, the FDIC announced a final rule that implements a special assessment to recover the losses to the Deposit Insurance Fund arising from the protection of uninsured depositors during the U.S. bank failures in the spring of 2023. The special assessment resulted in the recognition of \$411 million (US\$300 million) pre-tax in non-interest expenses in the first quarter of the Bank's fiscal 2024.

On February 23, 2024, the FDIC notified all institutions subject to the special assessment that its estimate of total losses has increased compared to the amount communicated with the final rule in November 2023. Accordingly, the Bank recognized an additional expense for the special assessment of \$103 million (US\$75 million) in the second quarter of the Bank's fiscal 2024. The final amount of the Bank's special assessment may be further updated as the FDIC determines the actual losses to the Deposit Insurance Fund. The FDIC plans to provide institutions subject to the special assessment with an updated estimate with its first quarter 2024 special assessment invoice, to be released in June 2024.

HOW WE PERFORMED

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 27.5 million customers in four key businesses operating in a number of locations in financial centres around the globe: Canadian Personal and Commercial Banking, including TD Canada Trust and TD Auto Finance Canada; U.S. Retail, including TD Bank, America's Most Convenient Bank®, TD Auto Finance U.S., TD Wealth (U.S.), and an investment in The Charles Schwab Corporation; Wealth Management and Insurance, including TD Wealth (Canada), TD Direct Investing, and TD Insurance; and Wholesale Banking, including TD Securities and TD Cowen. TD also ranks among the world's leading online financial services firms, with more than 17 million active online and mobile customers. TD had \$1.97 trillion in assets on April 30, 2024. The Toronto-Dominion Bank trades under the symbol "TD" on the Toronto and New York Stock Exchanges.

HOW THE BANK REPORTS

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

Non-GAAP and Other Financial Measures

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

U.S. Strategic Cards

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

Investment in The Charles Schwab Corporation and IDA Agreement

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

The Bank accounts for its investment in Schwab using the equity method. The U.S. Retail segment reflects the Bank's share of net income from its investment in Schwab. The Corporate segment net income (loss) includes amounts for amortization of acquired intangibles, the acquisition and integration charges related to the Schwab transaction, and the Bank's share of restructuring and other charges incurred by Schwab. The Bank's share of Schwab's earnings available to common shareholders is reported with a one-month lag. For further details, refer to Note 7 of the Bank's second quarter 2024 Interim Consolidated Financial Statements.

On November 25, 2019, the Bank and Schwab signed an insured deposit account agreement (the “2019 Schwab IDA Agreement”), with an initial expiration date of July 1, 2031. Under the 2019 Schwab IDA Agreement, starting July 1, 2021, Schwab had the option to reduce the deposits by up to US\$10 billion per year (subject to certain limitations and adjustments), with a floor of US\$50 billion. In addition, Schwab requested some further operational flexibility to allow for the sweep deposit balances to fluctuate over time, under certain conditions and subject to certain limitations.

On May 4, 2023, the Bank and Schwab entered into an amended insured deposit account agreement (the “2023 Schwab IDA Agreement”), which replaced the 2019 Schwab IDA Agreement. Pursuant to the 2023 Schwab IDA Agreement, the Bank continues to make sweep deposit accounts available to clients of Schwab. Schwab designates a portion of the deposits with the Bank as fixed-rate obligation amounts (FROA). Remaining deposits over FROA are designated as floating-rate obligations. In comparison to the 2019 Schwab IDA Agreement, the 2023 Schwab IDA Agreement extends the initial expiration date by three years to July 1, 2034 and provides for lower deposit balances in its first six years, followed by higher balances in the later years. Specifically, until September 2025, the aggregate FROA will serve as the floor. Thereafter, the floor will be set at US\$60 billion. In addition, Schwab has the option to buy down up to \$6.8 billion (US\$5 billion) of FROA by paying the Bank certain fees in accordance with the 2023 Schwab IDA Agreement, subject to certain limits. Refer to the “Related Party Transactions” section in the 2023 MD&A for further details.

During the first quarter of 2024, Schwab exercised its option to buy down the remaining \$0.7 billion (US\$0.5 billion) of the US\$5 billion FROA buydown allowance and paid \$32 million (US\$23 million) in termination fees to the Bank in accordance with the 2023 Schwab IDA Agreement. By the end of the first quarter of 2024, Schwab had completed its buy down of the full US\$5 billion FROA buydown allowance and had paid a total of \$337 million (US\$250 million) in termination fees to the Bank. The fees were intended to compensate the Bank for losses incurred from discontinuing certain hedging relationships and for lost revenues. The net impact was recorded in net interest income.

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

TABLE 2: OPERATING RESULTS – Reported

(millions of Canadian dollars)

	<i>For the three months ended</i>		<i>For the six months ended</i>		
	April 30 2024	January 31 2024	April 30 2023	April 30 2024	April 30 2023
Net interest income	\$ 7,465	\$ 7,488	\$ 7,428	\$ 14,953	\$ 15,161
Non-interest income ¹	6,354	6,226	4,969	12,580	9,437
Total revenue ¹	13,819	13,714	12,397	27,533	24,598
Provision for (recovery of) credit losses	1,071	1,001	599	2,072	1,289
Insurance service expenses ¹	1,248	1,366	1,118	2,614	2,282
Non-interest expenses ¹	8,401	8,030	6,756	16,431	14,868
Income before income taxes and share of net income from investment in Schwab¹	3,099	3,317	3,924	6,416	6,159
Provision for (recovery of) income taxes ¹	729	634	859	1,363	1,798
Share of net income from investment in Schwab	194	141	241	335	526
Net income – reported¹	2,564	2,824	3,306	5,388	4,887
Preferred dividends and distributions on other equity instruments	190	74	210	264	293
Net income available to common shareholders¹	\$ 2,374	\$ 2,750	\$ 3,096	\$ 5,124	\$ 4,594

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

The following table provides a reconciliation between the Bank's adjusted and reported results. For further details refer to the "Significant Events" or "How We Performed" sections.

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

(millions of Canadian dollars)	For the three months ended		For the six months ended		
	April 30 2024	January 31 2024	April 30 2023	April 30 2024	April 30 2023
Operating results – adjusted					
Net interest income ¹	\$ 7,529	\$ 7,545	\$ 7,610	\$ 15,074	\$ 15,472
Non-interest income ^{1,2,3}	6,354	6,226	4,960	12,580	10,175
Total revenue ²	13,883	13,771	12,570	27,654	25,647
Provision for (recovery of) credit losses	1,071	1,001	599	2,072	1,289
Insurance service expenses ²	1,248	1,366	1,118	2,614	2,282
Non-interest expenses ^{2,4}	7,084	7,125	6,462	14,209	12,799
Income before income taxes and share of net income from investment in Schwab	4,480	4,279	4,391	8,759	9,277
Provision for income taxes	920	872	967	1,792	2,027
Share of net income from investment in Schwab ⁵	229	230	283	459	611
Net income – adjusted²	3,789	3,637	3,707	7,426	7,861
Preferred dividends and distributions on other equity instruments	190	74	210	264	293
Net income available to common shareholders – adjusted	3,599	3,563	3,497	7,162	7,568
Pre-tax adjustments for items of note					
Amortization of acquired intangibles ⁶	(72)	(94)	(79)	(166)	(133)
Acquisition and integration charges related to the Schwab transaction ^{4,5}	(21)	(32)	(30)	(53)	(64)
Share of restructuring and other charges from investment in Schwab ⁵	–	(49)	–	(49)	–
Restructuring charges ⁴	(165)	(291)	–	(456)	–
Acquisition and integration-related charges ⁴	(102)	(117)	(73)	(219)	(94)
Charges related to the terminated First Horizon (FHN) acquisition ⁴	–	–	(154)	–	(260)
Impact from the terminated FHN acquisition-related capital hedging strategy ¹	(64)	(57)	(134)	(121)	(1,010)
Civil matter provision/Litigation settlement ⁴	(274)	–	(39)	(274)	(1,642)
FDIC special assessment ⁴	(103)	(411)	–	(514)	–
Provision for investigations related to the Bank's AML program ⁴	(615)	–	–	(615)	–
Less: Impact of income taxes					
Amortization of acquired intangibles	(10)	(15)	(12)	(25)	(20)
Acquisition and integration charges related to the Schwab transaction	(5)	(6)	(4)	(11)	(10)
Restructuring charges	(43)	(78)	–	(121)	–
Acquisition and integration-related charges	(22)	(24)	(10)	(46)	(15)
Charges related to the terminated FHN acquisition	–	–	(38)	–	(64)
Impact from the terminated FHN acquisition-related capital hedging strategy	(16)	(14)	(33)	(30)	(249)
Civil matter provision/Litigation settlement	(69)	–	(11)	(69)	(456)
FDIC special assessment	(26)	(101)	–	(127)	–
Canada Recovery Dividend (CRD) and federal tax rate increase for fiscal 2022 ⁷	–	–	–	–	585
Total adjustments for items of note	(1,225)	(813)	(401)	(2,038)	(2,974)
Net income available to common shareholders – reported	\$ 2,374	\$ 2,750	\$ 3,096	\$ 5,124	\$ 4,594

¹ Prior to May 4, 2023, the impact shown covers periods before the termination of the FHN transaction and includes the following components, reported in the Corporate segment: i) mark-to-market gains (losses) on interest rate swaps recorded in non-interest income – Q2 2023: (\$263) million, Q1 2023: (\$998) million, ii) basis adjustment amortization related to designated fair value hedge accounting relationships, recorded in net interest income – Q2 2023: \$129 million, Q1 2023: \$122 million, and iii) interest income (expense) recognized on the interest rate swaps, reclassified from non-interest income to net interest income with no impact to total adjusted net income – Q2 2023: \$311 million, Q1 2023: \$251 million. After the termination of the merger agreement, the residual impact of the strategy is reversed through net interest income – Q2 2024: (\$64) million, Q1 2024: (\$57) million.

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

³ Adjusted non-interest income excludes the following item of note:

i. Stanford litigation settlement – Q2 2023: \$39 million. This reflects the foreign exchange loss and is reported in the Corporate segment.

⁴ Adjusted non-interest expenses exclude the following items of note:

i. Amortization of acquired intangibles – Q2 2024: \$42 million, Q1 2024: \$63 million, Q2 2023: \$49 million, Q1 2023: \$24 million, reported in the Corporate segment;

ii. The Bank's own integration and acquisition costs related to the Schwab transaction – Q2 2024: \$16 million, Q1 2024: \$23 million, Q2 2023: \$18 million, Q1 2023: \$21 million, reported in the Corporate segment;

iii. Restructuring charges – Q2 2024: \$165 million, Q1 2024: \$291 million, reported in the Corporate segment;

iv. Acquisition and integration-related charges – Q2 2024: \$102 million, Q1 2024: \$117 million, Q2 2023: \$73 million, Q1 2023: \$21 million, reported in the Wholesale Banking segment;

v. Charges related to the terminated FHN acquisition – Q2 2023: \$154 million, Q1 2023: \$106 million, reported in the U.S. Retail segment;

vi. Civil matter provision/Litigation settlement – Q2 2024: \$274 million in respect of a civil matter, Q1 2023: \$1,603 million in respect of the Stanford litigation settlement, reported in the Corporate segment;

vii. FDIC special assessment – Q2 2024: \$103 million, Q1 2024: \$411 million, reported in the U.S. Retail segment; and

viii. Provision for investigations related to the Bank's AML program – Q2 2024: \$615 million, reported in the U.S. Retail segment.

⁵ Adjusted share of net income from investment in Schwab excludes the following items of note on an after-tax basis. The earnings impact of these items is reported in the Corporate segment:

i. Amortization of Schwab-related acquired intangibles – Q2 2024: \$30 million, Q1 2024: \$31 million, Q2 2023: \$30 million, Q1 2023: \$30 million;

ii. The Bank's share of acquisition and integration charges associated with Schwab's acquisition of TD Ameritrade – Q2 2024: \$5 million, Q1 2024: \$9 million, Q2 2023: \$12 million, Q1 2023: \$13 million;

iii. The Bank's share of restructuring charges incurred by Schwab – Q1 2024: \$27 million; and

iv. The Bank's share of the FDIC special assessment charge incurred by Schwab – Q1 2024: \$22 million.

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

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

TABLE 4: RECONCILIATION OF REPORTED TO ADJUSTED EARNINGS PER SHARE¹

(Canadian dollars)	For the three months ended			For the six months ended	
	April 30 2024	January 31 2024	April 30 2023	April 30 2024	April 30 2023
Basic earnings per share – reported²	\$ 1.35	\$ 1.55	\$ 1.69	\$ 2.90	\$ 2.52
Adjustments for items of note	0.69	0.45	0.22	1.15	1.63
Basic earnings per share – adjusted²	\$ 2.04	\$ 2.01	\$ 1.91	\$ 4.05	\$ 4.15
Diluted earnings per share – reported²	\$ 1.35	\$ 1.55	\$ 1.69	\$ 2.89	\$ 2.52
Adjustments for items of note	0.69	0.45	0.22	1.15	1.63
Diluted earnings per share – adjusted²	\$ 2.04	\$ 2.00	\$ 1.91	\$ 4.04	\$ 4.14

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

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

TABLE 5: AMORTIZATION OF INTANGIBLES, NET OF INCOME TAXES

(millions of Canadian dollars)	For the three months ended			For the six months ended	
	April 30 2024	January 31 2024	April 30 2023	April 30 2024	April 30 2023
Schwab ¹	\$ 30	\$ 31	\$ 30	\$ 61	\$ 60
Wholesale Banking related intangibles	27	42	27	69	34
Other	5	6	10	11	19
Included as items of note	62	79	67	141	113
Software and asset servicing rights	104	96	92	200	182
Amortization of intangibles, net of income taxes	\$ 166	\$ 175	\$ 159	\$ 341	\$ 295

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 attributable to common shareholders as a percentage of average allocated capital. The Bank's methodology for allocating capital to its business segments is largely aligned with the common equity capital requirements under Basel III. Capital allocated to the business segments was increased to 11.5% Common Equity Tier 1 (CET1) Capital effective the first quarter of 2024, compared with 11% in fiscal 2023.

TABLE 6: RETURN ON COMMON EQUITY

(millions of Canadian dollars, except as noted)	For the three months ended			For the six months ended	
	April 30 2024	January 31 2024	April 30 2023	April 30 2024	April 30 2023
Average common equity	\$ 101,137	\$ 100,269	\$ 102,800	\$ 100,573	\$ 101,750
Net income available to common shareholders – reported¹	2,374	2,750	3,096	5,124	4,594
Items of note, net of income taxes	1,225	813	401	2,038	2,974
Net income available to common shareholders – adjusted¹	\$ 3,599	\$ 3,563	\$ 3,497	\$ 7,162	\$ 7,568
Return on common equity – reported ¹	9.5 %	10.9 %	12.4 %	10.2 %	9.1 %
Return on common equity – adjusted¹	14.5	14.1	14.0	14.3	15.0

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

Return on Tangible Common Equity

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

TABLE 7: RETURN ON TANGIBLE COMMON EQUITY

(millions of Canadian dollars, except as noted)

	For the three months ended			For the six months ended	
	April 30 2024	January 31 2024	April 30 2023	April 30 2024	April 30 2023
Average common equity	\$ 101,137	\$ 100,269	\$ 102,800	\$ 100,573	\$ 101,750
Average goodwill	18,380	18,208	17,835	18,322	17,713
Average imputed goodwill and intangibles on investments in Schwab	6,051	6,056	6,142	6,062	6,163
Average other acquired intangibles ¹	574	615	583	595	525
Average related deferred tax liabilities	(228)	(231)	(210)	(230)	(195)
Average tangible common equity	76,360	75,621	78,450	75,824	77,544
Net income available to common shareholders – reported²	2,374	2,750	3,096	5,124	4,594
Amortization of acquired intangibles, net of income taxes	62	79	67	141	113
Net income available to common shareholders adjusted for amortization of acquired intangibles, net of income taxes²	2,436	2,829	3,163	5,265	4,707
Other items of note, net of income taxes	1,163	734	334	1,897	2,861
Net income available to common shareholders – adjusted²	\$ 3,599	\$ 3,563	\$ 3,497	\$ 7,162	\$ 7,568
Return on tangible common equity²	13.0 %	14.9 %	16.5 %	13.9 %	12.3 %
Return on tangible common equity – adjusted²	19.2	18.7	18.3	18.9	19.7

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

	For the three months ended		For the six months ended	
	April 30, 2024 vs.		April 30, 2024 vs.	
	April 30, 2023	April 30, 2023	Increase (Decrease)	Increase (Decrease)
U.S. Retail Bank				
Total revenue – reported		\$ 8	\$ 17	
Total revenue – adjusted ¹		8	17	
Non-interest expenses – reported		6	12	
Non-interest expenses – adjusted ¹		4	9	
Net income – reported, after-tax		1	3	
Net income – adjusted, after-tax ¹		2	5	
Share of net income from investment in Schwab ²		1	1	
U.S. Retail segment net income – reported, after-tax		2	4	
U.S. Retail segment net income – adjusted, after-tax¹		3	6	
Earnings per share (Canadian dollars)				
Basic – reported		\$ –	\$ –	
Basic – adjusted ¹		–	–	
Diluted – reported		–	–	
Diluted – adjusted ¹		–	–	
Average foreign exchange rate (equivalent of CAD \$1.00)				
	For the three months ended		For the six months ended	
	April 30 2024	April 30 2023	April 30 2024	April 30 2023
U.S. dollar	\$ 0.737	\$ 0.739	\$ 0.738	\$ 0.740

¹ For additional information about the Bank's use of non-GAAP financial measures, refer to "Non-GAAP and Other Financial Measures" in the "How We Performed" section of this document.² Share of net income from investment in Schwab and the foreign exchange impact are reported with a one-month lag.**FINANCIAL RESULTS OVERVIEW****Performance Summary**

Outlined below is an overview of the Bank's performance for the second quarter of 2024. Shareholder performance indicators help guide and benchmark the Bank's accomplishments. For the purposes of this analysis, the Bank utilizes adjusted earnings, which excludes items of note from the reported results that are prepared in accordance with IFRS. Reported and adjusted results and items of note are explained in "Non-GAAP and Other Financial Measures" in the "How We Performed" section of this document.

- Adjusted diluted EPS for the six months ended April 30, 2024, decreased 2% from the same period last year.
- Adjusted ROTCE for the six months ended April 30, 2024, was 18.9%.
- For the twelve months ended April 30, 2024, the total shareholder return was 4.5% compared to the Canadian peer³ average of 7.2%.

Net Income**Quarterly comparison – Q2 2024 vs. Q2 2023**

Reported net income for the quarter was \$2,564 million, a decrease of \$742 million, or 22%, compared with the second quarter last year, primarily reflecting the impact of the provision for investigations related to the Bank's AML program, higher non-interest expenses, higher PCL, impact of a civil matter provision, and restructuring charges, partially offset by higher revenues. On an adjusted basis, net income for the quarter was \$3,789 million, an increase of \$82 million, or 2%.

³ Canadian peers include Bank of Montreal, Canadian Imperial Bank of Commerce, Royal Bank of Canada, and The Bank of Nova Scotia.

By segment, the decrease in reported net income reflects decreases in U.S. Retail of \$826 million and in the Corporate segment of \$338 million, partially offset by increases in Wholesale Banking of \$211 million, in Canadian Personal and Commercial Banking of \$114 million, and in Wealth Management and Insurance of \$97 million.

Quarterly comparison – Q2 2024 vs. Q1 2024

Reported net income for the quarter decreased \$260 million, or 9%, compared with the prior quarter, primarily reflecting the impact of the provision for investigations related to the Bank's AML program and the impact of a civil matter provision, partially offset by a lower FDIC special assessment, lower restructuring charges, lower insurance service expenses and higher revenues. Adjusted net income for the quarter increased \$152 million, or 4%.

By segment, the decrease in reported net income reflects decreases in U.S. Retail of \$327 million, in the Corporate segment of \$109 million, and in Canadian Personal and Commercial Banking of \$46 million, partially offset by increases in Wholesale Banking of \$156 million and in Wealth Management and Insurance of \$66 million.

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

Reported net income of \$5,388 million increased \$501 million, or 10%, compared with the same period last year. The increase reflects higher revenues and the prior period impacts of the Stanford litigation settlement, the terminated FHN acquisition-related capital hedging strategy and the provision for income taxes in connection with the CRD and increase in the Canadian federal tax rate for fiscal 2022, partially offset by higher non-interest expenses, the impact of the provision for investigations related to the Bank's AML program, higher PCL, and FDIC special assessment. Adjusted net income was \$7,426 million, a decrease of \$435 million, or 6%.

By segment, the increase in reported net income reflects increases in the Corporate segment of \$1,651 million, in Canadian Personal and Commercial Banking of \$170 million, in Wealth Management and Insurance of \$98 million, and in Wholesale Banking of \$85 million, partially offset by a decrease in U.S. Retail of \$1,503 million.

Net Interest Income

Quarterly comparison – Q2 2024 vs. Q2 2023

Reported net interest income for the quarter was \$7,465 million, an increase of \$37 million compared with the second quarter last year, primarily reflecting higher volumes and margins in Canadian Personal and Commercial Banking, partially offset by lower net interest income in Wholesale Banking. On an adjusted basis, net interest income was \$7,529 million, a decrease of \$81 million, or 1%.

By segment, the increase in reported net interest income reflects increases in Canadian Personal and Commercial Banking of \$435 million, in the Corporate segment of \$58 million, and in Wealth Management and Insurance of \$46 million, partially offset by decreases in Wholesale Banking of \$309 million and in U.S. Retail of \$193 million.

Quarterly comparison – Q2 2024 vs. Q1 2024

Reported net interest income for the quarter decreased \$23 million, compared with the prior quarter, primarily reflecting fewer days in the second quarter, partially offset by higher volumes and margins in Canadian Personal and Commercial Banking. On an adjusted basis, net interest income decreased \$16 million.

By segment, the decrease in reported net interest income reflects decreases in U.S. Retail of \$58 million, in Canadian Personal and Commercial Banking of \$21 million, and in Wholesale Banking of \$9 million, partially offset by increases in the Corporate segment of \$46 million and in Wealth Management and Insurance of \$19 million.

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

Reported net interest income was \$14,953 million, a decrease of \$208 million, or 1%, compared with the same period last year, reflecting lower net interest income in Wholesale Banking and lower volumes and margins in U.S. Retail, partially offset by higher volumes and margins in Canadian Personal and Commercial Banking, impact from the terminated FHN acquisition-related capital hedging strategy, and higher deposit margins in Wealth Management. On an adjusted basis, net interest income was \$15,074 million, a decrease of \$398 million, or 3%.

By segment, the decrease in reported net interest income reflects decreases in Wholesale Banking of \$636 million and in U.S. Retail of \$461 million, partially offset by increases in Canadian Personal and Commercial Banking of \$729 million, in the Corporate segment of \$112 million, and in Wealth Management and Insurance of \$48 million.

Non-Interest Income

Quarterly comparison – Q2 2024 vs. Q2 2023

Reported non-interest income for the quarter was \$6,354 million, an increase of \$1,385 million, or 28%. For both reported and adjusted non-interest income, the increase primarily reflected higher trading-related revenue, underwriting fees, and lending fees in Wholesale Banking, higher insurance premiums, higher fee-based revenue commensurate with market growth and transaction revenue in Wealth Management, and higher revenue from treasury and balance sheet management activities.

By segment, the increase in reported non-interest income reflects increases in Wholesale Banking of \$832 million, in Wealth Management and Insurance of \$267 million, in the Corporate segment of \$203 million, and in U.S. Retail of \$83 million. Canadian Personal and Commercial Banking non-interest income was flat compared with the second quarter last year.

Quarterly comparison – Q2 2024 vs. Q1 2024

Non-interest income for the quarter increased \$128 million, or 2%, compared with the prior quarter, primarily reflecting higher underwriting and advisory fees, and the net change in fair value of loan underwriting commitments in Wholesale Banking.

By segment, the increase in non-interest income reflects increases in Wholesale Banking of \$169 million, in the Corporate segment of \$21 million, and in U.S. Retail of \$2 million, partially offset by decreases in Wealth Management and Insurance of \$40 million and in Canadian Personal and Commercial Banking of \$24 million.

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

Reported non-interest income was \$12,580 million, an increase of \$3,143 million, or 33%, compared with the same period last year, primarily reflecting higher trading-related revenue, underwriting fees, lending fees, and equity commissions in Wholesale Banking, the prior period impact of the terminated FHN acquisition-related capital hedging strategy, higher insurance premiums, higher fee-based revenue commensurate with market growth in Wealth Management, and higher revenue from treasury and balance sheet management activities. Adjusted non-interest income was \$12,580 million, an increase of \$2,405 million, or 24%.

By segment, the increase in reported non-interest income reflects increases in Wholesale Banking of \$1,594 million, in the Corporate segment of \$936 million, in Wealth Management and Insurance of \$485 million, in U.S. Retail of \$127 million, and in Canadian Personal and Commercial Banking of \$1 million.

Provision for Credit Losses

Quarterly comparison – Q2 2024 vs. Q2 2023

PCL for the quarter was \$1,071 million, an increase of \$472 million compared with the second quarter last year. PCL – impaired was \$870 million, an increase of \$319 million, or 58%, reflecting credit migration in the consumer and commercial lending portfolios. PCL – performing was \$201 million, an increase of \$153 million. The performing provisions this quarter largely reflect current credit conditions including some credit migration, and volume growth. Total PCL for the quarter as an annualized percentage of credit volume was 0.47%.

By segment, PCL was higher by \$220 million in Canadian Personal and Commercial Banking, by \$190 million in U.S. Retail, by \$43 million in Wholesale Banking, by \$20 million in the Corporate segment, and lower by \$1 million in Wealth Management and Insurance.

Quarterly comparison – Q2 2024 vs. Q1 2024

PCL for the quarter was \$1,071 million, an increase of \$70 million compared with the prior quarter. PCL – impaired was \$870 million, a decrease of \$64 million, largely reflecting lower provisions in the U.S. commercial lending portfolios, and seasonal trends in the U.S. credit card and auto portfolios, partially offset by credit migration in the Canadian commercial lending portfolios. PCL – performing was \$201 million, an increase of \$134 million. The performing provisions this quarter largely reflect current credit conditions including some credit migration, and volume growth. Total PCL for the quarter as an annualized percentage of credit volume was 0.47%.

By segment, PCL was higher by \$45 million in Wholesale Banking, by \$44 million in Canadian Personal and Commercial Banking, and lower by \$14 million in the Corporate segment, and by \$5 million in U.S. Retail.

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

PCL was \$2,072 million, an increase of \$783 million compared with the same period last year. PCL – impaired was \$1,804 million, an increase of \$700 million, reflecting credit migration in the consumer and commercial lending portfolios. PCL – performing was \$268 million, an increase of \$83 million. The current year performing build reflects volume growth and credit conditions including some credit migration. Total PCL as an annualized percentage of credit volume was 0.45%.

By segment, PCL was higher in U.S. Retail by \$375 million, in Canadian Personal and Commercial Banking by \$316 million, in the Corporate segment by \$72 million, in Wholesale Banking by \$21 million, and lower in Wealth Management and Insurance by \$1 million.

TABLE 9: PROVISION FOR CREDIT LOSSES¹

(millions of Canadian dollars)	For the three months ended			For the six months ended	
	April 30 2024	January 31 2024	April 30 2023	April 30 2024	April 30 2023
Provision for (recovery of) credit losses – Stage 3 (impaired)					
Canadian Personal and Commercial Banking	\$ 397	\$ 364	\$ 234	\$ 761	\$ 454
U.S. Retail	311	377	186	688	398
Wealth Management and Insurance	–	–	1	–	1
Wholesale Banking	(1)	5	5	4	6
Corporate ²	163	188	125	351	245
Total provision for (recovery of) credit losses – Stage 3	870	934	551	1,804	1,104
Provision for (recovery of) credit losses – Stage 1 and Stage 2 (performing)					
Canadian Personal and Commercial Banking	70	59	13	129	120
U.S. Retail	69	8	4	77	(8)
Wealth Management and Insurance	–	–	–	–	–
Wholesale Banking	56	5	7	61	38
Corporate ²	6	(5)	24	1	35
Total provision for (recovery of) credit losses – Stage 1 and Stage 2	201	67	48	268	185
Total provision for (recovery of) credit losses	\$ 1,071	\$ 1,001	\$ 599	\$ 2,072	\$ 1,289

¹ Includes PCL for off-balance sheet instruments.

² Includes PCL on the retailer program partners' share of the U.S. strategic cards portfolio.

Insurance Service Expenses

Quarterly comparison – Q2 2024 vs. Q2 2023

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

Quarterly comparison – Q2 2024 vs. Q1 2024

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

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

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

Non-Interest Expenses and Efficiency Ratio

Quarterly comparison – Q2 2024 vs. Q2 2023

Reported non-interest expenses were \$8,401 million, an increase of \$1,645 million, or 24%, compared with the second quarter last year, primarily reflecting the impact of the provision for investigations related to the Bank's AML program, higher employee-related expenses, including TD Cowen, the impact of a civil matter provision, restructuring charges, investments in our risk and control infrastructure, and FDIC special assessment. On an adjusted basis, non-interest expenses were \$7,084 million, an increase of \$622 million, or 10%.

By segment, the increase in reported non-interest expenses reflects increases in the Corporate segment of \$711 million, in U.S. Retail of \$575 million, in Wholesale Banking of \$241 million, in Wealth Management and Insurance of \$64 million, and in Canadian Personal and Commercial Banking of \$54 million.

The Bank's reported efficiency ratio was 60.8%, compared to 54.5% in the second quarter last year. The Bank's adjusted efficiency ratio, net of ISE was 56.1%, compared with 56.4% in the second quarter last year.

Quarterly comparison – Q2 2024 vs. Q1 2024

Reported non-interest expenses increased \$371 million, or 5%, compared with the prior quarter, primarily reflecting the impact of the provision for investigations related to the Bank's AML program, partially offset by a lower FDIC special assessment. Adjusted non-interest expenses decreased \$41 million, or 1%.

By segment, the increase in reported non-interest expenses reflects increases in the Corporate segment of \$301 million and in U.S. Retail of \$187 million, partially offset by decreases in Wholesale Banking of \$70 million, in Canadian Personal and Commercial Banking of \$27 million, and in Wealth Management and Insurance of \$20 million.

The Bank's reported efficiency ratio was 60.8%, compared with 58.6% in the prior quarter. The Bank's adjusted efficiency ratio, net of ISE was 56.1%, compared with 57.4% in the prior quarter.

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

Reported non-interest expenses of \$16,431 million increased \$1,563 million, or 11%, compared with the same period last year, primarily reflecting higher employee-related expenses, including TD Cowen, the impact of the provision for investigations related to the Bank's AML program, FDIC special assessment, restructuring charges, and investments in our risk and control infrastructure, partially offset by the prior period impact of the Stanford litigation settlement. On an adjusted basis, non-interest expenses were \$14,209 million, an increase of \$1,410 million, or 11%.

By segment, the increase in reported non-interest expenses reflects increases in U.S. Retail of \$945 million, in Wholesale Banking of \$858 million, in Canadian Personal and Commercial Banking of \$175 million, and in Wealth Management and Insurance of \$102 million, partially offset by a decrease in the Corporate segment of \$517 million.

The Bank's reported efficiency ratio was 59.7%, compared with 60.4% in the same period last year. The Bank's adjusted efficiency ratio, net of ISE was 56.7%, compared with 54.8% in the same period last year.

Income Taxes

The Bank's effective income tax rate on a reported basis was 23.5% for the current quarter, compared with 21.9% in the second quarter last year and 19.1% in the prior quarter. The year-over-year and quarter-over-quarter increases primarily reflect the non-deductible provision for the investigations related to the Bank's AML program, partially offset by earnings mix.

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 statutory income tax rate of the applicable legal entity. The adjusted effective income tax rate is calculated as the adjusted provision for income taxes as a percentage of adjusted net income before taxes. The Bank's adjusted effective income tax rate was 20.5% for the current quarter, compared with 22.0% in the second quarter last year and 20.4% in the prior quarter. The year-over-year and quarter-over-quarter changes primarily reflect earnings mix.

TABLE 10: INCOME TAXES – Reconciliation of Reported to Adjusted Provision for Income Taxes

(millions of Canadian dollars, except as noted)

	For the three months ended					For the six months ended				
	April 30 2024	January 31 2024	April 30 2023	April 30 2024	April 30 2023	April 30 2024	January 31 2024	April 30 2023	April 30 2024	April 30 2023
Income taxes at Canadian statutory income tax rate	\$ 861	27.8 %	\$ 920	27.7 %	\$ 1,089	27.8 %	\$ 1,780	27.8 %	\$ 1,709	27.8 %
Increase (decrease) resulting from:										
Dividends received	(3)	(0.1)	(19)	(0.6)	(26)	(0.7)	(11)	(0.2)	(53)	(0.9)
Rate differentials on international operations ¹	(124)	(4.0)	(271)	(8.2)	(217)	(5.5)	(395)	(6.2)	(444)	(7.2)
Other	(5)	(0.2)	4	0.2	13	0.3	(11)	(0.2)	586	9.5
Provision for income taxes and effective income tax rate – reported²	\$ 729	23.5 %	\$ 634	19.1 %	\$ 859	21.9 %	\$ 1,363	21.2 %	\$ 1,798	29.2 %
Total adjustments for items of note	191		238		108		429		229	
Provision for income taxes and effective income tax rate – adjusted²	\$ 920	20.5 %	\$ 872	20.4 %	\$ 967	22.0 %	\$ 1,792	20.5 %	\$ 2,027	21.8 %

¹ These amounts reflect tax credits as well as international earnings mix.

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

Canadian Tax Measures

On November 30, 2023, Parliament introduced Bill C-59, which advances certain tax measures introduced in the Canadian Federal budget presented on March 28, 2023. Bill C-59 denies the dividend received deduction in respect of dividends received by certain financial institutions on shares that are mark-to-market property, subject to a minor carve out for dividends on certain preferred shares, as well as imposes a 2% tax on the net value of share repurchases by public corporations in Canada. The legislation, which is not yet substantively enacted, proposes that these measures be effective beginning January 1, 2024.

International Tax Reform – Pillar Two Global Minimum Tax

The Organisation for Economic Co-operation and Development 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 has been enacted or substantively enacted in certain jurisdictions in which the Bank operates. On May 2, 2024, the Government of Canada introduced Bill C-69, which includes the *Global Minimum Tax Act* addressing the Pillar Two model rules. The rules will be effective for the Bank in Canada and other jurisdictions for the fiscal year beginning on November 1, 2024. The Bank is assessing its potential exposure to Pillar Two income taxes.

ECONOMIC SUMMARY AND OUTLOOK

The global economy continued to outperform expectations to start calendar 2024, despite geopolitical risks. Inflation has generally continued to cool across the G-7, and central banks are expected to start lowering interest rates soon. However, the pace of decline is expected to be gradual with central bankers vigilant on inflation risks. In addition, the evolution of geopolitical risks maintains a degree of uncertainty on both the economic outlook and the inflation trajectory.

U.S. domestic demand started the year on a solid path. Real GDP growth downshifted in the first calendar quarter of 2024 from a very rapid pace in the second half of 2023, but this was due in large part to a drag from net exports. Domestic demand turned in a sturdy performance of 2.8% growth on a quarter-over-quarter annualized basis, reflecting both consumer spending and business investment. Both advanced by almost 3% in inflation-adjusted terms. However, government spending cooled to a greater extent.

Based on the April 2024 data, the U.S. job market was still tight with the unemployment rate historically low at 3.9%. Even so, the labour market is showing signs of cooling, including a deceleration in job openings and wage growth. TD Economics expects this trend to continue. This would help halt a recent upturn in inflation that prompted the Federal Reserve to signal that interest rates will need to remain higher for longer.

TD Economics expects the U.S. Federal Reserve will lower interest rates from the current restrictive level of 5.25-5.50% to 5.00-5.25% by the end of calendar 2024. This means that interest rates are still expected to weigh on demand through the year.

In contrast, Canada's economy slowed notably in calendar 2023, with real GDP growth of only 1.1% in real terms. TD Economics expects economic growth to pick up in the first quarter to above 2%, but that pace is not expected to be sustained through the remainder of 2024. Job growth has slowed below labour force growth, pushing the unemployment rate higher to 6.1% in April. TD Economics expects the unemployment rate to continue to rise in the months ahead, contributing to prolonged weakness in consumer spending. As a result, TD Economics expects that economic growth is likely to remain modest through 2024.

Canadian inflation has cooled in recent months, and the Bank of Canada is widely expected to cut interest rates in June or July of 2024. Thereafter, TD Economics expects the Bank of Canada to lower interest rates gradually. As a result of interest rates declining more in Canada in comparison to the U.S., there is downside risk to the Canadian dollar, which TD Economics expects will hover in the 70 to 72 U.S. cent range over the next few quarters.

HOW OUR BUSINESSES PERFORMED

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

Results of each business segment reflect revenue, expenses, assets, and liabilities generated by the businesses in that segment. Where applicable, the Bank measures and evaluates the performance of each segment based on adjusted results and ROE, and for those segments, the Bank indicates that the measure is adjusted. For further details, refer to the "How We Performed" section of this document, the "Business Focus" section in the Bank's 2023 MD&A, and Note 28 of the Bank's Consolidated Financial Statements for the year ended October 31, 2023. Effective the first quarter of 2024, certain asset management businesses which were previously reported in the U.S. Retail segment are now reported in the Wealth Management and Insurance segment. Comparative period information has been adjusted to reflect the new alignment.

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

Net interest income within Wholesale Banking is calculated on a taxable equivalent basis (TEB), which means that the value of non-taxable or tax-exempt income, including certain dividends, is adjusted to its equivalent pre-tax value. Using TEB allows the Bank to measure income from all securities and loans consistently and makes for a more meaningful comparison of net interest income with similar institutions. The TEB increase to net interest income and provision for income taxes reflected in Wholesale Banking results is reversed in the Corporate segment. The TEB adjustment for the quarter was \$4 million, compared with \$29 million in the prior quarter and \$40 million in the second quarter last year.

Share of net income from investment in Schwab is reported in the U.S. Retail segment. Amounts for amortization of acquired intangibles, the acquisition and integration charges related to the Schwab transaction, and the Bank's share of restructuring and other charges incurred by Schwab are recorded in the Corporate segment.

TABLE 11: CANADIAN PERSONAL AND COMMERCIAL BANKING

(millions of Canadian dollars, except as noted)

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

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

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

Quarterly comparison – Q2 2024 vs. Q2 2023

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

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

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

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

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

Quarterly comparison – Q2 2024 vs. Q1 2024

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

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

PCL for the quarter was \$467 million, an increase of \$44 million compared with the prior quarter. PCL – impaired was \$397 million, an increase of \$33 million, or 9%, largely reflecting credit migration in the commercial lending portfolio. PCL – performing was \$70 million, an increase of \$11 million. The performing provisions this quarter largely reflect credit conditions, including credit migration in the commercial and consumer lending portfolios, and volume growth. Total PCL as an annualized percentage of credit volume was 0.34%, an increase of 4 bps compared with the prior quarter.

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

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

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

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

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

PCL was \$890 million, an increase of \$316 million compared with the same period last year. PCL – impaired was \$761 million, an increase of \$307 million, or 68%, reflecting credit migration in the consumer and commercial lending portfolios. PCL – performing was \$129 million, an increase of \$9 million. The current year performing provisions largely reflect current credit conditions, including credit migration, and volume growth. Total PCL as an annualized percentage of credit volume was 0.32%, an increase of 10 bps compared with the same period last year.

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

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

TABLE 12: U.S. RETAIL

(millions of dollars, except as noted)

	For the three months ended			For the six months ended	
	April 30 2024	January 31 2024	April 30 2023	April 30 2024	April 30 2023
Canadian Dollars					
Net interest income	\$ 2,841	\$ 2,899	\$ 3,034	\$ 5,740	\$ 6,201
Non-interest income	606	604	523	1,210	1,083
Total revenue	3,447	3,503	3,557	6,950	7,284
Provision for (recovery of) credit losses – impaired	311	377	186	688	398
Provision for (recovery of) credit losses – performing	69	8	4	77	(8)
Total provision for (recovery of) credit losses	380	385	190	765	390
Non-interest expenses – reported	2,597	2,410	2,022	5,007	4,062
Non-interest expenses – adjusted ^{1,2}	1,879	1,999	1,868	3,878	3,802
Provision for (recovery of) income taxes – reported	73	(5)	189	68	393
Provision for (recovery of) income taxes – adjusted ¹	99	96	227	195	457
U.S. Retail Bank net income – reported	397	713	1,156	1,110	2,439
U.S. Retail Bank net income – adjusted¹	1,089	1,023	1,272	2,112	2,635
Share of net income from investment in Schwab ^{3,4}	183	194	250	377	551
Net income – reported	\$ 580	\$ 907	\$ 1,406	\$ 1,487	\$ 2,990
Net income – adjusted¹	1,272	1,217	1,522	2,489	3,186
U.S. Dollars					
Net interest income	\$ 2,094	\$ 2,141	\$ 2,241	\$ 4,235	\$ 4,589
Non-interest income	446	446	387	892	802
Total revenue	2,540	2,587	2,628	5,127	5,391
Provision for (recovery of) credit losses – impaired	229	279	137	508	295
Provision for (recovery of) credit losses – performing	51	6	3	57	(6)
Total provision for (recovery of) credit losses	280	285	140	565	289
Non-interest expenses – reported	1,909	1,779	1,493	3,688	3,005
Non-interest expenses – adjusted ^{1,2}	1,384	1,479	1,380	2,863	2,814
Provision for (recovery of) income taxes – reported	54	(3)	140	51	291
Provision for (recovery of) income taxes – adjusted ¹	73	71	168	144	338
U.S. Retail Bank net income – reported	297	526	855	823	1,806
U.S. Retail Bank net income – adjusted¹	803	752	940	1,555	1,950
Share of net income from investment in Schwab ^{3,4}	136	144	185	280	407
Net income – reported	\$ 433	\$ 670	\$ 1,040	\$ 1,103	\$ 2,213
Net income – adjusted¹	939	896	1,125	1,835	2,357
Selected volumes and ratios					
Return on common equity – reported ⁵	5.4 %	8.5 %	14.1 %	6.9 %	14.8 %
Return on common equity – adjusted ^{1,5}	11.7	11.3	15.3	11.5	15.8
Net interest margin ^{1,6}	2.99	3.03	3.25	3.01	3.27
Efficiency ratio – reported	75.2	68.8	56.8	71.9	55.7
Efficiency ratio – adjusted ¹	54.5	57.2	52.5	55.8	52.2
Assets under administration (billions of U.S. dollars) ⁷	\$ 40	\$ 40	\$ 39	\$ 40	\$ 39
Assets under management (billions of U.S. dollars) ^{7,8}	7	7	7	7	7
Number of U.S. retail stores	1,167	1,176	1,164	1,167	1,164
Average number of full-time equivalent staff	27,957	27,985	28,401	27,971	27,987

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

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

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

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

⁴ The after-tax amounts for amortization of acquired intangibles, the Bank's share of acquisition and integration charges associated with Schwab's acquisition of TD Ameritrade, the Bank's share of Schwab's restructuring charges, and the Bank's share of Schwab's FDIC special assessment charge are recorded in the Corporate segment.

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

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

⁷ For additional information about this metric, refer to the Glossary of this document.

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

Quarterly comparison – Q2 2024 vs. Q2 2023

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

U.S. Retail net income includes contributions from the U.S. Retail Bank and the Bank's investment in Schwab. Reported net income for the quarter from the Bank's investment in Schwab was \$183 million (US\$136 million), a decrease of \$67 million (US\$49 million), or 27% (26% in U.S. dollars).

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

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

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

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

PCL for the quarter was US\$280 million, an increase of US\$140 million compared with the second quarter last year. PCL – impaired was US\$229 million, an increase of US\$92 million, or 67%, reflecting credit migration in the consumer and commercial lending portfolios. PCL – performing was US\$51 million, an increase of US\$48 million. The performing provisions this quarter reflect credit conditions and volume growth, and are largely recorded in the auto and commercial lending portfolios. U.S. Retail PCL including only the Bank's share of PCL in the U.S. strategic cards portfolio, as an annualized percentage of credit volume was 0.60%, an increase of 27 bps, compared with the second quarter last year.

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

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

Quarterly comparison – Q2 2024 vs. Q1 2024

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

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

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

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

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

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

PCL for the quarter was US\$280 million, a decrease of US\$5 million compared with the prior quarter. PCL – impaired was US\$229 million, a decrease of US\$50 million, or 18%, reflecting lower provisions in the commercial lending portfolios, and seasonal trends in credit card and auto portfolios. PCL – performing was US\$51 million, an increase of US\$45 million. The performing provisions this quarter reflect credit conditions and volume growth, and are largely recorded in the auto and commercial lending portfolios. U.S. Retail PCL including only the Bank's share of PCL in the U.S. strategic cards portfolio, as an annualized percentage of credit volume was 0.60%, a decrease of 1 basis point, compared with the prior quarter.

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

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

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

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

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

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

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

Average loan volumes increased US\$15 billion, or 8%, compared with the same period last year. Personal loans increased 10%, reflecting good originations and slower payment rates across portfolios. Business loans increased 6%, reflecting good originations from new customer growth, and slower payment rates.

Average deposit volumes decreased US\$27 billion, or 8%, reflecting a 20% decrease in sweep deposits and a 3% decrease in business deposits. Personal deposit volumes were flat. Excluding sweep deposits, average deposits decreased 1%.

PCL was US\$565 million, an increase of US\$276 million compared with the same period last year. PCL – impaired was US\$508 million, an increase of US\$213 million, or 72%, reflecting credit migration in the consumer and commercial lending portfolios. PCL – performing was a build of US\$57 million, compared with a recovery of US\$6 million in the prior year. The current year performing provisions largely reflect current conditions, including credit migration, and volume growth. U.S. Retail PCL including only the Bank's share of PCL in the U.S. strategic cards portfolio, as an annualized percentage of credit volume was 0.60%, an increase of 27 bps, compared with the same period last year.

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

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

THE CHARLES SCHWAB CORPORATION

Refer to Note 7, Investment in Associates and Joint Ventures of the Bank's second quarter 2024 Interim Consolidated Financial Statements for further information on Schwab.

TABLE 13: WEALTH MANAGEMENT AND INSURANCE

(millions of Canadian dollars, except as noted)

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

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

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

³ Efficiency ratio, net of ISE is calculated by dividing non-interest expenses by total revenue, net of ISE. Total revenue, net of ISE – Q2 2024: \$1,866 million, Q1 2024: \$1,769 million, Q2 2023: \$1,683 million, 2024 YTD: \$3,635 million, 2023 YTD: \$3,434 million. Total revenue, net of ISE is a non-GAAP financial measure. Refer to "Non-GAAP and Other Financial Measures" in the "How We Performed" section and the Glossary of this document for additional information about this metric.

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

Quarterly comparison – Q2 2024 vs. Q2 2023

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

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

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

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

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

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

Quarterly comparison – Q2 2024 vs. Q1 2024

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

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

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

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

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

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

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

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

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

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

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

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

TABLE 14: WHOLESALE BANKING¹

(millions of Canadian dollars, except as noted)

	For the three months ended			For the six months ended	
	April 30 2024	January 31 2024	April 30 2023	April 30 2024	April 30 2023
Net interest income (TEB)	\$ 189	\$ 198	\$ 498	\$ 387	\$ 1,023
Non-interest income	1,751	1,582	919	3,333	1,739
Total revenue	1,940	1,780	1,417	3,720	2,762
Provision for (recovery of) credit losses – impaired	(1)	5	5	4	6
Provision for (recovery of) credit losses – performing	56	5	7	61	38
Total provision for (recovery of) credit losses	55	10	12	65	44
Non-interest expenses – reported	1,430	1,500	1,189	2,930	2,072
Non-interest expenses – adjusted ^{2,3}	1,328	1,383	1,116	2,711	1,978
Provision for (recovery of) income taxes (TEB) – reported	94	65	66	159	165
Provision for (recovery of) income taxes (TEB) – adjusted ²	116	89	76	205	180
Net income – reported	\$ 361	\$ 205	\$ 150	\$ 566	\$ 481
Net income – adjusted²	441	298	213	739	560
Selected volumes and ratios					
Trading-related revenue (TEB) ⁴	\$ 693	\$ 730	\$ 482	\$ 1,423	\$ 1,144
Average gross lending portfolio (billions of Canadian dollars) ⁵	96.3	96.2	95.2	96.3	96.1
Return on common equity – reported ⁶	9.2 %	5.3 %	4.5 %	7.3 %	7.0 %
Return on common equity – adjusted ^{2,6}	11.3	7.6	6.4	9.5	8.2
Efficiency ratio – reported	73.7	84.3	83.9	78.8	75.0
Efficiency ratio – adjusted ²	68.5	77.7	78.8	72.9	71.6
Average number of full-time equivalent staff	7,077	7,100	6,510	7,089	5,937

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

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

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

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

⁵ Includes gross loans and bankers' acceptances relating to Wholesale Banking, excluding letters of credit, cash collateral, credit default swaps, and allowance for credit losses.

⁶ Capital allocated to the business segment was increased to 11.5% CET1 Capital effective the first quarter of 2024 compared with 11% in the prior year.

Quarterly comparison – Q2 2024 vs. Q2 2023

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

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

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

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

Quarterly comparison – Q2 2024 vs. Q1 2024

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

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

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

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

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

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

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

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

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

TABLE 15: CORPORATE

(millions of Canadian dollars)

	For the three months ended			For the six months ended	
	April 30 2024	January 31 2024	April 30 2023	April 30 2024	April 30 2023
Net income (loss) – reported	\$ (737)	\$ (628)	\$ (399)	\$ (1,365)	\$ (3,016)
Adjustments for items of note					
Amortization of acquired intangibles	72	94	79	166	133
Acquisition and integration charges related to the Schwab transaction	21	32	30	53	64
Share of restructuring and other charges from investment in Schwab	–	49	–	49	–
Restructuring charges	165	291	–	456	–
Impact from the terminated FHN acquisition-related capital hedging strategy	64	57	134	121	1,010
Civil matter provision/Litigation settlement	274	–	39	274	1,642
Less: impact of income taxes					
CRD and federal tax rate increase for fiscal 2022	–	–	–	–	(585)
Other items of note	143	113	60	256	735
Net income (loss) – adjusted¹	\$ (284)	\$ (218)	\$ (177)	\$ (502)	\$ (317)
Decomposition of items included in net income (loss) – adjusted					
Net corporate expenses ²	\$ (411)	\$ (254)	\$ (191)	\$ (665)	\$ (382)
Other	127	36	14	163	65
Net income (loss) – adjusted¹	\$ (284)	\$ (218)	\$ (177)	\$ (502)	\$ (317)

Selected volumes

Average number of full-time equivalent staff	23,270	23,437	22,656	23,354	22,244
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¹ For additional information about the Bank's use of non-GAAP financial measures, refer to "Non-GAAP and Other Financial Measures" in the "How We Performed" section of this document.

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

Quarterly comparison – Q2 2024 vs. Q2 2023

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

Quarterly comparison – Q2 2024 vs. Q1 2024

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

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

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

QUARTERLY RESULTS

The following table provides summary information related to the Bank's eight most recently completed quarters.

TABLE 16: QUARTERLY RESULTS								
(millions of Canadian dollars, except as noted)								
	2024				For the three months ended			
	Apr. 30	Jan. 31	Oct. 31	Jul. 31	Apr. 30	Jan. 31	Oct. 31	Jul. 31
Net interest income	\$ 7,465	\$ 7,488	\$ 7,494	\$ 7,289	\$ 7,428	\$ 7,733	\$ 7,630	\$ 7,044
Non-interest income ¹	6,354	6,226	5,684	5,625	4,969	4,468	7,933	3,881
Total revenue ¹	13,819	13,714	13,178	12,914	12,397	12,201	15,563	10,925
Provision for (recovery of) credit losses	1,071	1,001	878	766	599	690	617	351
Insurance service expenses ¹	1,248	1,366	1,346	1,386	1,118	1,164	723	829
Non-interest expenses ¹	8,401	8,030	7,628	7,359	6,756	8,112	6,545	6,096
Provision for (recovery of) income taxes ¹	729	634	616	704	859	939	1,297	703
Share of net income from investment in Schwab	194	141	156	182	241	285	290	268
Net income – reported¹	2,564	2,824	2,866	2,881	3,306	1,581	6,671	3,214
Pre-tax adjustments for items of note²								
Amortization of acquired intangibles	72	94	92	88	79	54	57	58
Acquisition and integration charges related to the Schwab transaction	21	32	31	54	30	34	18	23
Share of restructuring and other charges from investment in Schwab	–	49	35	–	–	–	–	–
Restructuring charges	165	291	363	–	–	–	–	–
Acquisition and integration-related charges	102	117	197	143	73	21	18	–
Charges related to the terminated FHN acquisition	–	–	–	84	154	106	67	29
Payment related to the termination of the FHN transaction ³	–	–	–	306	–	–	–	–
Impact from the terminated FHN acquisition-related capital hedging strategy	64	57	64	177	134	876	(2,319)	678
Impact of retroactive tax legislation on payment card clearing services ⁴	–	–	–	57	–	–	–	–
Civil matter provision/Litigation settlement	274	–	–	–	39	1,603	–	–
FDIC special assessment	103	411	–	–	–	–	–	–
Provision for investigations related to the Bank's AML program	615	–	–	–	–	–	–	–
Gain on sale of Schwab shares ⁴	–	–	–	–	–	(997)	–	–
Total pre-tax adjustments for items of note	1,416	1,051	782	909	509	2,694	(3,156)	788
Less: Impact of income taxes ^{2,5}	191	238	163	141	108	121	(550)	189
Net income – adjusted^{1,2}	3,789	3,637	3,485	3,649	3,707	4,154	4,065	3,813
Preferred dividends and distributions on other equity instruments	190	74	196	74	210	83	107	43
Net income available to common shareholders – adjusted^{1,2}	\$ 3,599	\$ 3,563	\$ 3,289	\$ 3,575	\$ 3,497	\$ 4,071	\$ 3,958	\$ 3,770

(Canadian dollars, except as noted)

Basic earnings per share ¹																
	\$	1.35	\$	1.55	\$	1.48	\$	1.53	\$	1.69	\$	0.82	\$	3.62	\$	1.76
Reported		\$ 1.35		\$ 1.55		\$ 1.48		\$ 1.53		\$ 1.69		\$ 0.82		\$ 3.62		\$ 1.76
Adjusted ²		2.04		2.01		1.82		1.95		1.91		2.24		2.18		2.09
Diluted earnings per share ¹																
Reported		1.35		1.55		1.48		1.53		1.69		0.82		3.62		1.75
Adjusted ²		2.04		2.00		1.82		1.95		1.91		2.23		2.18		2.09
Return on common equity – reported	9.5 %	10.9 %	10.5 %	10.8 %	12.4 %	5.9 %	26.5 %	13.5 %								
Return on common equity – adjusted^{1,2}	14.5	14.1	12.9	13.8	14.0	16.1	16.0	16.1								

(billions of Canadian dollars, except as noted)

Average total assets	\$ 1,938	\$ 1,934	\$ 1,910	\$ 1,898	\$ 1,944	\$ 1,931	\$ 1,893	\$ 1,811
Average interest-earning assets ⁶	1,754	1,729	1,715	1,716	1,728	1,715	1,677	1,609
Net interest margin – reported	1.73 %	1.72 %	1.73 %	1.69 %	1.76 %	1.79 %	1.81 %	1.74 %
Net interest margin – adjusted ²	1.75	1.74	1.75	1.70	1.81	1.82	1.80	1.73

¹ The Bank adopted IFRS 17 on November 1, 2023. Comparative periods prior to fiscal 2023 have not been restated and are based on IFRS 4.

² 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 "How We Performed" section of this document as well as footnotes 3 and 4.

³ Adjusted non-interest expenses exclude the payment related to the termination of the FHN transaction, reported in the Corporate segment.

⁴ Adjusted non-interest income excludes the following items of note:

- i. The Bank sold 28.4 million non-voting common shares of Schwab and recognized a gain on the sale. The amount is reported in the Corporate segment.
- ii. Impact of retroactive tax legislation on payment card clearing services, reported in the Corporate segment.

⁵ Includes the CRD and impact from increase in the Canadian federal tax rate for fiscal 2022.

⁶ Average interest-earning assets used in the calculation of net interest margin is a non-GAAP financial measure. Refer to "Non-GAAP and Other Financial Measures" in the "How We Performed" section and the Glossary of this document for additional information about these metrics.

BALANCE SHEET REVIEW

TABLE 17: SELECTED INTERIM CONSOLIDATED BALANCE SHEET ITEMS

(millions of Canadian dollars)

	As at	
	April 30, 2024	October 31, 2023
Assets		
Cash and Interest-bearing deposits with banks	\$ 93,973	\$ 105,069
Trading loans, securities, and other	166,346	152,090
Non-trading financial assets at fair value through profit or loss	5,646	7,340
Derivatives	82,190	87,382
Financial assets designated at fair value through profit or loss	5,925	5,818
Financial assets at fair value through other comprehensive income	75,246	69,865
Debt securities at amortized cost, net of allowance for credit losses	293,594	308,016
Securities purchased under reverse repurchase agreements	205,722	204,333
Loans, net of allowance for loan losses	928,124	895,947
Investment in Schwab	9,866	8,907
Other ¹	100,036	110,372
Total assets¹	\$ 1,966,668	\$ 1,955,139
Liabilities		
Trading deposits	\$ 31,221	\$ 30,980
Derivatives	69,742	71,640
Financial liabilities designated at fair value through profit or loss	188,105	192,130
Deposits	1,203,771	1,198,190
Obligations related to securities sold under repurchase agreements	192,239	166,854
Subordinated notes and debentures	11,318	9,620
Other ¹	158,290	173,654
Total liabilities¹	1,854,686	1,843,068
Total equity¹	111,982	112,071
Total liabilities and equity¹	\$ 1,966,668	\$ 1,955,139

¹ Balances as at October 31, 2023 have been restated for the adoption of IFRS 17. Refer to Note 2 of the Bank's second quarter 2024 Interim Consolidated Financial Statements for further details.

Total assets were \$1,967 billion as at April 30, 2024, an increase of \$12 billion, from October 31, 2023. The impact of foreign exchange translation from the appreciation in the Canadian dollar decreased total assets by \$7 billion.

The increase in total assets reflects an increase in loans, net of allowances for loan losses of \$32 billion, trading loans, securities, and other of \$14 billion, financial assets at fair value through other comprehensive income (FVOCI) of \$5 billion, securities purchased under reverse repurchase agreements of \$2 billion and investment in Schwab of \$1 billion. The increase was partially offset by a decrease in debt securities at amortized cost (DSAC), net of allowance for credit losses of \$14 billion, cash and interest-bearing deposits with banks of \$11 billion, other assets of \$10 billion, derivative assets of \$5 billion and non-trading financial assets at fair value through profit or loss of \$2 billion.

Cash and interest-bearing deposits with banks decreased \$11 billion primarily reflecting cash management activities.

Trading loans, securities, and other increased \$14 billion primarily in equity securities and commodities held for trading, partially offset by government securities held for trading and the impact of foreign exchange translation.

Non-trading financial assets at fair value through profit or loss decreased \$2 billion reflecting maturities and sales.

Derivative assets decreased \$5 billion primarily reflecting changes in mark-to-market values of foreign exchange and interest rate contracts.

Financial assets at fair value through other comprehensive income increased \$5 billion primarily reflecting new investments, partially offset by maturities and sales.

Debt securities at amortized cost, net of allowance for credit losses decreased \$14 billion primarily reflecting maturities and sales and the impact of foreign exchange translation, partially offset by new investments.

Securities purchased under reverse repurchase agreements increased \$2 billion primarily reflecting an increase in volume, partially offset by the impact of foreign exchange translation.

Loans, net of allowance for loan losses increased \$32 billion primarily reflecting volume growth in business and government loans and residential real estate secured lending, partially offset by the impact of foreign exchange translation.

Investment in Schwab increased \$1 billion primarily reflecting the impact of the Bank's share of Schwab's other comprehensive income.

Other assets decreased \$10 billion primarily reflecting a volume decrease in customers' liabilities under acceptances, partially offset by an increase in amounts receivable from brokers, dealers, and clients due to higher volumes of pending trades.

Total liabilities were \$1,855 billion as at April 30, 2024, an increase of \$12 billion from October 31, 2023. The impact of foreign exchange translation from the appreciation in the Canadian dollar decreased total liabilities by \$7 billion.

The increase in total liabilities reflects an increase in obligations related to securities sold under repurchase agreements of \$25 billion, deposits of \$6 billion, and subordinated notes and debentures of \$2 billion. The increase was partially offset by a decrease in other liabilities of \$15 billion, financial liabilities designated at fair value through profit or loss of \$4 billion and derivative liabilities of \$2 billion.

Derivative liabilities decreased \$2 billion primarily reflecting changes in mark-to-market values of foreign exchange and interest rate contracts.

Financial liabilities designated at fair value through profit or loss decreased \$4 billion reflecting maturities and the impact of foreign exchange translation, partially offset by new issuances.

Deposits increased \$6 billion primarily reflecting volume increase in business and government and personal deposits, partially offset by the impact of foreign exchange translation.

Obligations related to securities sold under repurchase agreements increased \$25 billion reflecting an increase in volume, partially offset by the impact of foreign exchange translation.

Subordinated notes and debentures increased \$2 billion reflecting a new issuance.

Other liabilities decreased \$15 billion primarily reflecting volume decrease in acceptances and obligations related to securities sold short, partially offset by a volume increase in securitization liabilities at fair value.

Equity was \$112 billion as at April 30, 2024 and October 31, 2023, reflecting an increase in accumulated other comprehensive income, 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, partially offset by the impact of foreign exchange translation. The retained earnings decreased primarily from dividends paid and the premium on the repurchase of common shares, partially offset by net income.

CREDIT PORTFOLIO QUALITY

Quarterly comparison – Q2 2024 vs. Q2 2023

Gross impaired loans excluding acquired credit-impaired (ACI) loans were \$3,895 million as at April 30, 2024, an increase of \$1,236 million, or 46%, compared with the second quarter last year. Canadian Personal and Commercial Banking gross impaired loans increased \$541 million, or 47%, compared with the second quarter last year, reflecting formations outpacing resolutions in the commercial and consumer lending portfolios. U.S. Retail gross impaired loans increased \$714 million, or 49%, compared with the second quarter last year, reflecting formations outpacing resolutions in the commercial and consumer lending portfolios, and the impact of foreign exchange. Wholesale gross impaired loans decreased \$19 million, compared with the second quarter last year, reflecting resolutions outpacing formations. Net impaired loans were \$2,744 million as at April 30, 2024, an increase of \$941 million, or 52%, compared with the second quarter last year.

The allowance for credit losses of \$8,550 million as at April 30, 2024 was comprised of Stage 3 allowance for impaired loans of \$1,162 million, Stage 2 allowance of \$4,483 million and Stage 1 allowance of \$2,902 million, and the allowance for debt securities of \$3 million. The Stage 1 and 2 allowances are for performing loans and off-balance sheet instruments.

The Stage 3 allowance for loan losses increased \$300 million, or 35%, reflective of credit migration in the Canadian Personal and Commercial Banking, U.S. Retail, and Corporate segments, and the impact of foreign exchange. The Stage 1 and Stage 2 allowance for loan losses increased \$603 million, or 9%, reflecting credit conditions, including credit migration, volume growth, and the impact of foreign exchange. The allowance change included an increase of \$77 million attributable to the retailer program partners' share of the U.S. strategic cards portfolio.

The allowance for debt securities was \$3 million, consistent with the second quarter last year.

Forward-looking information, including macroeconomic variables deemed to be predictive of expected credit losses (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 second quarter 2024 Interim 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. The allowance for credit losses will be updated in future quarters as additional information becomes available. Refer to Note 3 of the Bank's second quarter 2024 Interim Consolidated Financial Statements for additional details.

The Bank calculates allowances for ECLs on debt securities measured at amortized cost and FVOCI. The Bank has \$365 billion in such debt securities, all of which are performing (Stage 1 and 2) and none are impaired (Stage 3). The allowance for credit losses on DSAC and debt securities at FVOCI was \$2 million and \$1 million, respectively.

Quarterly comparison – Q2 2024 vs. Q1 2024

Gross impaired loans increased \$186 million, or 5%, compared with the prior quarter. Impaired loans net of allowance increased \$218 million, or 9%, compared with the prior quarter.

The allowance for credit losses of \$8,550 million as at April 30, 2024 was comprised of Stage 3 allowance for impaired loans of \$1,162 million, Stage 2 allowance of \$4,483 million and Stage 1 allowance of \$2,902 million, and the allowance for debt securities of \$3 million. The Stage 1 and 2 allowances are for performing loans and off-balance sheet instruments. The Stage 3 allowance for loan losses decreased \$25 million, or 2%, compared with the prior quarter. The Stage 1 and Stage 2 allowance for loan losses increased \$307 million, compared with the prior quarter, primarily reflecting current credit conditions, including credit migration, the impact of foreign exchange, and volume growth.

The allowance for debt securities was \$3 million, consistent with the prior quarter.

For further details on loans, impaired loans, allowance for credit losses, and on the Bank's use of forward-looking information and macroeconomic variables in determining its allowance for credit losses, refer to Note 6 of the Bank's second quarter 2024 Interim Consolidated Financial Statements.

TABLE 18: CHANGES IN GROSS IMPAIRED LOANS AND ACCEPTANCES^{1,2,3}

(millions of Canadian dollars)

	For the three months ended			For the six months ended	
	April 30 2024	January 31 2024	April 30 2023	April 30 2024	April 30 2023
Personal, Business, and Government Loans					
Impaired loans as at beginning of period	\$ 3,709	\$ 3,299	\$ 2,591	\$ 3,299	\$ 2,503
Classified as impaired during the period	1,937	2,005	1,259	3,942	2,609
Transferred to performing during the period	(261)	(315)	(204)	(576)	(444)
Net repayments	(465)	(308)	(334)	(773)	(695)
Disposals of loans	—	(10)	—	(10)	—
Amounts written off	(1,080)	(917)	(679)	(1,997)	(1,304)
Exchange and other movements	55	(45)	26	10	(10)
Impaired loans as at end of period	\$ 3,895	\$ 3,709	\$ 2,659	\$ 3,895	\$ 2,659

¹ Includes customers' liability under acceptances.² Excludes ACI loans.³ Includes loans that are measured at FVOCI.**TABLE 19: ALLOWANCE FOR CREDIT LOSSES**

(millions of Canadian dollars, except as noted)

	As at		
	April 30 2024	January 31 2024	April 30 2023
Allowance for loan losses for on-balance sheet loans			
Stage 1 allowance for loan losses	\$ 2,479	\$ 2,396	\$ 2,551
Stage 2 allowance for loan losses	3,915	3,686	3,234
Stage 3 allowance for loan losses	1,151	1,183	859
Total allowance for loan losses for on-balance sheet loans ¹	7,545	7,265	6,644
Allowance for off-balance sheet instruments			
Stage 1 allowance for loan losses	423	424	465
Stage 2 allowance for loan losses	568	572	532
Stage 3 allowance for loan losses	11	4	3
Total allowance for off-balance sheet instruments	1,002	1,000	1,000
Allowance for loan losses	8,547	8,265	7,644
Allowance for debt securities	3	3	3
Allowance for credit losses	\$ 8,550	\$ 8,268	\$ 7,647
Impaired loans, net of allowance ²	\$ 2,744	\$ 2,526	\$ 1,803
Net impaired loans as a percentage of net loans ²	0.29 %	0.28 %	0.21 %
Total allowance for credit losses as a percentage of gross loans and acceptances	0.91	0.89	0.87
Provision for (recovery of) credit losses as a percentage of net average loans and acceptances	0.47	0.44	0.28

¹ Includes allowance for loan losses related to loans that are measured at FVOCI of nil as at April 30, 2024 (January 31, 2024 – nil, April 30, 2023 – nil).² Credit cards are considered impaired when they are 90 days past due and written off at 180 days past due.**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 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 20: CANADIAN REAL ESTATE SECURED LENDING^{1,2}

(millions of Canadian dollars)

	Residential mortgages	Home equity lines of credit	Total amortizing real estate secured lending	As at	
				April 30, 2024	October 31, 2023
Total	\$ 268,732	\$ 87,295	\$ 356,027	\$ 31,940	\$ 387,967
Total	\$ 263,733	\$ 86,943	\$ 350,676	\$ 30,675	\$ 381,351

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 April 30, 2024 and October 31, 2023.

TABLE 21: REAL ESTATE SECURED LENDING^{1,2}

	As at															
	Residential mortgages							Home equity lines of credit							Total	
	Insured ³			Uninsured				Insured ³			Uninsured				Insured ³	
Canada	April 30, 2024														Uninsured	
Atlantic provinces	\$ 2,514	0.9 %	\$ 4,642	1.7 %	\$ 170	0.1 %	\$ 2,039	1.7 %	\$ 2,684	0.7 %	\$ 6,681	1.7 %				
British Columbia ⁴	8,532	3.2	47,093	17.6	859	0.7	22,029	18.5	9,391	2.4	69,122	17.8				
Ontario ⁴	22,363	8.4	122,615	45.6	2,938	2.5	65,170	54.6	25,301	6.6	187,785	48.4				
Prairies ⁴	18,312	6.8	21,086	7.8	1,634	1.4	12,031	10.1	19,946	5.1	33,117	8.5				
Québec	7,042	2.6	14,533	5.4	550	0.5	11,815	9.9	7,592	2.0	26,348	6.8				
Total Canada	58,763	21.9 %	209,969	78.1 %	6,151	5.2 %	113,084	94.8 %	64,914	16.8 %	323,053	83.2 %				
United States	1,480		55,820		—		10,818		1,480		66,638					
Total	\$ 60,243		\$ 265,789		\$ 6,151		\$ 123,902		\$ 66,394		\$ 389,691					

October 31, 2023

Canada	October 31, 2023															
Atlantic provinces	\$ 2,561	1.0 %	\$ 4,557	1.7 %	\$ 181	0.2 %	\$ 1,938	1.6 %	\$ 2,742	0.7 %	\$ 6,495	1.7 %				
British Columbia ⁴	8,642	3.3	46,003	17.4	920	0.8	21,642	18.4	9,562	2.5	67,645	17.7				
Ontario ⁴	22,559	8.6	118,882	45.1	3,126	2.7	64,095	54.4	25,685	6.8	182,977	48.1				
Prairies ⁴	18,621	7.1	20,385	7.7	1,746	1.5	11,956	10.2	20,367	5.3	32,341	8.5				
Québec	7,221	2.7	14,302	5.4	590	0.5	11,424	9.7	7,811	2.0	25,726	6.7				
Total Canada	59,604	22.7 %	204,129	77.3 %	6,563	5.7 %	111,055	94.3 %	66,167	17.3 %	315,184	82.7 %				
United States	1,439		55,169		—		10,591		1,439		65,760					
Total	\$ 61,043		\$ 259,298		\$ 6,563		\$ 121,646		\$ 67,606		\$ 380,944					

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 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 22: RESIDENTIAL MORTGAGES BY REMAINING AMORTIZATION^{1,2,3}

	As at								Total
	<=5 years	>5 – 10 years	>10 – 15 years	>15 – 20 years	>20 – 25 years	>25 – 30 years	>30 – 35 years	>35 years	
Canada	0.8 %	2.7 %	5.9 %	14.7 %	31.7 %	26.3 %	1.4 %	16.5 %	100.0 %
United States	4.3	1.2	3.4	7.6	11.6	70.6	0.8	0.5	100.0
Total	1.4 %	2.4 %	5.5 %	13.5 %	28.1 %	34.2 %	1.3 %	13.6 %	100.0 %

	As at								Total
	<=5 years	>5 – 10 years	>10 – 15 years	>15 – 20 years	>20 – 25 years	>25 – 30 years	>30 – 35 years	>35 years	
Canada	0.8 %	2.7 %	5.7 %	14.1 %	31.5 %	24.6 %	1.4 %	19.2 %	100.0 %
United States	5.3	1.4	3.8	7.8	10.6	69.5	1.1	0.5	100.0
Total	1.6 %	2.5 %	5.3 %	13.0 %	27.8 %	32.6 %	1.4 %	15.8 %	100.0 %

October 31, 2023

Canada	0.8 %	2.7 %	5.7 %	14.1 %	31.5 %	24.6 %	1.4 %	19.2 %	100.0 %
United States	5.3	1.4	3.8	7.8	10.6	69.5	1.1	0.5	100.0
Total	1.6 %	2.5 %	5.3 %	13.0 %	27.8 %	32.6 %	1.4 %	15.8 %	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 \$30.4 billion or 11% of the mortgage portfolio in Canada (October 31, 2023: \$37.4 billion or 14%) relates to mortgages in which the fixed contractual payments are no longer sufficient to cover the interest based on the rates in effect at April 30, 2024 and October 31, 2023, respectively.**TABLE 23: UNINSURED AVERAGE LOAN-TO-VALUE – Newly Originated and Newly Acquired^{1,2,3}**

	For the three months ended								Total	
	Residential mortgages		Home equity lines of credit ^{4,5}		Residential mortgages		Home equity lines of credit ^{4,5}			
	April 30, 2024			Total						
Canada										
Atlantic provinces	70 %		67 %		69 %		67 %		68 %	
British Columbia ⁶	67		61		64		59		63	
Ontario ⁶	68		61		64		60		63	
Prairies ⁶	73		69		71		69		71	
Québec	69		68		69		67		68	
Total Canada	68		63		66		67		65	
United States	72		60		67		63		72	
Total	69 %		62 %		66 %		68 %		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 Home equity lines of credit (HELOCs) 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 table below provides a summary of the Bank's direct credit exposures outside of Canada and the U.S. (Europe excludes United Kingdom).

TABLE 24: Total Net Exposure by Region and Counterparty

Region	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
April 30, 2024													
Europe	\$ 8,383	\$ 7	\$ 5,438	\$ 13,828	\$ 3,877	\$ 1,887	\$ 8,628	\$ 14,392	\$ 1,018	\$ 24,766	\$ 2,568	\$ 28,352	\$ 56,572
United Kingdom	8,952	2,759	2,485	14,196	3,119	435	13,487	17,041	945	934	267	2,146	33,383
Asia	245	26	2,368	2,639	447	680	2,323	3,450	197	10,749	1,178	12,124	18,213
Other ⁵	204	—	525	729	221	1,018	3,061	4,300	147	502	3,057	3,706	8,735
Total	\$ 17,784	\$ 2,792	\$ 10,816	\$ 31,392	\$ 7,664	\$ 4,020	\$ 27,499	\$ 39,183	\$ 2,307	\$ 36,951	\$ 7,070	\$ 46,328	\$ 116,903
October 31, 2023													
Europe	\$ 7,577	\$ 7	\$ 5,324	\$ 12,908	\$ 3,763	\$ 1,945	\$ 6,736	\$ 12,444	\$ 777	\$ 25,015	\$ 2,001	\$ 27,793	\$ 53,145
United Kingdom	8,928	7,965	2,131	19,024	2,759	490	13,431	16,680	491	596	257	1,344	37,048
Asia	254	20	2,167	2,441	262	706	2,640	3,608	325	10,728	830	11,883	17,932
Other ⁵	233	8	517	758	233	720	2,883	3,836	209	1,205	3,443	4,857	9,451
Total	\$ 16,992	\$ 8,000	\$ 10,139	\$ 35,131	\$ 7,017	\$ 3,861	\$ 25,690	\$ 36,568	\$ 1,802	\$ 37,544	\$ 6,531	\$ 45,877	\$ 117,576

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 \$37.6 billion (October 31, 2023 – \$40.8 billion) of exposure to supranational entities.

⁵ Other regional exposure largely attributable to Australia.

CAPITAL POSITION

REGULATORY CAPITAL

Capital requirements of 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. In 2015, Basel III 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 was increased to 3.5% as of November 1, 2023. The 50 bps increase from the previous level of 3% reflects OSFI's view of appropriate actions to enhance the resilience of Canada's largest banks against vulnerabilities. The current DSB range is 0 to 4% and the DSB level may change in response to developments in Canada's financial system and the broader economic environment.

On February 1, 2023, OSFI implemented revised capital rules that incorporate the Basel III reforms with adjustments to make them suitable for domestic implementation. These revised rules include revisions to the calculation of credit risk and operational risk requirements, and revisions to 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%. This buffer will also apply to the TLAC leverage ratio.

On November 1, 2023, the Bank 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 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 new framework.

The table below summarizes OSFI's current regulatory minimum capital targets for the Bank as at April 30, 2024.

REGULATORY CAPITAL AND TLAC TARGET RATIOS						
	Capital Minimum	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 Global Systemically Important Bank (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% if the Bank's G-SIB score increases above certain thresholds to a maximum of 4.5%. OSFI's Leverage Requirements 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 April 30, 2024.

³ Not applicable.

The following table provides details of the Bank's regulatory capital position.

TABLE 25: CAPITAL STRUCTURE AND RATIOS – Basel III

(millions of Canadian dollars, except as noted)

				As at
		April 30 2024	October 31 2023	April 30 2023
Common Equity Tier 1 Capital				
Common shares plus related contributed surplus	\$ 25,410	\$ 25,522	\$ 25,912	
Retained earnings	71,904	73,044	74,849	
Accumulated other comprehensive income	4,166	2,750	4,108	
Common Equity Tier 1 Capital before regulatory adjustments	101,480	101,316	104,869	
Common Equity Tier 1 Capital regulatory adjustments				
Goodwill (net of related tax liability)	(18,470)	(18,424)	(18,016)	
Intangibles (net of related tax liability)	(2,759)	(2,606)	(2,496)	
Deferred tax assets excluding those arising from temporary differences	(180)	(207)	(96)	
Cash flow hedge reserve	4,878	5,571	3,678	
Shortfall of provisions to expected losses	–	–	–	
Gains and losses due to changes in own credit risk on fair valued liabilities	(181)	(379)	(294)	
Defined benefit pension fund net assets (net of related tax liability)	(676)	(908)	(1,129)	
Investment in own shares	(8)	(21)	(18)	
Non-significant investments in the capital of banking, financial, and insurance entities, net of eligible short positions (amount above 10% threshold)	(3,202)	(1,976)	(2,135)	
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	(51)	(49)	(35)	
Other deductions or regulatory adjustments to CET1 as determined by OSFI	10	–	–	
Total regulatory adjustments to Common Equity Tier 1 Capital	(20,639)	(18,999)	(20,541)	
Common Equity Tier 1 Capital	80,841	82,317	84,328	
Additional Tier 1 Capital instruments				
Directly issued qualifying Additional Tier 1 instruments plus stock surplus	10,502	10,791	11,245	
Additional Tier 1 Capital instruments before regulatory adjustments	10,502	10,791	11,245	
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)	(5)	(6)	(112)	
Significant investments in the capital of banking, financial, and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	(350)	(350)	(350)	
Total regulatory adjustments to Additional Tier 1 Capital	(355)	(356)	(462)	
Additional Tier 1 Capital	10,147	10,435	10,783	
Tier 1 Capital	90,988	92,752	95,111	
Tier 2 Capital instruments and provisions				
Directly issued qualifying Tier 2 instruments plus related stock surplus	11,120	9,424	11,166	
Collective allowances	1,485	1,964	2,143	
Tier 2 Capital before regulatory adjustments	12,605	11,388	13,309	
Tier 2 regulatory adjustments				
Investments 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	(316)	(196)	(232)	
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	(144)	(136)	(68)	
Significant investments in the capital of banking, financial, and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	(160)	(160)	(160)	
Total regulatory adjustments to Tier 2 Capital	(620)	(492)	(460)	
Tier 2 Capital	11,985	10,896	12,849	
Total Capital	\$ 102,973	\$ 103,648	\$ 107,960	
Risk-weighted assets	\$ 602,825	\$ 571,161	\$ 549,398	
Capital Ratios and Multiples				
Common Equity Tier 1 Capital (as percentage of risk-weighted assets)	13.4 %	14.4 %	15.3 %	
Tier 1 Capital (as percentage of risk-weighted assets)	15.1	16.2	17.3	
Total Capital (as percentage of risk-weighted assets)	17.1	18.1	19.7	
Leverage ratio²	4.3	4.4	4.6	

¹ Includes other TLAC-eligible instruments issued by G-SIBs and Canadian 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 impact to CET1 capital upon adoption of IFRS 17 is immaterial to the Bank.

As at April 30, 2024, the Bank's CET1, Tier 1, and Total Capital ratios were 13.4%, 15.1%, and 17.1%, respectively. The decrease in the Bank's CET1 Capital ratio from 14.4% as at October 31, 2023, was primarily attributable to RWA growth across various segments, common shares repurchased for cancellation, and the impact of the regulatory changes related to the Fundamental Review of the Trading Book and Negatively amortizing mortgages. CET1 was also impacted by the FDIC special assessment booked in the fiscal year, items related to the provision for investigations related to the Bank's AML program, and the impact of a civil matter provision. The impact of the foregoing items was partially offset by organic growth, and the issuance of common shares pursuant to the Bank's dividend reinvestment plan.

As at April 30, 2024, the Bank's leverage ratio was 4.3%. The decrease in the Bank's leverage ratio from 4.4% as at October 31, 2023 was primarily attributable to exposure increases across various segments, common shares repurchased for cancellation, items related to the provision for investigations related to the Bank's AML program, and the impact of a civil matter provision. The impact of the foregoing items was partially offset by organic capital growth and the issuance of common shares pursuant to the Bank's dividend reinvestment plan.

Future Regulatory Capital Developments

There are no future regulatory capital developments in addition to those described in the "Future Regulatory Capital Developments" section of the Bank's 2023 Annual Report.

TABLE 26: EQUITY AND OTHER SECURITIES¹

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

	April 30, 2024		As at October 31, 2023	
	Number of shares/units	Amount	Number of shares/units	Amount
Common shares outstanding	1,759.6	\$ 25,257	1,791.4	\$ 25,434
Treasury – common shares	(0.3)	(24)	(0.7)	(64)
Total common shares	1,759.3	\$ 25,233	1,790.7	\$ 25,370
Stock options				
Vested	6.1		5.1	
Non-vested	9.3		9.0	
Preferred shares – Class A				
Series 1	20.0	\$ 500	20.0	\$ 500
Series 3	20.0	500	20.0	500
Series 5	20.0	500	20.0	500
Series 7	14.0	350	14.0	350
Series 9	8.0	200	8.0	200
Series 16	14.0	350	14.0	350
Series 18	14.0	350	14.0	350
Series 22 ²	–	–	14.0	350
Series 24	18.0	450	18.0	450
Series 27	0.8	850	0.8	850
Series 28	0.8	800	0.8	800
	129.6	\$ 4,850	143.6	\$ 5,200
Other equity instruments				
Limited Recourse Capital Notes Series 1 ³	1.8	1,750	1.8	1,750
Limited Recourse Capital Notes Series 2 ³	1.5	1,500	1.5	1,500
Limited Recourse Capital Notes Series 3 ^{3,4}	1.7	2,403	1.7	2,403
	134.6	\$ 10,503	148.6	\$ 10,853
Treasury – preferred shares and other equity instruments	(0.1)	(8)	(0.1)	(65)
Total preferred shares and other equity instruments	134.5	\$ 10,495	148.5	\$ 10,788

¹ For further details, including the conversion and exchange features, and distributions, refer to Note 20 of the Bank's 2023 Consolidated Financial Statements.

² On April 30, 2024, the Bank redeemed all of its 14 million outstanding Non-Cumulative 5-Year Rate Reset Class A First Preferred Shares NVCC, Series 22 ("Series 22 Preferred Shares"), at a redemption price of \$25.00 per Series 22 Preferred Share, for a total redemption cost of \$350 million.

³ For Limited Recourse Capital Notes (LRCNs), the number of shares/units represents the number of notes issued.

⁴ For LRCNs – Series 3, the amount represents the Canadian dollar equivalent of the U.S. dollar notional amount. Refer to the "Preferred Shares and Other Equity Instruments – Significant Terms and Conditions" table in Note 20 of the Bank's 2023 Consolidated Financial Statements for further details.

DIVIDENDS

On May 22, 2024, the Board approved a dividend in an amount of one dollar and two cents (\$1.02) per fully paid common share in the capital stock of the Bank for the quarter ending July 31, 2024, payable on and after July 31, 2024, to shareholders of record at the close of business on July 10, 2024.

DIVIDEND REINVESTMENT PLAN

The Bank offers a dividend reinvestment plan 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 price.

During the three and six months ended April 30, 2024, the Bank issued 1.6 million and 3.3 million common shares, respectively, from treasury with no discount. During the three and six months ended April 30, 2023, the Bank issued 8.9 million and 16.8 million common shares, respectively, from treasury with a 2% discount.

NORMAL COURSE ISSUER BID

On August 28, 2023, the Bank announced that the Toronto Stock Exchange and OSFI approved a normal course issuer bid (NCIB) to repurchase for cancellation up to 90 million of its common shares. The NCIB commenced on August 31, 2023, and during the three months ended April 30, 2024, the Bank repurchased 15.2 million common shares under the NCIB, at an average price of \$80.10 per share for a total amount of \$1.2 billion. During the six months ended April 30, 2024, the Bank repurchased 36.1 million common shares under the NCIB, at an average price of \$81.43 per share for a total amount of \$2.9 billion. From the commencement of the NCIB to April 30, 2024, the Bank repurchased 58 million shares under the program.

NON-VIABILITY CONTINGENT CAPITAL PROVISION

If a non-viability contingent capital (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 1.0 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 1.1 billion in aggregate.

For NVCC subordinated notes and debentures, 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 3.4 billion in aggregate.

MANAGING RISK

EXECUTIVE SUMMARY

Growing profitability in financial results based on balanced revenue, expense and capital growth services 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 future strategic objectives.

The Bank's businesses and operations are exposed to a broad number of risks that have been identified and defined in the Enterprise Risk Framework. The Bank's tolerance to those risks is defined in the Enterprise Risk Appetite which has been developed within a comprehensive framework that takes into consideration current conditions in which the Bank operates and the impact that emerging risks will have on TD's strategy and risk profile. The Bank's risk appetite states that it 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 events; TD does not 'bet the bank' on any single acquisition, business, or product; and (3) do not risk harming the TD brand. Each business is responsible for setting and aligning its individual risk appetites with that of the enterprise based on a thorough examination of the specific risks to which it is exposed.

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 leaders is focused due to the potential magnitude or immediacy of their impact.

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

The Bank's risk governance structure and risk management approach have not substantially changed from that described in the Bank's 2023 Annual Report. Additional information on risk factors can be found in this document and the 2023 MD&A under the heading "Risk Factors and Management". For a complete discussion of the risk governance structure and the risk management approach, refer to the "Managing Risk" section in the Bank's 2023 Annual Report.

The shaded sections of this MD&A represent a discussion relating to market and liquidity risks and form an integral part of the Interim Consolidated Financial Statements for the period ended April 30, 2024.

CREDIT RISK

Gross credit risk exposure, also referred to as exposure at default (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 (CRM) and includes both on-balance sheet and off-balance sheet exposures. On-balance sheet exposures consist primarily of outstanding loans, acceptances, 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 27: GROSS CREDIT RISK EXPOSURE – Standardized and Internal Ratings-Based (IRB) Approaches¹

(millions of Canadian dollars)

	April 30, 2024			October 31, 2023			As at
	Standardized	IRB	Total	Standardized	IRB	Total	
Retail							
Residential secured	\$ 4,469	\$ 525,100	\$ 529,569	\$ 4,815	\$ 515,152	\$ 519,967	
Qualifying revolving retail	858	170,498	171,356	810	169,183	169,993	
Other retail	3,800	101,403	105,203	3,368	99,253	102,621	
Total retail	9,127	797,001	806,128	8,993	783,588	792,581	
Non-retail							
Corporate	2,494	682,411	684,905	3,496	654,369	657,865	
Sovereign	65	506,846	506,911	116	527,423	527,539	
Bank	4,476	182,464	186,940	5,272	171,180	176,452	
Total non-retail	7,035	1,371,721	1,378,756	8,884	1,352,972	1,361,856	
Gross credit risk exposures	\$ 16,162	\$ 2,168,722	\$ 2,184,884	\$ 17,877	\$ 2,136,560	\$ 2,154,437	

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

MARKET RISK

Market risk capital is calculated using the Standardized Approach. The Bank continues to use Value-at-Risk (VaR) as an internal management metric to monitor and control market risk.

Market Risk Linkage to the Balance Sheet

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

TABLE 28: MARKET RISK LINKAGE TO THE BALANCE SHEET

(millions of Canadian dollars)

	As at								
	April 30, 2024				October 31, 2023				
	Balance sheet	Trading market risk	Non-trading market risk	Other	Balance sheet	Trading market risk	Non-trading market risk	Other	
Assets subject to market risk									
Interest-bearing deposits with banks	\$ 87,665	\$ 886	\$ 86,779	–	\$ 98,348	\$ 327	\$ 98,021	–	Interest rate
Trading loans, securities, and other	166,346	164,633	1,713	–	152,090	151,011	1,079	–	Interest rate
Non-trading financial assets at fair value through profit or loss	5,646	–	5,646	–	7,340	–	7,340	–	Equity, foreign exchange, interest rate
Derivatives	82,190	76,141	6,049	–	87,382	81,526	5,856	–	Equity, foreign exchange, interest rate
Financial assets designated at fair value through profit or loss	5,925	–	5,925	–	5,818	–	5,818	–	Interest rate
Financial assets at fair value through other comprehensive income	75,246	–	75,246	–	69,865	–	69,865	–	Equity, foreign exchange, interest rate
Debt securities at amortized cost, net of allowance for credit losses	293,594	–	293,594	–	308,016	–	308,016	–	Foreign exchange, interest rate
Securities purchased under reverse repurchase agreements	205,722	8,920	196,802	–	204,333	9,649	194,684	–	Interest rate
Loans, net of allowance for loan losses	928,124	–	928,124	–	895,947	–	895,947	–	Interest rate
Customers' liability under acceptances	4,183	–	4,183	–	17,569	–	17,569	–	Interest rate
Investment in Schwab	9,866	–	9,866	–	8,907	–	8,907	–	Equity
Other assets ^{1,2}	1,655	–	1,655	–	1,956	–	1,956	–	Interest rate
Assets not exposed to market risk	100,506	–	–	100,506	97,568	–	–	97,568	
Total Assets	\$ 1,966,668	\$ 250,580	\$ 1,615,582	\$ 100,506	\$ 1,955,139	\$ 242,513	\$ 1,615,058	\$ 97,568	
Liabilities subject to market risk									
Trading deposits	\$ 31,221	\$ 27,548	\$ 3,673	–	\$ 30,980	\$ 27,059	\$ 3,921	–	Equity, interest rate
Derivatives	69,742	68,290	1,452	–	71,640	70,382	1,258	–	Equity, foreign exchange, interest rate
Securitization liabilities at fair value	17,653	17,653	–	–	14,422	14,422	–	–	Interest rate
Financial liabilities designated at fair value through profit or loss	188,105	1	188,104	–	192,130	2	192,128	–	Interest rate
Deposits	1,203,771	–	1,203,771	–	1,198,190	–	1,198,190	–	Interest rate, foreign exchange
Acceptances	4,183	–	4,183	–	17,569	–	17,569	–	Interest rate
Obligations related to securities sold short	38,145	37,491	654	–	44,661	43,993	668	–	Interest rate
Obligations related to securities sold under repurchase agreements	192,239	11,337	180,902	–	166,854	12,641	154,213	–	Interest rate
Securitization liabilities at amortized cost	12,581	–	12,581	–	12,710	–	12,710	–	Interest rate
Subordinated notes and debentures	11,318	–	11,318	–	9,620	–	9,620	–	Interest rate
Other liabilities ^{1,2}	28,804	–	28,804	–	27,062	–	27,062	–	Equity, interest rate
Liabilities and Equity not exposed to market risk	168,906	–	–	168,906	169,301	–	–	169,301	
Total Liabilities and Equity	\$ 1,966,668	\$ 162,320	\$ 1,635,442	\$ 168,906	\$ 1,955,139	\$ 168,499	\$ 1,617,339	\$ 169,301	

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

² Balances as at October 31, 2023 have been restated for the adoption of IFRS 17. Refer to Note 2 of the Bank's second quarter 2024 Interim Consolidated Financial Statements for further details.

Calculating VaR

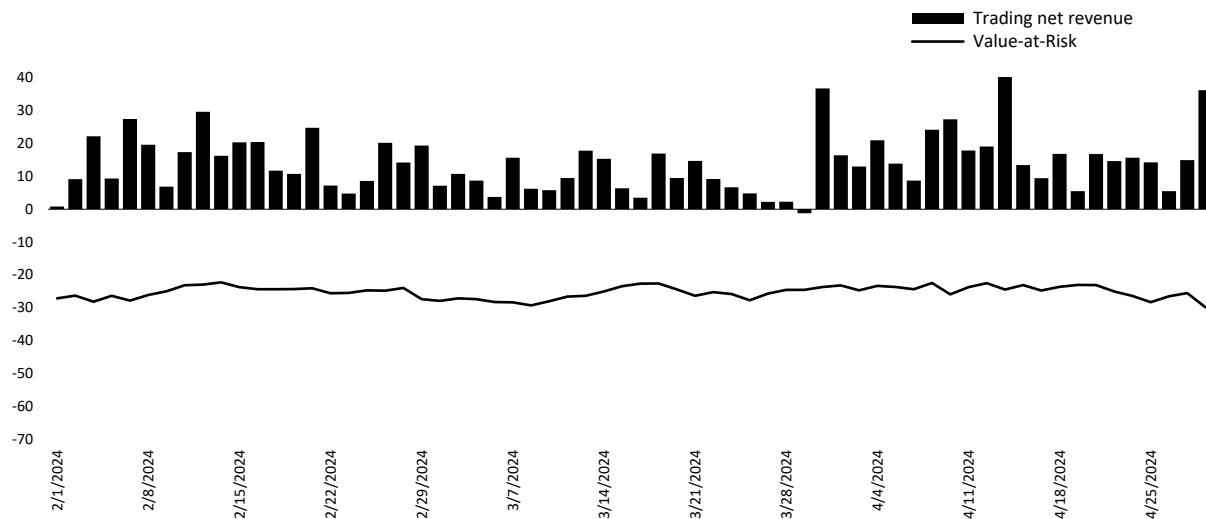
The Bank computes total VaR on a daily basis by combining the General Market Risk (GMR) and Idiosyncratic Debt Specific Risk (IDSR) associated with the Bank's trading positions.

GMR is determined by creating a distribution of potential changes in 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 quarter ended April 30, 2024, there was one day of trading losses and trading net revenue was positive for 98% of the trading days, reflecting normal trading activity. Losses in the year did not exceed VaR on any trading day.

TOTAL VALUE-AT-RISK AND TRADING NET REVENUE
(millions of Canadian dollars)



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 best practices, and regulatory requirements.

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

The following table presents the end of quarter, average, high, and low usage of TD's VaR metric.

TABLE 29: PORTFOLIO MARKET RISK MEASURES

	For the three months ended								For the six months ended	
	As at		April 30 2024		January 31 2024		April 30 2023		April 30 2024	April 30 2023
	Interest rate risk	\$ 18.3	Average \$ 20.8	High \$ 27.7	Low \$ 15.6	Average \$ 17.8	Average \$ 28.6	Average \$ 19.3	Average \$ 26.3	
Credit spread risk	\$ 31.1	Average 26.5	High 33.1	Low 18.9	Average 29.4	Average 31.8	Average 27.9	Average 30.5		
Equity risk	9.0	Average 7.5	High 9.8	Low 5.2	Average 7.2	Average 11.4	Average 7.3	Average 11.0		
Foreign exchange risk	5.0	Average 3.1	High 7.0	Low 1.4	Average 2.4	Average 4.4	Average 2.7	Average 4.6		
Commodity risk	3.8	Average 3.9	High 6.6	Low 2.2	Average 3.7	Average 3.6	Average 3.8	Average 5.9		
Idiosyncratic debt specific risk	20.1	Average 18.9	High 22.8	Low 15.7	Average 20.9	Average 36.0	Average 19.9	Average 37.5		
Diversification effect ¹	(56.8)	Average (52.8)	High n/m ²	Low n/m	Average (51.2)	Average (65.9)	Average (51.9)	Average (64.4)		
Total Value-at-Risk (one-day)	30.5	Average 27.9	High 34.7	Low 24.0	Average 30.2	Average 49.9	Average 29.0	Average 51.4		

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.

Average VaR decreased year-over-year and quarter-over-quarter due to changes in fixed income positions combined with narrower credit spreads.

Validation of VaR Model

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

Structural (Non-Trading) Interest Rate Risk

The Bank's structural interest rate risk arises from traditional personal and commercial banking activity and is generally the result of mismatches between the maturities and repricing dates of the Bank's assets and liabilities. The measurement of interest rate risk in the banking book does not include exposures from TD's Wholesale Banking or Insurance businesses.

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

The EVE Sensitivity measures the impact of a specified interest rate shock to the change in 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.

The NIIS measures the NII change over a twelve-month horizon for a specified change in interest rates for banking book assets, liabilities, and certain off-balance sheet items assuming a constant balance sheet over the period.

The Bank's Market Risk policy sets overall limits on the 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 are set for the Bank's management of non-trading interest rate risk 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 Asset/Liability and Capital Committee (ALCO) and the Risk Committee.

The following table shows the potential before-tax impact of an immediate and sustained 100 bps increase or decrease in interest rates on the EVE and NIIS measures. Interest rate floors are applied by currency to the decrease in rates such that they do not exceed expected lower bounds, with the most material currencies set to a floor of -25 bps.

TABLE 30: STRUCTURAL INTEREST RATE SENSITIVITY MEASURES

(millions of Canadian dollars)

	As at									
	April 30, 2024			January 31, 2024			April 30, 2023			
	EVE Sensitivity			NII Sensitivity ¹			EVE Sensitivity	NII Sensitivity ¹	EVE Sensitivity	NII Sensitivity ¹
	Canada	U.S.	Total	Canada	U.S.	Total	Total	Total	Total	Total
Before-tax impact of										
100 bps increase in rates	\$ (502)	\$ (1,810)	\$ (2,312)	\$ 457	\$ 418	\$ 875	\$ (2,136)	\$ 969	\$ (1,682)	\$ 785
100 bps decrease in rates	385	1,476	1,861	(484)	(569)	(1,053)	1,722	(1,152)	1,106	(910)

¹ Represents the twelve-month net interest income (NII) exposure to an immediate and sustained shock in rates.

As at April 30, 2024, an immediate and sustained 100 bps increase in interest rates would have had a negative impact to the Bank's EVE of \$2,312 million, an increase of \$176 million from last quarter, and a positive impact to the Bank's NII of \$875 million, a decrease of \$94 million from last quarter. An immediate and sustained 100 bps decrease in interest rates would have had a positive impact to the Bank's EVE of \$1,861 million, an increase of \$139 million from last quarter, and a negative impact to the Bank's NII of \$1,053 million, a decrease of \$99 million from last quarter. The quarter-over-quarter increase in EVE Sensitivity is primarily due to an increase in the interest rate sensitivity of the Bank's investment portfolio in the U.S. Region. The quarter-over-quarter decrease in NII Sensitivity is primarily due to Treasury hedging activity.

Liquidity Risk

Liquidity risk is 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

The Bank applies an established set of practices and protocols for managing its potential exposure to liquidity risk. The Bank targets a 90-day survival horizon under a combined bank-specific and market-wide stress scenario, and a minimum buffer over regulatory requirements prescribed by the OSFI Liquidity Adequacy Requirements (LAR) guidelines. Under the LAR guidelines, Canadian banks are required to maintain a Liquidity Coverage Ratio (LCR) at the minimum of 100% other than during periods of financial stress and to maintain a Net Stable Funding Ratio (NSFR) at the minimum of 100%. The Bank's funding program emphasizes maximizing deposits as a core source of funding, and having ready access to wholesale funding markets across diversified terms, funding types, and currencies that is designed to ensure low exposure to a sudden contraction of wholesale funding capacity and to minimize structural liquidity gaps. The Bank also maintains a contingency funding plan to enhance preparedness for recovery from potential liquidity stress events. The Bank's strategies and actions comprise an integrated liquidity risk management program that is designed to ensure low exposure to liquidity risk and compliance with regulatory requirements.

LIQUIDITY RISK MANAGEMENT RESPONSIBILITY

The Bank's ALCO oversees the Bank's liquidity risk management program. It ensures there are effective management structures and practices in place to properly measure and manage liquidity risk. The Global Liquidity & Funding Committee, a subcommittee of the ALCO comprised of senior management from Treasury, Risk Management and Wholesale Banking, identifies and monitors the Bank's liquidity risks. The management of liquidity risk is the responsibility of the SET member responsible for Treasury, while oversight and challenge are provided by the ALCO and independently by Risk Management. The Risk Committee regularly reviews the Bank's liquidity position and approves the Bank's Liquidity Risk Management Framework biennially and the related policies annually.

The Bank has established TD Group US Holding LLC (TDGUS) as TD's U.S. Intermediate Holding Company (IHC), as well as a Combined U.S. Operations (CUSO) reporting unit that consists of the IHC and TD's U.S. branch and agency network. Both TDGUS and CUSO are managed to the U.S. Enhanced Prudential Standards liquidity requirements in addition to the Bank's liquidity management framework.

The Bank's liquidity risk appetite and liquidity risk management approach have not substantially changed from that described in the Bank's 2023 Annual Report. For a complete discussion of liquidity risk, refer to the "Liquidity Risk" section in the Bank's 2023 Annual Report.

Liquid assets

The unencumbered liquid assets the Bank holds to meet its liquidity requirements must be high-quality securities that the Bank believes can be monetized quickly in stress conditions with minimum loss in market value. The liquidity value of unencumbered liquid assets considers estimated market or trading depths, settlement timing, and/or other identified impediments to potential sale 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 31: SUMMARY OF LIQUID ASSETS BY TYPE AND CURRENCY^{1,2}

(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	% of total	Encumbered liquid assets	Unencumbered liquid assets		
										April 30, 2024
Cash and central bank reserves	\$	25,184	\$	—	\$ 25,184	3	% \$ 737	\$ 24,447		
Canadian government obligations		23,108		89,065	112,173	13		51,323		60,850
National Housing Act Mortgage-Backed Securities (NHA MBS)		41,366		—	41,366	4		1,393		39,973
Obligations of provincial governments, public sector entities and multilateral development banks ³		41,497		25,839	67,336	8		36,592		30,744
Corporate issuer obligations		21,088		5,672	26,760	3		5,662		21,098
Equities		11,643		2,987	14,630	2		13,637		993
Total Canadian dollar-denominated		163,886		123,563	287,449	33		109,344		178,105
Cash and central bank reserves		58,173		—	58,173	7		255		57,918
U.S. government obligations		73,624		62,310	135,934	16		75,498		60,436
U.S. federal agency obligations, including U.S. federal agency mortgage-backed obligations		79,327		12,748	92,075	11		27,419		64,656
Obligations of other sovereigns, public sector entities and multilateral development banks ³		65,458		37,119	102,577	12		38,977		63,600
Corporate issuer obligations		78,482		14,856	93,338	11		26,992		66,346
Equities		52,202		36,828	89,030	10		49,879		39,151
Total non-Canadian dollar-denominated		407,266		163,861	571,127	67		219,020		352,107
Total	\$	571,152	\$	287,424	\$ 858,576	100	% \$	328,364	\$	530,212
										October 31, 2023
Cash and central bank reserves	\$	28,548	\$	—	\$ 28,548	3	% \$ 506	\$ 28,042		
Canadian government obligations		15,214		94,000	109,214	13		67,457		41,757
NHA MBS		38,760		—	38,760	4		1,043		37,717
Obligations of provincial governments, public sector entities and multilateral development banks ³		40,697		22,703	63,400	8		31,078		32,322
Corporate issuer obligations		19,507		4,815	24,322	3		4,512		19,810
Equities		10,555		2,288	12,843	1		8,890		3,953
Total Canadian dollar-denominated		153,281		123,806	277,087	32		113,486		163,601
Cash and central bank reserves		66,094		—	66,094	8		180		65,914
U.S. government obligations		72,808		64,449	137,257	16		63,688		73,569
U.S. federal agency obligations, including U.S. federal agency mortgage-backed obligations		80,047		15,838	95,885	11		29,487		66,398
Obligations of other sovereigns, public sector entities and multilateral development banks ³		65,996		54,321	120,317	13		56,652		63,665
Corporate issuer obligations		84,853		9,656	94,509	11		15,228		79,281
Equities		38,501		38,388	76,889	9		47,653		29,236
Total non-Canadian dollar-denominated		408,299		182,652	590,951	68		212,888		378,063
Total	\$	561,580	\$	306,458	\$ 868,038	100	% \$	326,374	\$	541,664

¹ Liquid assets include collateral received that can be re-hypothecated or otherwise redeployed.² Positions stated include gross asset values pertaining to securities financing transactions.³ Includes debt obligations issued or guaranteed by these entities.

Unencumbered liquid assets held in The Toronto-Dominion Bank and multiple domestic and foreign subsidiaries (excluding insurance subsidiaries) and branches are summarized in the following table.

TABLE 32: SUMMARY OF UNENCUMBERED LIQUID ASSETS BY BANK, SUBSIDIARIES, AND BRANCHES

(millions of Canadian dollars)

			As at	
			April 30 2024	October 31 2023
The Toronto-Dominion Bank (Parent)		\$	231,560	\$ 205,408
Bank subsidiaries			280,336	291,915
Foreign branches			18,316	44,341
Total		\$	530,212	\$ 541,664

The Bank's monthly average liquid assets (excluding those held in insurance subsidiaries) for the quarters ended April 30, 2024 and January 31, 2024, are summarized in the following table.

TABLE 33: SUMMARY OF AVERAGE LIQUID ASSETS BY TYPE AND CURRENCY^{1,2}

							<i>Average for the three months ended</i>
			Securities received as collateral from securities financing and derivative transactions	Total liquid assets	% of Total	Encumbered liquid assets	Unencumbered liquid assets
	Bank-owned liquid assets						April 30, 2024
Cash and central bank reserves	\$ 21,416	\$ –	\$ 21,416	2 %	\$ 662	\$ 20,754	
Canadian government obligations	22,788	89,436	112,224	13	54,659	57,565	
NHA MBS	41,280	17	41,297	5	1,397	39,900	
Obligations of provincial governments, public sector entities and multilateral development banks ³	42,126	23,814	65,940	8	35,200	30,740	
Corporate issuer obligations	20,600	5,514	26,114	3	5,741	20,373	
Equities	13,240	3,267	16,507	2	12,554	3,953	
Total Canadian dollar-denominated	161,450	122,048	283,498	33	110,213	173,285	
Cash and central bank reserves	61,498	–	61,498	7	228	61,270	
U.S. government obligations	75,101	63,416	138,517	16	75,230	63,287	
U.S. federal agency obligations, including U.S. federal agency mortgage-backed obligations	79,294	12,670	91,964	10	27,618	64,346	
Obligations of other sovereigns, public sector entities and multilateral development banks ³	65,033	36,777	101,810	12	39,427	62,383	
Corporate issuer obligations	79,427	14,078	93,505	11	25,515	67,990	
Equities	52,723	38,939	91,662	11	51,440	40,222	
Total non-Canadian dollar-denominated	413,076	165,880	578,956	67	219,458	359,498	
Total	\$ 574,526	\$ 287,928	\$ 862,454	100 %	\$ 329,671	\$ 532,783	
							<i>January 31, 2024</i>
Cash and central bank reserves	\$ 25,485	\$ –	\$ 25,485	3 %	\$ 543	\$ 24,942	
Canadian government obligations	17,377	82,565	99,942	12	54,469	45,473	
NHA MBS	40,487	–	40,487	5	1,391	39,096	
Obligations of provincial governments, public sector entities and multilateral development banks ³	43,258	24,036	67,294	8	35,838	31,456	
Corporate issuer obligations	19,590	5,056	24,646	3	5,314	19,332	
Equities	11,845	2,423	14,268	1	10,393	3,875	
Total Canadian dollar-denominated	158,042	114,080	272,122	32	107,948	164,174	
Cash and central bank reserves	53,870	–	53,870	6	240	53,630	
U.S. government obligations	76,266	64,334	140,600	17	70,162	70,438	
U.S. federal agency obligations, including U.S. federal agency mortgage-backed obligations	78,957	12,071	91,028	11	26,571	64,457	
Obligations of other sovereigns, public sector entities and multilateral development banks ³	66,149	44,439	110,588	13	43,327	67,261	
Corporate issuer obligations	78,943	11,043	89,986	11	17,989	71,997	
Equities	48,073	36,885	84,958	10	48,537	36,421	
Total non-Canadian dollar-denominated	402,258	168,772	571,030	68	206,826	364,204	
Total	\$ 560,300	\$ 282,852	\$ 843,152	100 %	\$ 314,774	\$ 528,378	

¹ Liquid assets include collateral received that can be re-hypothecated or otherwise redeployed.

² Positions stated include gross asset values pertaining to securities financing transactions.

³ Includes debt obligations issued or guaranteed by these entities.

Average unencumbered liquid assets held in The Toronto-Dominion Bank and multiple domestic and foreign subsidiaries (excluding insurance subsidiaries) and branches are summarized in the following table.

TABLE 34: SUMMARY OF AVERAGE UNENCUMBERED LIQUID ASSETS BY BANK, SUBSIDIARIES, AND BRANCHES

			<i>Average for the three months ended</i>		
				<i>April 30, 2024</i>	<i>January 31, 2024</i>
The Toronto-Dominion Bank (Parent)			\$ 227,812	\$ 209,171	
Bank subsidiaries			278,667	285,938	
Foreign branches			26,304	33,269	
Total			\$ 532,783	\$ 528,378	

ASSET ENCUMBRANCE

In the course of the Bank's day-to-day operations, assets are pledged to obtain funding, support trading and brokerage businesses, and participate in clearing and/or settlement systems. A summary of encumbered and unencumbered assets (excluding assets held in insurance subsidiaries) is presented in the following table to identify assets that are used or available for potential funding needs.

TABLE 35: ENCUMBERED AND UNENCUMBERED ASSETS

(millions of Canadian dollars)

				Total Assets	Encumbered ¹	Unencumbered	As at
	Bank-owned assets	Securities received as collateral from securities financing and derivative transactions ²	Total Assets	Pledged as Collateral ³	Other ⁴	Available as Collateral ⁵	April 30, 2024
Cash and due from banks	\$ 6,308	\$ -	\$ 6,308	\$ -	\$ -	\$ 7	\$ 6,301
Interest-bearing deposits with banks	87,665	-	87,665	5,358	-	78,526	3,781
Securities, trading loans, and other ⁷	546,757	435,351	982,108	412,327	18,123	525,410	26,248
Derivatives	82,190	-	82,190	-	-	-	82,190
Securities purchased under reverse repurchase agreements ⁸	205,722	(205,722)	-	-	-	-	-
Loans, net of allowance for loan losses ⁹	928,124	(13,496)	914,628	62,284	80,013	60,034	712,297
Customers' liabilities under acceptances	4,183	-	4,183	-	-	-	4,183
Other assets ¹⁰	105,719	-	105,719	311	-	-	105,408
Total assets	\$ 1,966,668	\$ 216,133	\$ 2,182,801	\$ 480,280	\$ 98,136	\$ 663,977	\$ 940,408

October 31, 2023

Total assets	\$ 1,955,139	\$ 215,318	\$ 2,170,457	\$ 460,641	\$ 84,997	\$ 678,289	\$ 946,530
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¹ Asset encumbrance has been analyzed on an individual asset basis. Where a particular asset has been encumbered and TD has holdings of the asset both on-balance sheet and off-balance sheet, for the purpose of this disclosure, the on- and off-balance sheet holdings are encumbered in alignment with the business practice.

² Assets received as collateral through off-balance sheet transactions such as reverse repurchase agreements, securities borrowing, margin loans, and other client activity.

³ Represents assets that have been posted externally to support the Bank's day-to-day operations, including securities financing transactions, clearing and payments, and derivative transactions. Also includes assets that have been pledged supporting Federal Home Loan Bank (FHLB) activity.

⁴ Assets supporting TD's long-term funding activities, assets pledged against securitization liabilities, and assets held by consolidated securitization vehicles or in pools for covered bond issuance.

⁵ Assets that are considered readily available in their current legal form to generate funding or support collateral needs. This category includes reported FHLB assets that remain unutilized and DSAC that are available for collateral purposes however not regularly utilized in practice.

⁶ Assets that cannot be used to support funding or collateral requirements in their current form. This category includes those assets that are potentially eligible as funding program collateral or for pledging to central banks (for example, Canada Mortgage and Housing Corporation insured mortgages that can be securitized into NHA MBS).

⁷ Includes trading loans, securities, non-trading financial assets at FVTPL and other financial assets designated at FVTPL, financial assets at FVOCI, and DSAC.

⁸ Assets reported in the "Bank-owned assets" column represent the value of the loans extended and not the value of the collateral received. The loan value from the reverse repurchase transactions is deducted from the "Securities received as collateral from securities financing and derivative transactions" column to avoid double-counting with the on-balance sheet assets.

⁹ The loan value from the margin loans/client activity is deducted from the "Securities received as collateral from securities financing and derivative transactions" column to avoid double-counting with the on-balance sheet assets.

¹⁰ Other assets include investment in Schwab, goodwill, other intangibles, land, buildings, equipment, and other depreciable 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 Severe Combined Stress Scenario, the Bank performs liquidity stress testing on multiple alternate scenarios. These scenarios are a mix of TD-specific events and market-wide stress events designed to test the impact from risk factors material to the Bank's risk profile. Liquidity assessments are also part of the Bank's Enterprise-Wide Stress Testing program.

The Bank has liquidity contingency funding plans (CFP) in place at the overall Bank level and for certain subsidiaries operating in foreign jurisdictions (Regional CFPs). The Bank's CFP provides a documented framework for managing unexpected liquidity situations and thus is an integral component of the Bank's overall liquidity risk management program. It outlines different contingency levels based on the severity and duration of the liquidity situation and identifies recovery actions appropriate for each level. For each recovery action, it provides key operational steps required to execute the 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 impact the Bank's borrowing costs and ability to raise funds. Rating downgrades could potentially result in higher financing costs, increased requirements to pledge collateral, reduced access to capital markets, and could also affect the Bank's ability to enter into derivative transactions.

Credit ratings and outlooks provided by rating agencies reflect their views and are subject to change from time to time, based on a number of factors including the Bank's financial strength, competitive position, and liquidity, as well as factors not entirely within the Bank's control, including the methodologies used by rating agencies and conditions affecting the overall financial services industry.

TABLE 36: CREDIT RATINGS¹

	Moody's	S&P	Fitch	As at	
				April 30, 2024	
Deposits/Counterparty ²	Aa1	AA-	AA	AA (high)	
Legacy Senior Debt ³	Aa2	AA-	AA	AA (high)	
Senior Debt ⁴	A1	A	AA-	AA	
Covered Bonds	Aaa	—	AAA	AAA	
Subordinated Debt	A2	A	A	AA (low)	
Subordinated Debt – NVCC	A2 (hyb)	A-	A	A	
Preferred Shares – NVCC	Baa1 (hyb)	BBB	BBB+	Pfd-2 (high)	
Limited Recourse Capital Notes – NVCC	Baa1 (hyb)	BBB	BBB+	A (low)	
Short-Term Debt (Deposits)	P-1	A-1+	F1+	R-1 (high)	
Outlook	Stable	Stable	Stable	Stable	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 Bank holds liquid assets to ensure it is able to provide additional collateral required by trading counterparties in the event of a three-notch downgrade in the Bank's senior debt ratings. 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 37: ADDITIONAL COLLATERAL REQUIREMENTS FOR RATING DOWNGRADES¹

(millions of Canadian dollars)

		Average for the three months ended	
		April 30 2024	January 31 2024
One-notch downgrade	\$ 166	\$ 90	
Two-notch downgrade	242	150	
Three-notch downgrade	934	800	

¹ The above 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 metric calculated as the ratio of the stock of unencumbered high-quality liquid assets (HQLA) over the net cash outflow requirements in the next 30 days under a hypothetical liquidity stress event.

Other than during periods of financial stress, the Bank must maintain the LCR above 100% in accordance with the OSFI LAR requirement. 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 rates, and other outflow and inflow rates. HQLA held by the Bank that are eligible for the LCR calculation under the LAR are primarily 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 38: AVERAGE BASEL III LIQUIDITY COVERAGE RATIO¹

(millions of Canadian dollars, except as noted)

	Average for the three months ended		
	April 30, 2024		
	Total unweighted value (average) ²	Total weighted value (average) ³	
High-quality liquid assets			
Total high-quality liquid assets	\$	n/a ⁴	\$ 332,676
Cash outflows			
Retail deposits and deposits from small business customers, of which:	\$	480,690	\$ 30,668
Stable deposits ⁵		257,719	7,732
Less stable deposits		222,971	22,936
Unsecured wholesale funding, of which:		354,375	178,685
Operational deposits (all counterparties) and deposits in networks of cooperative banks ⁶		126,605	30,035
Non-operational deposits (all counterparties)		196,382	117,262
Unsecured debt		31,388	31,388
Secured wholesale funding		n/a	46,341
Additional requirements, of which:		342,989	97,537
Outflows related to derivative exposures and other collateral requirements		57,259	37,980
Outflows related to loss of funding on debt products		10,282	10,282
Credit and liquidity facilities		275,448	49,275
Other contractual funding obligations		22,108	11,296
Other contingent funding obligations ⁷		779,005	12,314
Total cash outflows	\$	n/a	\$ 376,841
Cash inflows			
Secured lending	\$	243,498	\$ 32,298
Inflows from fully performing exposures		27,613	12,676
Other cash inflows		66,917	66,917
Total cash inflows	\$	338,028	\$ 111,891
Average for the three months ended			
April 30, 2024		January 31, 2024	
Total adjusted value		Total adjusted value	
Total high-quality liquid assets⁸		\$ 332,676	\$ 334,351
Total net cash outflows⁹		264,950	251,329
Liquidity coverage ratio		126 %	133 %

¹ The LCR for the quarter ended April 30, 2024 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, as prescribed by the OSFI LAR guideline.

⁴ Not applicable as per the LCR common disclosure template.

⁵ As defined by the OSFI LAR guideline, stable deposits from retail and small- and medium-sized enterprise (SME) customers are deposits that are insured and are either held in transactional accounts or the depositors have an established relationship with the Bank that makes deposit withdrawal highly unlikely.

⁶ Operational deposits from non-SME business customers are deposits kept with the Bank in order to facilitate their access and ability to conduct payment and settlement activities. These activities include clearing, custody, or cash management services.

⁷ Includes uncommitted credit and liquidity facilities, stable value money market mutual funds, outstanding debt securities with remaining maturity greater than 30 days, and other contractual cash outflows. With respect to outstanding debt securities with remaining maturity greater than 30 days, TD has no contractual obligation to buy back these outstanding TD debt securities, and as a result, a 0% outflow rate is applied under the OSFI LAR guideline.

⁸ Total HQLA includes both asset haircuts and applicable caps, as prescribed by the OSFI LAR guideline (HQLA assets after haircuts are capped at 40% for Level 2 and 15% for Level 2B).

⁹ Total Net Cash Outflows include both inflow and outflow rates and applicable caps, as prescribed by the OSFI LAR guideline (inflows are capped at 75% of outflows).

The Bank's average LCR of 126% for the quarter ended April 30, 2024 continues to meet the regulatory requirements.

The Bank holds a variety of liquid assets commensurate with the liquidity needs of the organization. Many of these assets qualify as HQLA under the OSFI LAR guideline. The average HQLA of the Bank for the quarter ended April 30, 2024 was \$333 billion (January 31, 2024 – \$334 billion), with Level 1 assets representing 83% (January 31, 2024 – 83%). The Bank's reported HQLA excludes excess HQLA from the U.S. Retail operations, reflecting liquidity transfer limitations from U.S. Retail and its affiliates which adheres to OSFI LAR and Federal Reserve Board guidelines.

As described in the "How TD Manages Liquidity Risk" section of the Bank's 2023 Annual Report, the Bank manages its HQLA and other liquidity buffers to the higher of TD's 90-day surplus requirement and the target buffers over regulatory requirements from the LCR, NSFR, and the Net Cumulative Cash Flow metrics. As a result, the total stock of HQLA is subject to ongoing rebalancing against the projected liquidity requirements.

NET STABLE FUNDING RATIO

The NSFR is a Basel III metric calculated as the ratio of total available stable funding (ASF) over total required stable funding (RSF) in accordance with OSFI's LAR guideline. 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 based on the Bank's on and off-balance sheet activities and a function of their liquidity characteristics and the requirements of OSFI's LAR guideline.

TABLE 39: NET STABLE FUNDING RATIO
(millions of Canadian dollars, except as noted)

	As at					
	April 30, 2024					
	Unweighted value by residential maturity					
	No maturity ¹	Less than 6 months	6 months to less than 1 year	More than 1 year	Weighted value ²	
Available Stable Funding Item						
Capital	\$ 108,390	\$ n/a	\$ n/a	\$ 10,879	\$ 119,270	
Regulatory capital	108,390	n/a	n/a	10,879	119,270	
Other capital instruments	n/a	n/a	n/a	—	—	
Retail deposits and deposits from small business customers:	439,111	73,242	36,382	31,910	539,930	
Stable deposits ³	250,252	27,285	15,288	16,038	294,223	
Less stable deposits	188,859	45,957	21,094	15,872	245,707	
Wholesale funding:	244,275	390,301	81,070	244,446	441,704	
Operational deposits ⁴	103,112	2,344	—	—	52,728	
Other wholesale funding	141,163	387,957	81,070	244,446	388,976	
Liabilities with matching interdependent assets ⁵	—	3,175	2,021	23,122	—	
Other liabilities:	50,470			98,179	2,773	
NSFR derivative liabilities	n/a			2,815	n/a	
All other liabilities and equity not included in the above categories	50,470	91,462	2,259	1,643	2,773	
Total Available Stable Funding					\$ 1,103,677	
Required Stable Funding Item						
Total NSFR high-quality liquid assets	\$ n/a	\$ n/a	\$ n/a	\$ n/a	\$ 61,140	
Deposits held at other financial institutions for operational purposes	—	—	—	—	—	
Performing loans and securities	106,425	264,865	117,995	669,318	767,215	
Performing loans to financial institutions secured by Level 1 HQLA	—	81,829	11,097	—	12,654	
Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	—	58,692	8,304	10,267	20,905	
Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	38,027	68,889	42,237	290,713	339,652	
With a risk weight of less than or equal to 35% under the Basel II standardized approach for credit risk	n/a	48,678	26,989	—	37,125	
Performing residential mortgages, of which:	31,893	47,393	49,950	300,432	297,262	
With a risk weight of less than or equal to 35% under the Basel II standardized approach for credit risk ⁶	31,893	47,393	49,950	300,432	297,262	
Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	36,505	8,062	6,407	67,906	96,742	
Assets with matching interdependent liabilities ⁵	—	2,966	2,292	23,060	—	
Other assets:	74,303	n/a	n/a	146,755	111,919	
Physical traded commodities, including gold	11,638	n/a	n/a	n/a	10,076	
Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs				17,688	15,035	
NSFR derivative assets	n/a			9,841	7,026	
NSFR derivative liabilities before deduction of variation margin posted	n/a			25,144	1,257	
All other assets not included in the above categories	62,665	85,926	2,162	5,994	78,525	
Off-balance sheet items	n/a			799,831	28,891	
Total Required Stable Funding					\$ 969,165	
Net Stable Funding Ratio					114 %	
	As at					
	October 31, 2023					
Total Available Stable Funding					\$ 1,123,816	
Total Required Stable Funding					960,590	
Net Stable Funding Ratio					117 %	

¹ 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.

² Weighted values are calculated after the application of respective NSFR weights, as prescribed by the OSFI LAR guideline.

³ As defined by the OSFI LAR guideline, stable deposits from retail and SME customers are deposits that are insured and are either held in transactional accounts or the depositors have an established relationship with the Bank that makes deposit withdrawals highly unlikely.

⁴ Operational deposits from non-SME business customers are deposits kept with the Bank in order to facilitate their access and ability to conduct payment and settlement activities. These activities include clearing, custody, or cash management services.

⁵ 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.

⁶ Includes Residential Mortgages and HELOCs.

The Bank's NSFR for the quarter ended April 30, 2024 is at 114% (October 31, 2023 – 117%) representing a surplus of \$135 billion and adheres to regulatory requirements. The NSFR remained relatively stable to the previous quarter (January 31, 2024 – 114%), as our funding programs continued to meet our needs in Q2.

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 managing funding activities is to maximize the use of deposits raised through personal and commercial banking channels. The following table illustrates the Bank's base of personal and commercial, wealth, and Schwab sweep deposits (collectively, "P&C deposits") that make up approximately 70% (October 31, 2023 – 70%) of the Bank's total funding.

TABLE 40: SUMMARY OF DEPOSIT FUNDING

(millions of Canadian dollars)

	As at	April 30	October 31
	2024	2023	2023
P&C deposits – Canadian	\$ 542,967	\$ 529,078	
P&C deposits – U.S. ¹	432,778	446,355	
Total	\$ 975,745	\$ 975,433	

¹ P&C deposits in U.S. are presented on a Canadian equivalent basis and therefore period-over-period movements reflect both underlying growth and changes in the foreign exchange rate.

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, by currency, and by funding types. The Bank raises short-term (1 year or less) funding using certificates of deposit, commercial paper, and bankers' acceptances.

The following table summarizes the registered term funding and capital programs by geography, with the related program size as at April 30, 2024.

Canada	United States	Europe
Capital Securities Program (\$20 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 (\$80 billion)
Canadian Senior Medium-Term Linked Notes Program (\$5 billion)		FCA Registered Global Medium-Term Note Program (US\$40 billion)
HELOC ABS Program (Genesis Trust II) (\$7 billion)		

The following table presents a breakdown of the Bank's term debt by currency and funding type. Term funding as at April 30, 2024, was \$178.4 billion (October 31, 2023 – \$173.3 billion).

Note that Table 41: Long-Term Funding and Table 42: Wholesale Funding do not include any funding accessed via repurchase transactions or securities financing.

TABLE 41: LONG-TERM FUNDING¹

	As at	
	April 30	October 31
	2024	2023
Long-term funding by currency		
Canadian dollar	27 %	27 %
U.S. dollar	33	35
Euro	28	27
British pound	6	5
Other	6	6
Total	100 %	100 %
Long-term funding by type		
Senior unsecured medium-term notes	57 %	61 %
Covered bonds	35	31
Mortgage securitization ²	7	7
Term asset-backed securities	1	1
Total	100 %	100 %

¹ The table includes funding issued to external investors only.

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.

The following table represents the remaining maturity of various sources of funding outstanding as at April 30, 2024 and October 31, 2023.

TABLE 42: WHOLESALE FUNDING¹

(millions of Canadian dollars)

	As at								
	April 30 2024				October 31 2023				
	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	Total	Total
Deposits from banks ²	\$ 26,389	\$ 5,815	\$ 3,660	\$ 3,321	\$ 39,185	\$ —	\$ —	\$ 39,185	\$ 42,481
Bearer deposit notes	157	728	539	230	1,654	—	—	1,654	1,804
Certificates of deposit	9,352	28,606	30,402	31,842	100,202	312	—	100,514	113,476
Commercial paper	10,320	15,037	16,436	12,847	54,640	—	—	54,640	40,515
Covered bonds	457	3,488	860	1,720	6,525	19,361	40,197	66,083	56,973
Mortgage securitization ³	—	2,322	1,073	2,738	6,133	3,777	20,325	30,235	27,131
Legacy senior unsecured medium-term notes ⁴	—	1,898	—	—	1,898	289	—	2,187	3,162
Senior unsecured medium-term notes ⁵	—	3,178	5,525	9,455	18,158	19,523	57,308	94,989	97,525
Subordinated notes and debentures ⁶	—	—	—	—	—	197	11,121	11,318	9,620
Term asset-backed securitization	—	318	1,035	560	1,913	—	375	2,288	2,204
Other ⁷	26,502	2,290	9,021	4,205	42,018	965	782	43,765	44,348
Total	\$ 73,177	\$ 63,680	\$ 68,551	\$ 66,918	\$ 272,326	\$ 44,424	\$ 130,108	\$ 446,858	\$ 439,239
Of which:									
Secured	\$ 2,865	\$ 6,128	\$ 9,160	\$ 7,426	\$ 25,579	\$ 23,139	\$ 60,901	\$ 109,619	\$ 95,328
Unsecured	70,312	57,552	59,391	59,492	246,747	21,285	69,207	337,239	343,911
Total	\$ 73,177	\$ 63,680	\$ 68,551	\$ 66,918	\$ 272,326	\$ 44,424	\$ 130,108	\$ 446,858	\$ 439,239

¹ Excludes bankers' acceptances, which are disclosed in the Remaining Contractual Maturity table within the "Managing Risk" section of this document.

² Includes fixed-term deposits with banks.

³ Includes mortgage-backed securities (MBS) issued to external investors and Wholesale Banking residential mortgage trading business.

⁴ 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.

⁵ Comprised of senior debt subject to conversion under the bank recapitalization "bail-in" regime. Excludes \$6.1 billion of structured notes subject to conversion under the "bail-in" regime (October 31, 2023 – \$5.7 billion).

⁶ Subordinated notes and debentures are not considered wholesale funding as they may be raised primarily for capital management purposes.

⁷ Includes fixed-term deposits from non-bank institutions (unsecured) of \$18.0 billion (October 31, 2023 – \$22.1 billion) and the remaining are non-term deposits.

Excluding the Wholesale Banking residential mortgage trading business, the Bank's total MBS issued to external investors for the three months and six months ended April 30, 2024 was \$0.7 billion and \$0.8 billion, respectively (three and six months ended April 30, 2023 – \$0.4 billion and \$0.8 billion, respectively) and other asset-backed securities issued for the three and six months ended April 30, 2024 was nil (three and six months ended April 30, 2023 – \$0.1 billion and \$0.4 billion, respectively). The Bank also issued \$7.5 billion and \$8.1 billion, respectively of unsecured medium-term notes for the three and six months ended April 30, 2024 (three and six months ended April 30, 2023 – \$1.0 billion and \$13.9 billion) and \$10.2 billion and \$14.7 billion, respectively of covered bonds for the three and six months ended April 30, 2024 (three and six months ended April 30, 2023 – \$9.7 billion).

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. Off-balance sheet commitments include contractual obligations to make future payments on certain lease-related commitments, certain purchase obligations, and other liabilities. 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 43: REMAINING CONTRACTUAL MATURITY

(millions of Canadian dollars)

As at

April 30, 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	\$ 6,308	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 6,308
Interest-bearing deposits with banks	83,379	348	—	—	—	—	—	129	3,809	87,665
Trading loans, securities, and other ¹	4,456	4,716	5,738	2,726	5,461	12,381	28,002	25,313	77,553	166,346
Non-trading financial assets at fair value through profit or loss	480	451	199	115	272	998	554	952	1,625	5,646
Derivatives	10,945	10,369	5,215	5,060	3,875	10,725	20,347	15,654	—	82,190
Financial assets designated at fair value through profit or loss	415	630	390	276	302	899	1,739	1,274	—	5,925
Financial assets at fair value through other comprehensive income	1,009	6,022	2,036	2,228	2,564	6,967	19,643	31,086	3,691	75,246
Debt securities at amortized cost, net of allowances for credit losses	1,011	15,656	3,433	4,991	4,698	24,556	106,707	132,544	(2)	293,594
Securities purchased under reverse repurchase agreements ²	134,900	27,558	26,496	8,370	3,737	2,773	474	—	1,414	205,722
Loans										
Residential mortgages	1,220	7,143	13,485	14,905	13,109	62,773	133,296	80,101	—	326,032
Consumer instalment and other personal	1,035	1,732	2,408	3,765	5,981	27,519	85,289	35,212	58,256	221,197
Credit card	—	—	—	—	—	—	—	—	39,421	39,421
Business and government	54,592	13,033	15,848	16,652	13,993	44,136	100,095	64,920	25,750	349,019
Total loans	56,847	21,908	31,741	35,322	33,083	134,428	318,680	180,233	123,427	935,669
Allowance for loan losses	—	—	—	—	—	—	—	—	(7,545)	(7,545)
Loans, net of allowance for loan losses	56,847	21,908	31,741	35,322	33,083	134,428	318,680	180,233	115,882	928,124
Customers' liability under acceptances	2,934	1,249	—	—	—	—	—	—	—	4,183
Investment in Schwab	—	—	—	—	—	—	—	—	9,866	9,866
Goodwill ³	—	—	—	—	—	—	—	—	18,658	18,658
Other intangibles ³	—	—	—	—	—	—	—	—	2,897	2,897
Land, buildings, equipment, and other depreciable assets, and right-of-use assets ³	—	8	10	16	10	76	619	3,162	5,616	9,517
Deferred tax assets	—	—	—	—	—	—	—	—	4,806	4,806
Amounts receivable from brokers, dealers, and clients	33,537	28	—	—	—	—	—	—	—	33,565
Other assets	4,814	7,254	838	369	287	215	265	140	12,228	26,410
Total assets	\$ 341,035	\$ 96,197	\$ 76,096	\$ 59,473	\$ 54,289	\$ 194,018	\$ 497,030	\$ 390,487	\$ 258,043	\$ 1,966,668
Liabilities										
Trading deposits	\$ 3,231	\$ 3,168	\$ 5,102	\$ 2,836	\$ 2,216	\$ 4,977	\$ 7,982	\$ 1,709	\$ —	\$ 31,221
Derivatives	9,733	10,857	3,972	4,654	3,515	7,983	13,414	15,614	—	69,742
Securitization liabilities at fair value	—	1,257	391	852	321	2,282	7,529	5,021	—	17,653
Financial liabilities designated at fair value through profit or loss	40,812	49,002	50,264	23,720	23,846	313	3	1	144	188,105
Deposits ^{4,5}										
Personal	7,520	19,133	28,227	20,828	18,726	19,170	22,250	705	492,424	628,983
Banks	11,333	97	—	6,237	2,408	1	3	1	12,383	32,463
Business and government	22,462	25,086	13,456	12,174	6,940	41,251	78,084	20,190	322,682	542,325
Total deposits	41,315	44,316	41,683	39,239	28,074	60,422	100,337	20,896	827,489	1,203,771
Acceptances	2,934	1,249	—	—	—	—	—	—	—	4,183
Obligations related to securities sold short ¹	283	2,956	1,396	888	1,351	5,915	11,994	12,067	1,295	38,145
Obligations related to securities sold under repurchase agreements ²	168,705	16,980	2,966	557	128	1,346	49	—	1,508	192,239
Securitization liabilities at amortized cost	—	1,065	682	740	825	1,495	4,689	3,085	—	12,581
Amounts payable to brokers, dealers, and clients	31,726	28	—	—	—	—	—	—	—	31,754
Insurance contract liabilities	344	432	440	347	319	934	1,522	650	836	5,824
Other liabilities	11,229	12,719	6,509	2,611	962	687	1,910	4,178	7,345	48,150
Subordinated notes and debentures	—	—	—	—	—	197	—	11,121	—	11,318
Equity	—	—	—	—	—	—	—	—	111,982	111,982
Total liabilities and equity	\$ 310,312	\$ 144,029	\$ 113,405	\$ 76,444	\$ 61,557	\$ 86,551	\$ 149,429	\$ 74,342	\$ 950,599	\$ 1,966,668
Off-balance sheet commitments										
Credit and liquidity commitments ^{6,7}	\$ 26,026	\$ 34,061	\$ 28,274	\$ 20,780	\$ 23,491	\$ 47,618	\$ 165,624	\$ 5,495	\$ 1,891	\$ 353,260
Other commitments ⁸	97	141	196	345	235	928	1,418	383	57	3,800
Unconsolidated structured entity commitments	—	110	61	861	46	903	—	—	—	1,981
Total off-balance sheet commitments	\$ 26,123	\$ 34,312	\$ 28,531	\$ 21,986	\$ 23,772	\$ 49,449	\$ 167,042	\$ 5,878	\$ 1,948	\$ 359,041

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 \$66 billion of covered bonds with remaining contractual maturities of \$1 billion in 'less than 1 month', \$3 billion in 'over 1 to 3 months', \$1 billion in 'over 3 to 6 months', \$2 billion in 'over 9 months to 1 year', \$19 billion in 'over 1 to 2 years', \$34 billion in 'over 2 to 5 years', and \$6 billion in 'over 5 years'.⁶ Includes \$517 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 43: REMAINING CONTRACTUAL MATURITY (continued)

(millions of Canadian dollars)

As at

October 31, 2023

	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	\$ 6,721	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 6,721
Interest-bearing deposits with banks	91,966	559	—	—	—	—	—	—	5,823	98,348
Trading loans, securities, and other ¹	4,328	6,329	5,170	3,008	4,569	13,226	27,298	25,677	62,485	152,090
Non-trading financial assets at fair value through profit or loss	—	—	354	1,538	199	1,664	828	1,351	1,406	7,340
Derivatives	10,145	10,437	5,246	4,244	3,255	11,724	25,910	16,421	—	87,382
Financial assets designated at fair value through profit or loss	374	496	375	695	324	838	1,470	1,246	—	5,818
Financial assets at fair value through other comprehensive income	745	2,190	1,200	5,085	2,223	9,117	15,946	29,845	3,514	69,865
Debt securities at amortized cost, net of allowance for credit losses	1,221	4,020	4,073	16,218	3,480	22,339	116,165	140,502	(2)	308,016
Securities purchased under reverse repurchase agreements ²	124,253	33,110	29,068	7,381	7,298	955	506	—	1,762	204,333
Loans										
Residential mortgages	1,603	2,616	5,860	10,575	14,181	57,254	168,475	59,733	44	320,341
Consumer instalment and other personal	894	1,580	2,334	3,830	5,974	27,166	85,487	34,183	56,106	217,554
Credit card	—	—	—	—	—	—	—	—	38,660	38,660
Business and government	37,656	10,058	13,850	14,886	16,964	42,460	96,952	67,190	26,512	326,528
Total loans	40,153	14,254	22,044	29,291	37,119	126,880	350,914	161,106	121,322	903,083
Allowance for loan losses	—	—	—	—	—	—	—	—	(7,136)	(7,136)
Loans, net of allowance for loan losses	40,153	14,254	22,044	29,291	37,119	126,880	350,914	161,106	114,186	895,947
Customers' liability under acceptances	14,804	2,760	5	—	—	—	—	—	—	17,569
Investment in Schwab	—	—	—	—	—	—	—	—	8,907	8,907
Goodwill ³	—	—	—	—	—	—	—	—	18,602	18,602
Other intangibles ³	—	—	—	—	—	—	—	—	2,771	2,771
Land, buildings, equipment, other depreciable assets, and right-of-use assets ³	—	8	6	8	14	79	573	3,153	5,593	9,434
Deferred tax assets ⁴	—	—	—	—	—	—	—	—	3,951	3,951
Amounts receivable from brokers, dealers, and clients	30,416	—	—	—	—	—	—	—	—	30,416
Other assets ⁴	5,267	1,869	5,619	208	194	137	129	82	14,124	27,629
Total assets⁴	\$ 330,393	\$ 76,032	\$ 73,160	\$ 67,676	\$ 58,675	\$ 186,959	\$ 539,739	\$ 379,383	\$ 243,122	\$ 1,955,139
Liabilities										
Trading deposits	\$ 1,272	\$ 1,684	\$ 5,278	\$ 4,029	\$ 4,153	\$ 6,510	\$ 6,712	\$ 1,342	\$ —	\$ 30,980
Derivatives	9,068	9,236	4,560	3,875	2,559	8,345	16,589	17,408	—	71,640
Securitization liabilities at fair value	2	498	345	1,215	391	1,651	6,945	3,375	—	14,422
Financial liabilities designated at fair value through profit or loss	48,197	30,477	37,961	42,792	32,473	112	—	—	118	192,130
Deposits ^{5,6}										
Personal	6,044	19,095	22,387	14,164	19,525	17,268	20,328	51	507,734	626,596
Banks	19,608	68	29	—	—	—	4	1	11,515	31,225
Business and government	25,663	16,407	24,487	11,819	9,658	33,723	74,300	19,652	324,660	540,369
Total deposits	51,315	35,570	46,903	25,983	29,183	50,991	94,632	19,704	843,909	1,198,190
Acceptances	14,804	2,760	5	—	—	—	—	—	—	17,569
Obligations related to securities sold short ¹	135	1,566	1,336	1,603	1,309	5,471	19,991	11,971	1,279	44,661
Obligations related to securities sold under repurchase agreements ²	146,559	10,059	6,607	457	1,142	150	46	—	1,834	166,854
Securitization liabilities at amortized cost	—	526	355	1,073	703	2,180	4,956	2,917	—	12,710
Amounts payable to brokers, dealers, and clients	30,872	—	—	—	—	—	—	—	—	30,872
Insurance contract liabilities ⁴	243	305	327	258	253	694	1,131	501	2,134	5,846
Other liabilities ⁴	11,923	9,808	7,986	1,276	1,198	918	1,979	4,226	8,260	47,574
Subordinated notes and debentures	—	—	—	—	—	196	—	9,424	—	9,620
Equity⁴	—	—	—	—	—	—	—	—	112,071	112,071
Total liabilities and equity⁴	\$ 314,390	\$ 102,489	\$ 111,663	\$ 82,561	\$ 73,364	\$ 77,218	\$ 152,981	\$ 70,868	\$ 969,605	\$ 1,955,139
Off-balance sheet commitments										
Credit and liquidity commitments ^{7,8}	\$ 22,242	\$ 24,178	\$ 26,399	\$ 21,450	\$ 22,088	\$ 47,826	\$ 166,891	\$ 5,265	\$ 1,487	\$ 337,826
Other commitments ⁹	109	279	214	197	204	889	1,364	424	73	3,753
Unconsolidated structured entity commitments	—	836	3	239	95	729	—	—	—	1,902
Total off-balance sheet commitments	\$ 22,351	\$ 25,293	\$ 26,616	\$ 21,886	\$ 22,387	\$ 49,444	\$ 168,255	\$ 5,689	\$ 1,560	\$ 343,481

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 Balances as at October 31, 2023 have been restated for the adoption of IFRS 17. Refer to Note 2 of the Bank's second quarter 2024 Interim Consolidated Financial Statements for further details.⁵ 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'.⁶ Includes \$57 billion of covered bonds with remaining contractual maturities of \$6 billion in 'over 3 months to 6 months', \$3 billion in 'over 6 months to 9 months', \$1 billion in 'over 9 months to 1 year', \$12 billion in 'over 1 to 2 years', \$31 billion in 'over 2 to 5 years', and \$4 billion in 'over 5 years'.⁷ Includes \$573 million in commitments to extend credit to private equity investments.⁸ 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.⁹ Includes various purchase commitments as well as commitments for leases not yet commenced, and lease-related payments.

REGULATORY AND STANDARD SETTER DEVELOPMENTS CONCERNING ENVIRONMENTAL AND SOCIAL (E&S) RISK (INCLUDING CLIMATE)

On March 7, 2023, OSFI issued Final Guideline B-15: Climate Risk Management (Guideline B-15), which sets out OSFI's expectations related to the management and disclosure of climate-related risks and opportunities. Subsequently, on March 20, 2024, OSFI released updates to Guideline B-15 which align disclosure expectations with the International Sustainability Standards Board's final IFRS S2 Climate-related Disclosures standard. Components of Guideline B-15 are initially effective for D-SIBs for fiscal year-end 2024, where annual disclosures are required to be made publicly available no later than 180 days after fiscal year-end. The Bank has completed its initial assessment of Guideline B-15 and is working towards implementing the requirements.

ISSB – IFRS S1 and IFRS S2

On June 26, 2023, the International Sustainability Standards Board (ISSB) under the IFRS Foundation, issued its first two sustainability standards, IFRS S1, *General Requirements for Disclosures of Sustainability-related Financial Information* (S1) and IFRS S2, *Climate-related Disclosures* (S2). S1 sets out the disclosure requirements for financially material information about sustainability-related risks and opportunities to meet investor information needs, and S2 specifically sets the disclosure requirement for climate-related risks and opportunities. The effective date for the standards is subject to Canadian jurisdiction's endorsement. The International Organization of Securities Commissions has endorsed IFRS S1 and S2 on July 23, 2023, and is now calling its member jurisdictions to consider ways they may adopt or apply the ISSB standards. The Bank is currently assessing the impact of adopting these standards.

SECURITIZATION AND OFF-BALANCE SHEET ARRANGEMENTS

The Bank enters into securitization and off-balance sheet arrangements in the normal course of operations. The Bank is involved with structured entities (SEs) that it sponsors, as well as entities sponsored by third parties. Refer to "Securitization and Off-Balance Sheet Arrangements" section, Note 9: Transfers of Financial Assets and Note 10: Structured Entities of the Bank's 2023 Annual Report for further details. There have been no significant changes to the Bank's securitization and off-balance sheet arrangements during the quarter ended April 30, 2024.

Securitization of Third Party-Originated Assets

Significant Unconsolidated Special Purpose Entities

The Bank securitizes third party-originated assets through Bank-sponsored SEs, including its Canadian multi-seller conduits which are not consolidated. These Canadian multi-seller conduits securitize Canadian originated third-party assets. The Bank administers these 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 \$15.9 billion as at April 30, 2024 (October 31, 2023 – \$15.2 billion). As at April 30, 2024, the Bank had funded exposure of \$13.9 billion under such liquidity facilities relating to outstanding issuances of asset-backed commercial paper (October 31, 2023 – \$13.3 billion).

ACCOUNTING POLICIES AND ESTIMATES

The Bank's unaudited Interim 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 second quarter 2024 Interim Consolidated Financial Statements and 2023 Annual Consolidated Financial Statements. For details of the Bank's significant accounting judgments, estimates, and assumptions under IFRS, refer to Note 3 of the Bank's second quarter 2024 Interim Consolidated Financial Statements and the Bank's 2023 Annual Consolidated Financial Statements.

CURRENT CHANGES IN ACCOUNTING POLICIES

The following new standard has been adopted by the Bank on November 1, 2023.

Insurance Contracts

The IASB issued IFRS 17, *Insurance Contracts* (IFRS 17) which replaced the guidance in IFRS 4, *Insurance Contracts* (IFRS 4) and became effective for annual reporting periods beginning on or after January 1, 2023, which was November 1, 2023 for the Bank. IFRS 17 establishes principles for recognition, measurement, presentation and disclosure of insurance contracts.

Under IFRS 17, insurance contracts are aggregated into groups which are measured at the risk-adjusted present value of cash flows in fulfilling the contracts. Revenue is recognized as insurance services are provided over the coverage period. Losses are recognized immediately if the contract group is expected to be onerous. The liabilities presented by insurance groups are comprised of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC) and are reported as Insurance contract liabilities on the Interim Consolidated Balance Sheet. The LRC is the obligation to investigate and pay claims that have not yet occurred and includes the loss component related to onerous contract groups. The LIC is the estimate of claims incurred, including claims that have occurred but have not been reported, and related insurance costs.

IFRS 17 introduces two measurement models that are applicable to the Bank, the premium allocation approach model (PAA) and the general measurement model (GMM). The Bank measures the majority of its insurance contract groups using the PAA, which includes property and casualty contracts as well as short-term life and health contracts. The PAA is a simplified model applied to insurance contracts that are either one year or less or where the PAA approximates the GMM. Contracts using the GMM are longer-term life and health contracts. The LRC for insurance contract groups using the PAA is measured as unearned premiums less deferred acquisition cash flows allocated to the group. The LRC is adjusted for the recognition of insurance revenue and amortization of acquisition cash flows reported in insurance service expenses on a straight-line basis over the contractual terms of the underlying insurance contracts, usually twelve months. The LRC for longer term contracts using the GMM model is measured using estimates and assumptions that reflect the timing and uncertainty of insurance cash flows. When a group of contracts is expected to be onerous, a loss component (expected loss related to fulfilling the related insurance contracts) is established which increases the LRC and insurance service expenses. The loss component of the LRC is subsequently recognized in income over the contractual term of the underlying insurance contracts to offset claims incurred and related expenses.

The Bank measures the LIC at the present value of current estimates of claims and related costs for insurable events occurring at or before the Interim Consolidated Balance Sheet date. The LIC includes a risk adjustment, which represents the compensation the Bank requires for bearing the uncertainty related to non-financial risks in its fulfilment of insurance contracts. Expenses related to claims incurred and related costs are reported in insurance service expenses and changes related to discounting the liability are recorded as insurance finance income or expenses in other income (loss). Prior to the adoption of IFRS 17, these expenses were recorded in insurance claims and related expenses and non-interest expenses.

Reinsurance contracts held are recognized and measured using the same principles as insurance contracts issued. Reinsurance contract assets are presented in Other assets in the Interim Consolidated Balance Sheet and the net results from reinsurance contracts held are presented in Other income (loss) in the Interim Consolidated Statement of Income. Refer to Note 14 of the Bank's second quarter 2024 Interim Consolidated Financial Statements for further details on the results of insurance and reinsurance contracts.

The Bank initially applied IFRS 17 on November 1, 2023 and restated the comparative period. The Bank transitioned by primarily applying the full retrospective approach which resulted in the measurement of insurance contracts as if IFRS 17 had always applied to them. The following table sets out adjustments to the Bank's insurance-related balances reported under IFRS 4 as at October 31, 2022 used to derive the insurance contract liabilities and reinsurance contract assets recognized by the Bank as at November 1, 2022 under IFRS 17.

(millions of Canadian dollars)	Amount
Insurance-related liabilities	\$ 7,468
Other liabilities	131
Other assets	(2,361)
Net insurance-related balances as at October 31, 2022	\$ 5,238
Changes in actuarial assumptions, including risk adjustment and discount factor	(192)
Recognition of losses on onerous contracts	113
Other adjustments	(93)
Net insurance-related balances as at November 1, 2022	\$ 5,066
Insurance contract liabilities	\$ 5,761
Reinsurance contract assets	(695)
Net insurance-related balances as at November 1, 2022	\$ 5,066

On November 1, 2022, IFRS 17 transition adjustments resulted in a decrease to the Bank's deferred tax assets of \$60 million and an after-tax increase to retained earnings of \$112 million.

Upon the initial application of IFRS 17 on November 1, 2023, the Bank applied transitional guidance and reclassified certain securities supporting insurance operations to minimize accounting mismatches arising from the application of the new discount factor under IFRS 17. The transitional guidance for such securities is applicable for entities that previously used IFRS 9, *Financial Instruments* and was applied without a restatement of comparatives. The reclassification resulted in a decrease to retained earnings and an increase in accumulated other comprehensive income of \$10 million.

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 Interim 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.

Impairment – Expected Credit Loss Model

The ECL model requires the application of estimates and judgment in the assessment of the current and forward-looking economic environment. 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.

Insurance Contracts

The assumptions used in establishing the Bank's insurance claims and policy benefit 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 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, actuarial 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 14 of the Bank's second quarter 2024 Interim Consolidated Financial Statements.

FUTURE CHANGES IN ACCOUNTING POLICIES

The following standard has been issued, but is not yet effective on the date of issuance of the Bank's Interim 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 focuses on the presentation of financial performance in the statement of profit or loss, it will be effective for the Bank's annual period beginning November 1, 2027. Early application is permitted. The Bank is currently assessing the impact of adopting this standard.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

During the most recent interim period, 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 second quarter 2024 Interim Consolidated Financial Statements for further information regarding the Bank's changes to accounting policies, procedures, and estimates.

GLOSSARY

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 attributable 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.

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 attributable 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, net of insurance service expenses (ISE) is calculated by dividing adjusted non-interest expenses by adjusted total revenue, net of ISE. Management believes presenting efficiency ratio net of ISE is aligned with industry reporting and allows for better assessment of operating results.

Enhanced Disclosure Task Force (EDTF): Established by the Financial Stability Board 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 receivership (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.

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 attributable to common shareholders as a percentage of average allocated capital. Adjusted ROE is calculated in the same manner using adjusted net income.

Return on Risk-weighted Assets: Net income available to common shareholders as a percentage of average risk-weighted assets.

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.

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): IFRS 9 requires that the following criteria be met in order for a financial instrument to be classified at amortized cost:

- The entity's business model relates to managing financial assets (such as bank trading activity), and, as such, an asset is held with the intention of collecting its contractual cash flows; and
- An asset's contractual cash flows represent SPPI.

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 TD Ameritrade 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 (loss) 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.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

INTERIM CONSOLIDATED BALANCE SHEET (unaudited)

(As at and in millions of Canadian dollars)	April 30, 2024	October 31, 2023
ASSETS		
Cash and due from banks	\$ 6,308	\$ 6,721
Interest-bearing deposits with banks	87,665	98,348
	93,973	105,069
Trading loans, securities, and other (Note 4)	166,346	152,090
Non-trading financial assets at fair value through profit or loss (Note 4)	5,646	7,340
Derivatives (Note 4)	82,190	87,382
Financial assets designated at fair value through profit or loss (Note 4)	5,925	5,818
Financial assets at fair value through other comprehensive income (Note 4)	75,246	69,865
	335,353	322,495
Debt securities at amortized cost, net of allowance for credit losses (Notes 4, 5)	293,594	308,016
Securities purchased under reverse repurchase agreements	205,722	204,333
Loans (Notes 4, 6)		
Residential mortgages	326,032	320,341
Consumer instalment and other personal	221,197	217,554
Credit card	39,421	38,660
Business and government	349,019	326,528
	935,669	903,083
Allowance for loan losses (Note 6)	(7,545)	(7,136)
Loans, net of allowance for loan losses	928,124	895,947
Other		
Customers' liability under acceptances (Note 6)	4,183	17,569
Investment in Schwab (Note 7)	9,866	8,907
Goodwill	18,658	18,602
Other intangibles	2,897	2,771
Land, buildings, equipment, other depreciable assets and right-of-use assets	9,517	9,434
Deferred tax assets ¹	4,806	3,951
Amounts receivable from brokers, dealers, and clients	33,565	30,416
Other assets ¹ (Note 9)	26,410	27,629
	109,902	119,279
Total assets¹	\$ 1,966,668	\$ 1,955,139
LIABILITIES		
Trading deposits (Notes 4, 10)	\$ 31,221	\$ 30,980
Derivatives (Note 4)	69,742	71,640
Securitization liabilities at fair value (Note 4)	17,653	14,422
Financial liabilities designated at fair value through profit or loss (Notes 4, 10)	188,105	192,130
	306,721	309,172
Deposits (Notes 4, 10)		
Personal	628,983	626,596
Banks	32,463	31,225
Business and government	542,325	540,369
	1,203,771	1,198,190
Other		
Acceptances (Note 6)	4,183	17,569
Obligations related to securities sold short (Note 4)	38,145	44,661
Obligations related to securities sold under repurchase agreements	192,239	166,854
Securitization liabilities at amortized cost (Note 4)	12,581	12,710
Amounts payable to brokers, dealers, and clients	31,754	30,872
Insurance contract liabilities ¹ (Note 14)	5,824	5,846
Other liabilities ¹ (Note 11)	48,150	47,574
	332,876	326,086
Subordinated notes and debentures (Notes 4, 12)	11,318	9,620
Total liabilities¹	1,854,686	1,843,068
EQUITY		
Shareholders' Equity		
Common shares (Note 13)	25,257	25,434
Preferred shares and other equity instruments (Note 13)	10,503	10,853
Treasury – common shares (Note 13)	(24)	(64)
Treasury – preferred shares and other equity instruments (Note 13)	(8)	(65)
Contributed surplus	184	155
Retained earnings ¹	71,904	73,008
Accumulated other comprehensive income (loss)	4,166	2,750
Total equity¹	111,982	112,071
Total liabilities and equity¹	\$ 1,966,668	\$ 1,955,139

¹ Balances as at October 31, 2023 have been restated for the adoption of IFRS 17, *Insurance Contracts* (IFRS 17). Refer to Note 2 for details.

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

INTERIM CONSOLIDATED STATEMENT OF INCOME (unaudited)

(millions of Canadian dollars, except as noted)

	<i>For the three months ended</i>		<i>For the six months ended</i>	
	April 30 2024	April 30 2023	April 30 2024	April 30 2023
Interest income¹ (Note 21)				
Loans	\$ 13,154	\$ 10,539	\$ 26,149	\$ 20,537
Reverse repurchase agreements	2,914	2,134	5,852	3,915
Securities				
Interest	5,122	4,462	10,398	8,801
Dividends	680	638	1,228	1,150
Deposits with banks	1,126	1,534	2,182	2,960
	22,996	19,307	45,809	37,363
Interest expense (Note 21)				
Deposits	11,490	9,042	22,974	16,837
Securitization liabilities	259	208	516	430
Subordinated notes and debentures	99	105	193	216
Repurchase agreements and short sales	3,390	2,293	6,595	4,301
Other	293	231	578	418
	15,531	11,879	30,856	22,202
Net interest income	7,465	7,428	14,953	15,161
Non-interest income				
Investment and securities services	1,872	1,671	3,617	3,076
Credit fees	494	429	1,063	857
Trading income (loss)	744	289	1,669	967
Service charges ²	657	621	1,311	1,249
Card services	703	712	1,465	1,481
Insurance revenue ²	1,665	1,514	3,341	3,056
Other income (loss) ²	219	(267)	114	(1,249)
	6,354	4,969	12,580	9,437
Total revenue²	13,819	12,397	27,533	24,598
Provision for (recovery of) credit losses (Note 6)	1,071	599	2,072	1,289
Insurance service expenses²	1,248	1,118	2,614	2,282
Non-interest expenses				
Salaries and employee benefits	4,250	3,883	8,564	7,641
Occupancy, including depreciation	474	446	942	879
Technology and equipment, including depreciation	616	561	1,254	1,083
Amortization of other intangibles	168	170	353	312
Communication and marketing	394	386	719	699
Restructuring charges (Note 19)	165	—	456	—
Brokerage-related and sub-advisory fees	125	111	255	203
Professional, advisory and outside services	655	630	1,220	1,198
Other ²	1,554	569	2,668	2,853
	8,401	6,756	16,431	14,868
Income before income taxes and share of net income from investment in Schwab²	3,099	3,924	6,416	6,159
Provision for (recovery of) income taxes²	729	859	1,363	1,798
Share of net income from investment in Schwab (Note 7)	194	241	335	526
Net income²	2,564	3,306	5,388	4,887
Preferred dividends and distributions on other equity instruments	190	210	264	293
Net income available to common shareholders²	\$ 2,374	\$ 3,096	\$ 5,124	\$ 4,594
Earnings per share (Canadian dollars) (Note 18)				
Basic ²	\$ 1.35	\$ 1.69	\$ 2.90	2.52
Diluted ²	1.35	1.69	2.89	2.52
Dividends per common share (Canadian dollars)	1.02	0.96	2.04	1.92

¹ Includes \$20,659 million and \$41,158 million, for the three and six months ended April 30, 2024, respectively (three and six months ended April 30, 2023 – \$17,429 million and \$33,677 million, respectively), which have been calculated based on the effective interest rate method (EIRM).

² Amounts for the three and six months ended April 30, 2023 have been restated for the adoption of IFRS 17. Refer to Note 2 for details.

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

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (unaudited)

(millions of Canadian dollars)

	<i>For the three months ended</i>		<i>For the six months ended</i>	
	April 30	April 30	April 30	April 30
	2024	2023	2024	2023
Net income¹	\$ 2,564	\$ 3,306	\$ 5,388	\$ 4,887
Other comprehensive income (loss)				
<i>Items that will be subsequently reclassified to net income</i>				
Net change in unrealized gain/(loss) on financial assets at fair value through other comprehensive income				
Change in unrealized gain/(loss)	(42)	166	297	410
Reclassification to earnings of net loss/(gain)	(3)	(15)	(9)	(14)
Changes in allowance for credit losses recognized in earnings	—	—	(1)	(1)
Income taxes relating to:				
Change in unrealized gain/(loss)	12	(42)	(73)	(115)
Reclassification to earnings of net loss/(gain)	2	5	5	5
	(31)	114	219	285
Net change in unrealized foreign currency translation gain/(loss) on investments in foreign operations, net of hedging activities				
Unrealized gain/(loss)	3,058	1,842	(825)	(523)
Reclassification to earnings of net loss/(gain)	—	—	—	(2)
Net gain/(loss) on hedges	(1,966)	(754)	466	88
Reclassification to earnings of net loss/(gain) on hedges	—	—	—	2
Income taxes relating to:				
Net gain/(loss) on hedges	544	208	(132)	(309)
	1,636	1,296	(491)	(744)
Net change in gain/(loss) on derivatives designated as cash flow hedges				
Change in gain/(loss)	(517)	1,713	(242)	3,752
Reclassification to earnings of loss/(gain)	(1,246)	(1,069)	1,194	(1,063)
Income taxes relating to:				
Change in gain/(loss)	149	(558)	60	(911)
Reclassification to earnings of loss/(gain)	328	289	(330)	322
	(1,286)	375	682	2,100
Share of other comprehensive income (loss) from investment in Schwab	(56)	453	826	700
<i>Items that will not be subsequently reclassified to net income</i>				
Remeasurement gain/(loss) on employee benefit plans				
Gain/(loss)	(30)	(49)	(257)	47
Income taxes	8	14	71	(30)
	(22)	(35)	(186)	17
Change in net unrealized gain/(loss) on equity securities designated at fair value through other comprehensive income				
Change in net unrealized gain/(loss)	45	(170)	245	(157)
Income taxes	(11)	34	(65)	30
	34	(136)	180	(127)
Gain/(loss) from changes in fair value due to own credit risk on financial liabilities designated at fair value through profit or loss				
Gain/(loss)	54	115	—	(128)
Income taxes	(15)	(32)	—	34
	39	83	—	(94)
Total other comprehensive income (loss)	314	2,150	1,230	2,137
Total comprehensive income (loss)¹	\$ 2,878	\$ 5,456	\$ 6,618	\$ 7,024
Attributable to:				
Common shareholders ¹	\$ 2,688	\$ 5,246	\$ 6,354	\$ 6,731
Preferred shareholders and other equity instrument holders ¹	190	210	264	293

¹ Amounts for the three and six months ended April 30, 2023 have been restated for the adoption of IFRS 17. Refer to Note 2 for details.

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

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (unaudited)

(millions of Canadian dollars)	<i>For the three months ended</i>		<i>For the six months ended</i>	
	<i>April 30, 2024</i>	<i>April 30, 2023</i>	<i>April 30, 2024</i>	<i>April 30, 2023</i>
Common shares (Note 13)				
Balance at beginning of period	\$ 25,318	\$ 25,094	\$ 25,434	\$ 24,363
Proceeds from shares issued on exercise of stock options	24	45	66	71
Shares issued as a result of dividend reinvestment plan	132	713	269	1,418
Purchase of shares for cancellation and other	(217)	—	(512)	—
Balance at end of period	25,257	25,852	25,257	25,852
Preferred shares and other equity instruments (Note 13)				
Balance at beginning of period	10,853	11,253	10,853	11,253
Redemption of shares and other equity instruments	(350)	—	(350)	—
Balance at end of period	10,503	11,253	10,503	11,253
Treasury – common shares (Note 13)				
Balance at beginning of period	(58)	(103)	(64)	(91)
Purchase of shares	(2,154)	(2,235)	(5,250)	(4,051)
Sale of shares	2,188	2,239	5,290	4,043
Balance at end of period	(24)	(99)	(24)	(99)
Treasury – preferred shares and other equity instruments (Note 13)				
Balance at beginning of period	(27)	(9)	(65)	(7)
Purchase of shares and other equity instruments	(153)	(185)	(251)	(326)
Sale of shares and other equity instruments	172	184	308	323
Balance at end of period	(8)	(10)	(8)	(10)
Contributed surplus				
Balance at beginning of period	172	185	155	179
Net premium (discount) on sale of treasury instruments	5	(11)	18	(8)
Issuance of stock options, net of options exercised	8	5	13	15
Other	(1)	(18)	(2)	(25)
Balance at end of period	184	161	184	161
Retained earnings				
Balance at beginning of period ¹	72,347	73,612	73,008	73,698
Impact on adoption of IFRS 17 ²	—	—	—	112
Impact of reclassification of securities supporting insurance operations related to the adoption of IFRS 17 ²	—	—	(10)	—
Net income attributable to equity instrument holders ¹	2,564	3,306	5,388	4,887
Common dividends	(1,795)	(1,754)	(3,602)	(3,500)
Preferred dividends and distributions on other equity instruments	(190)	(210)	(264)	(293)
Net premium on repurchase of common shares and redemption of preferred shares and other equity instruments (Note 13)	(1,002)	—	(2,430)	—
Remeasurement gain/(loss) on employee benefit plans	(22)	(35)	(186)	17
Realized gain/(loss) on equity securities designated at fair value through other comprehensive income	2	(4)	—	(6)
Balance at end of period ¹	71,904	74,915	71,904	74,915
Accumulated other comprehensive income (loss)				
<i>Net unrealized gain/(loss) on financial assets at fair value through other comprehensive income:</i>				
Balance at beginning of period	(163)	(305)	(413)	(476)
Impact of reclassification of securities supporting insurance operations related to the adoption of IFRS 17 ²	—	—	10	—
Other comprehensive income (loss)	(31)	114	210	286
Allowance for credit losses	—	—	(1)	(1)
Balance at end of period	(194)	(191)	(194)	(191)
<i>Net unrealized gain/(loss) on equity securities designated at fair value through other comprehensive income:</i>				
Balance at beginning of period	19	32	(127)	23
Other comprehensive income (loss)	36	(140)	180	(133)
Reclassification of loss/(gain) to retained earnings	(2)	4	—	6
Balance at end of period	53	(104)	53	(104)
<i>Gain/(loss) from changes in fair value due to own credit risk on financial liabilities designated at fair value through profit or loss:</i>				
Balance at beginning of period	(77)	(99)	(38)	78
Other comprehensive income (loss)	39	83	—	(94)
Balance at end of period	(38)	(16)	(38)	(16)
<i>Net unrealized foreign currency translation gain/(loss) on investments in foreign operations, net of hedging activities:</i>				
Balance at beginning of period	10,550	10,008	12,677	12,048
Other comprehensive income (loss)	1,636	1,296	(491)	(744)
Balance at end of period	12,186	11,304	12,186	11,304
<i>Net gain/(loss) on derivatives designated as cash flow hedges:</i>				
Balance at beginning of period	(3,504)	(3,992)	(5,472)	(5,717)
Other comprehensive income (loss)	(1,286)	375	682	2,100
Balance at end of period	(4,790)	(3,617)	(4,790)	(3,617)
<i>Share of accumulated other comprehensive income (loss) from investment in Schwab</i>	(3,051)	(3,268)	(3,051)	(3,268)
Total accumulated other comprehensive income	4,166	4,108	4,166	4,108
Total equity¹	\$ 111,982	\$ 116,180	\$ 111,982	\$ 116,180

¹ Amounts have been restated for the adoption of IFRS 17 as at and for the three and six months ended April 30, 2023. Refer to Note 2 for details.

² Refer to Note 2 for details on the adoption of IFRS 17.

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

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (unaudited)

(millions of Canadian dollars)

	<i>For the three months ended</i>		<i>For the six months ended</i>	
	<i>April 30 2024</i>	<i>April 30 2023</i>	<i>April 30 2024</i>	<i>April 30 2023</i>
Cash flows from (used in) operating activities				
Net income ¹	\$ 2,564	\$ 3,306	\$ 5,388	\$ 4,887
Adjustments to determine net cash flows from (used in) operating activities				
Provision for (recovery of) credit losses (Note 6)	1,071	599	2,072	1,289
Depreciation	324	309	638	598
Amortization of other intangibles	168	170	353	312
Net securities loss/(gain) (Note 5)	66	21	60	22
Share of net income from investment in Schwab (Note 7)	(194)	(241)	(335)	(526)
Deferred taxes ¹	(730)	(642)	(797)	(701)
Changes in operating assets and liabilities				
Interest receivable and payable (Notes 9, 11)	206	484	370	512
Securities sold under repurchase agreements	18,110	4,428	25,385	16,937
Securities purchased under reverse repurchase agreements	(6,643)	(25,418)	(1,389)	(35,616)
Securities sold short	(4,730)	208	(6,516)	1,414
Trading loans, securities, and other	(4,826)	(430)	(14,256)	(10,781)
Loans net of securitization and sales	(24,876)	(13,552)	(34,289)	(19,815)
Deposits	23,104	(31,955)	5,822	(40,210)
Derivatives	(5,947)	(3,669)	3,294	1,895
Non-trading financial assets at fair value through profit or loss	1,339	1,846	1,694	2,685
Financial assets and liabilities designated at fair value through profit or loss	8,038	15,190	(4,132)	38,077
Securitization liabilities	1,333	835	3,102	(96)
Current taxes	(1,048)	443	520	2,105
Brokers, dealers, and clients amounts receivable and payable	(1,053)	2,083	(2,267)	(6,837)
Other, including unrealized foreign currency translation loss/(gain) ¹	(995)	(8,092)	452	(5,170)
Net cash from (used in) operating activities	5,281	(54,077)	(14,831)	(49,019)
Cash flows from (used in) financing activities				
Issuance of subordinated notes and debentures (Note 12)	1,750	—	1,750	—
Redemption or repurchase of subordinated notes and debentures	(18)	(4)	(42)	49
Common shares issued, net	22	40	59	64
Repurchase of common shares (Note 13)	(1,219)	—	(2,942)	—
Redemption of preferred shares and other equity instruments (Note 13)	(350)	—	(350)	—
Sale of treasury shares and other equity instruments (Note 13)	2,365	2,412	5,616	4,358
Purchase of treasury shares and other equity instruments (Note 13)	(2,307)	(2,420)	(5,501)	(4,377)
Dividends paid on shares and distributions paid on other equity instruments	(1,853)	—	(3,597)	(1,124)
Repayment of lease liabilities	(158)	(164)	(325)	(320)
Net cash from (used in) financing activities	(1,768)	(136)	(5,332)	(1,350)
Cash flows from (used in) investing activities				
Interest-bearing deposits with banks	(10,894)	41,884	10,242	34,860
Activities in financial assets at fair value through other comprehensive income				
Purchases	(6,325)	(7,745)	(13,626)	(15,330)
Proceeds from maturities	5,137	3,742	8,445	9,215
Proceeds from sales	377	2,227	1,115	2,822
Activities in debt securities at amortized cost				
Purchases	(2,462)	(7,683)	(5,700)	(18,090)
Proceeds from maturities	8,825	10,605	17,532	24,646
Proceeds from sales	2,108	11,861	2,606	11,870
Net purchases of land, buildings, equipment, other depreciable assets, and other intangibles	(425)	(373)	(896)	(776)
Net cash acquired from (paid for) divestitures and acquisitions	—	(502)	70	(502)
Net cash from (used in) investing activities	(3,659)	54,016	19,788	48,715
Effect of exchange rate changes on cash and due from banks	121	83	(38)	(28)
Net increase (decrease) in cash and due from banks	(25)	(114)	(413)	(1,682)
Cash and due from banks at beginning of period	6,333	6,988	6,721	8,556
Cash and due from banks at end of period	\$ 6,308	\$ 6,874	\$ 6,308	\$ 6,874
Supplementary disclosure of cash flows from operating activities				
Amount of income taxes paid (refunded) during the period	\$ 1,590	\$ 878	\$ 2,172	\$ 1,368
Amount of interest paid during the period	15,232	11,035	30,410	20,648
Amount of interest received during the period	22,223	18,309	44,505	35,171
Amount of dividends received during the period	683	588	1,359	1,117

¹ Amounts for the three and six months ended April 30, 2023 have been restated for the adoption of IFRS 17. Refer to Note 2 for details.

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

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

NOTE 1: NATURE OF OPERATIONS

CORPORATE INFORMATION

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

BASIS OF PREPARATION

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

These Interim Consolidated Financial Statements were prepared on a condensed basis in accordance with International Accounting Standard 34, *Interim Financial Reporting* using the accounting policies as described in Note 2 of the Bank's 2023 Annual Consolidated Financial Statements and in Note 2 of this report. Certain comparative amounts have been revised to conform with the presentation adopted in the current period.

The preparation of the Interim Consolidated Financial Statements requires that management make judgments, estimates, and assumptions regarding the reported amount of assets, liabilities, revenue and expenses, and disclosure of contingent assets and liabilities, as further described in Note 3 of the Bank's 2023 Annual Consolidated Financial Statements and in Note 3 of this report. Accordingly, actual results may differ from estimated amounts as future confirming events occur.

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

The Interim Consolidated Financial Statements for the three and six months ended April 30, 2024, were approved and authorized for issue by the Bank's Board of Directors, in accordance with a recommendation of the Audit Committee, on May 22, 2024.

As the Interim Consolidated Financial Statements do not include all of the disclosures normally provided in the Annual Consolidated Financial Statements, they should be read in conjunction with the Bank's 2023 Annual Consolidated Financial Statements and the accompanying Notes, and the shaded sections of the 2023 Management's Discussion and Analysis (MD&A). The risk management policies and procedures of the Bank are provided in the MD&A. The shaded sections of the "Managing Risk" section of the MD&A in this report, relating to market, liquidity, and insurance risks, are an integral part of these Interim Consolidated Financial Statements, as permitted by IFRS.

NOTE 2: CURRENT AND FUTURE CHANGES IN ACCOUNTING POLICIES

CURRENT CHANGES IN ACCOUNTING POLICIES

The following new standard has been adopted by the Bank on November 1, 2023.

Insurance Contracts

The IASB issued IFRS 17 which replaced the guidance in IFRS 4, *Insurance Contracts* (IFRS 4) and became effective for annual reporting periods beginning on or after January 1, 2023, which was November 1, 2023 for the Bank. IFRS 17 establishes principles for recognition, measurement, presentation and disclosure of insurance contracts.

Under IFRS 17, insurance contracts are aggregated into groups which are measured at the risk-adjusted present value of cash flows in fulfilling the contracts. Revenue is recognized as insurance services are provided over the coverage period. Losses are recognized immediately if the contract group is expected to be onerous. The liabilities presented by insurance groups are comprised of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC) and are reported as Insurance contract liabilities on the Interim Consolidated Balance Sheet. The LRC is the obligation to investigate and pay claims that have not yet occurred and includes the loss component related to onerous contract groups. The LIC is the estimate of claims incurred, including claims that have occurred but have not been reported, and related insurance costs.

IFRS 17 introduces two measurement models that are applicable to the Bank, the premium allocation approach model (PAA) and the general measurement model (GMM). The Bank measures the majority of its insurance contract groups using the PAA, which includes property and casualty contracts as well as short-term life and health contracts. The PAA is a simplified model applied to insurance contracts that are either one year or less or where the PAA approximates the GMM. Contracts using the GMM are longer-term life and health contracts. The LRC for insurance contract groups using the PAA is measured as unearned premiums less deferred acquisition cash flows allocated to the group. The LRC is adjusted for the recognition of insurance revenue and amortization of acquisition cash flows reported in insurance service expenses on a straight-line basis over the contractual terms of the underlying insurance contracts, usually twelve months. The LRC for longer term contracts using the GMM model is measured using estimates and assumptions that reflect the timing and uncertainty of insurance cash flows. When a group of contracts is expected to be onerous, a loss component (expected loss related to fulfilling the related insurance contracts) is established which increases the LRC and insurance service expenses. The loss component of the LRC is subsequently recognized in income over the contractual term of the underlying insurance contracts to offset claims incurred and related expenses.

The Bank measures the LIC at the present value of current estimates of claims and related costs for insurable events occurring at or before the Interim Consolidated Balance Sheet date. The LIC includes a risk adjustment, which represents the compensation the Bank requires for bearing the uncertainty related to non-financial risks in its fulfilment of insurance contracts. Expenses related to claims incurred and related costs are reported in insurance service expenses and changes related to discounting the liability are recorded as insurance finance income or expenses in other income (loss). Prior to the adoption of IFRS 17, these expenses were recorded in insurance claims and related expenses and non-interest expenses.

Reinsurance contracts held are recognized and measured using the same principles as insurance contracts issued. Reinsurance contract assets are presented in Other assets on the Interim Consolidated Balance Sheet and the net results from reinsurance contracts held are presented in Other income (loss) on the Interim Consolidated Statement of Income. Refer to Note 14 for further detail on the balances and results of insurance and reinsurance contracts.

The Bank initially applied IFRS 17 on November 1, 2023 and restated the comparative period. The Bank transitioned by primarily applying the full retrospective approach which resulted in the measurement of insurance contracts as if IFRS 17 had always applied to them. The following table sets out adjustments to the Bank's insurance-related balances reported under IFRS 4 as at October 31, 2022 used to derive the insurance contract liabilities and reinsurance contract assets recognized by the Bank as at November 1, 2022 under IFRS 17.

(millions of Canadian dollars)	Amount
Insurance-related liabilities	\$ 7,468
Other liabilities	131
Other assets	(2,361)
Net insurance-related balances as at October 31, 2022	\$ 5,238
Changes in actuarial assumptions, including risk adjustment and discount factor	(192)
Recognition of losses on onerous contracts	113
Other adjustments	(93)
Net insurance-related balances as at November 1, 2022	\$ 5,066
Insurance contract liabilities	\$ 5,761
Reinsurance contract assets	(695)
Net insurance-related balances as at November 1, 2022	\$ 5,066

On November 1, 2022, IFRS 17 transition adjustments resulted in a decrease to the Bank's deferred tax assets of \$60 million and an after-tax increase to retained earnings of \$112 million.

Upon the initial application of IFRS 17 on November 1, 2023, the Bank applied transitional guidance and reclassified certain securities supporting insurance operations to minimize accounting mismatches arising from the application of the new discount factor under IFRS 17. The transitional guidance for such securities is applicable for entities that previously used IFRS 9, *Financial Instruments* and was applied without a restatement of comparatives. The reclassification resulted in a decrease to retained earnings and an increase in accumulated other comprehensive income (AOCI) of \$10 million.

FUTURE CHANGES IN ACCOUNTING POLICIES

The following standard has been issued, but is not yet effective on the date of issuance of the Bank's Interim 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 focuses on the presentation of financial performance in the statement of profit or loss, it will be effective for the Bank's annual period beginning November 1, 2027. Early application is permitted. The Bank is currently assessing the impact of adopting this standard.

NOTE 3: SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES, AND ASSUMPTIONS

The estimates used in the Bank's accounting policies are essential to understanding its results of operations and financial condition. Some of the Bank's policies require subjective, complex judgments and estimates as they relate to matters that are inherently uncertain. Changes in these judgments or estimates and changes to accounting standards and policies could have a material impact on the Bank's Interim 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. Refer to Note 3 of the Bank's 2023 Annual Consolidated Financial Statements for a description of significant accounting judgments, estimates, and assumptions.

Impairment – Expected Credit Loss Model

The expected credit loss (ECL) model requires the application of judgments, estimates, and assumptions in the assessment of the current and forward-looking economic environment. 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.

Insurance Contracts

The assumptions used in establishing the Bank's insurance claims and policy benefit 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 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, actuarial 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 14.

NOTE 4: FAIR VALUE MEASUREMENTS

There have been no significant changes to the Bank's approach and methodologies used to determine fair value measurements for the three and six months ended April 30, 2024.

(a) FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES NOT CARRIED AT FAIR VALUE

The following table reflects the fair value of the Bank's financial assets and liabilities not carried at fair value.

Financial Assets and Liabilities not carried at Fair Value¹

(millions of Canadian dollars)

	As at			
	April 30, 2024		October 31, 2023	
	Carrying value	Fair value	Carrying value	Fair value
FINANCIAL ASSETS				
Debt securities at amortized cost, net of allowance for credit losses				
Government and government-related securities	\$ 222,786	\$ 216,565	\$ 232,093	\$ 222,699
Other debt securities	70,808	68,531	75,923	72,511
Total debt securities at amortized cost, net of allowance for credit losses	293,594	285,096	308,016	295,210
Total loans, net of allowance for loan losses	928,124	917,578	895,947	877,763
Total financial assets not carried at fair value	\$ 1,221,718	\$ 1,202,674	\$ 1,203,963	\$ 1,172,973
FINANCIAL LIABILITIES				
Deposits	\$ 1,203,771	\$ 1,197,933	\$ 1,198,190	\$ 1,188,585
Securitization liabilities at amortized cost	12,581	12,107	12,710	12,035
Subordinated notes and debentures	11,318	11,294	9,620	9,389
Total financial liabilities not carried at fair value	\$ 1,227,670	\$ 1,221,334	\$ 1,220,520	\$ 1,210,009

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

(b) FAIR VALUE HIERARCHY

The following table presents the levels within the fair value hierarchy for each of the assets and liabilities measured at fair value on a recurring basis as at April 30, 2024 and October 31, 2023.

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

(millions of Canadian dollars)

	As at						
	April 30, 2024				October 31, 2023		
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
FINANCIAL ASSETS AND COMMODITIES							
Trading loans, securities, and other¹							
Government and government-related securities							
Canadian government debt							
Federal	\$	39	\$	7,513	\$	7,552	\$
Provinces		—		7,482		7,482	
U.S. federal, state, municipal governments, and agencies debt				22,575		22,575	
—				—		2	
Other OECD ² government-guaranteed debt				9,390		9,390	
—				—		—	
Mortgage-backed securities				1,964		1,964	
—				—		—	
Other debt securities							
Canadian issuers				5,888		5,892	
Other issuers				—		—	
Equity securities	65,210	18	9	65,237	54,186	41	10
Trading loans	—	19,092	—	19,092	—	17,261	—
Commodities	11,749	807	—	12,556	7,620	791	—
Retained interests	—	2	—	2	—	3	—
	76,998	89,310	38	166,346	61,880	90,068	142
Non-trading financial assets at fair value through profit or loss							
Securities	278	1,555	1,150	2,983	269	2,596	980
Loans	—	2,663	—	2,663	—	3,495	—
	278	4,218	1,150	5,646	269	6,091	980
Derivatives							
Interest rate contracts	—	21,091	—	21,091	17	22,893	—
Foreign exchange contracts	47	52,061	5	52,113	26	57,380	7
Credit contracts	—	81	—	81	—	54	—
Equity contracts	58	4,901	—	4,959	58	4,839	—
Commodity contracts	556	3,375	15	3,946	306	1,787	15
	661	81,509	20	82,190	407	86,953	22
Financial assets designated at fair value through profit or loss							
Securities ¹	—	5,925	—	5,925	—	5,818	—
	—	5,925	—	5,925	—	5,818	—
Financial assets at fair value through other comprehensive income							
Government and government-related securities							
Canadian government debt							
Federal	—	18,607	—	18,607	—	18,210	—
Provinces	—	20,586	—	20,586	—	19,940	—
U.S. federal, state, municipal governments, and agencies debt				15,624		11,002	
—				—		—	
Other OECD government-guaranteed debt				1,683		1,498	
—				—		—	
Mortgage-backed securities				2,211		2,277	
—				—		—	
Other debt securities							
Asset-backed securities				3,458		4,114	
Corporate and other debt				—		—	
Equity securities	1,388	1	2,307	3,696	1,133	3	2,377
Loans	—	206	—	206	—	421	—
	1,388	71,537	2,321	75,246	1,133	66,328	2,404
Securities purchased under reverse repurchase agreements	—	8,920	—	8,920	—	9,649	—
FINANCIAL LIABILITIES							
Trading deposits	—	30,311	910	31,221	—	29,995	985
Derivatives							
Interest rate contracts	1	13,403	148	13,552	16	21,064	126
Foreign exchange contracts	49	46,370	12	46,431	19	44,841	13
Credit contracts	—	799	—	799	—	172	—
Equity contracts	—	5,207	23	5,230	7	3,251	21
Commodity contracts	644	3,077	9	3,730	248	1,846	16
	694	68,856	192	69,742	290	71,174	176
Securitization liabilities at fair value	—	17,653	—	17,653	—	14,422	—
Financial liabilities designated at fair value through profit or loss	—	188,031	74	188,105	—	192,108	22
Obligations related to securities sold short ¹	2,117	36,028	—	38,145	1,329	43,332	—
Obligations related to securities sold under repurchase agreements	—	11,747	—	11,747	—	12,641	—

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

² Organisation for Economic Co-operation and Development (OECD).

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

The Bank's policy is to record transfers of assets and liabilities between the different levels of the fair value hierarchy using the fair values as at the end of each reporting period.

There were no significant transfers between Level 1 and Level 2 during the three and six months ended April 30, 2024 and April 30, 2023.

There were no significant transfers between Level 2 and Level 3 during the three and six months ended April 30, 2024 and April 30, 2023.

There were no significant changes to the unobservable inputs and sensitivities for assets and liabilities classified as Level 3 during the three and six months ended April 30, 2024, and April 30, 2023.

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

The following tables set out changes in fair value of all assets and liabilities measured at fair value using significant Level 3 unobservable inputs for the three and six months ended April 30, 2024 and April 30, 2023.

Reconciliation of Changes in Fair Value for Level 3 Assets and Liabilities
(millions of Canadian dollars)

	Fair value as at February 1 2024	Total realized and unrealized gains (losses)		Movements ¹			Transfers	Fair value as at April 30 2024	Change in unrealized gains (losses) on instruments still held ⁵
		Included in income ²	Included in OCI ^{3,4}	Purchases/ Issuances	Sales/ Settlements	Into Level 3	Out of Level 3		
FINANCIAL ASSETS									
Trading loans, securities, and other									
Government and government-related securities	\$ 34	\$ (2)	\$ (2)	\$ (34)	\$ (4)	\$ 5	\$ (49)	\$ 29	\$ (1)
Other debt securities	61	(2)	–	18	(4)	–	–	9	(1)
Equity securities	7	–	–	2	–	–	–	9	(1)
	102	(2)	–	20	(38)	5	(49)	38	(2)
Non-trading financial assets at fair value through profit or loss									
Securities	1,079	49	–	33	(10)	–	(1)	1,150	45
	1,079	49	–	33	(10)	–	(1)	1,150	45
Financial assets at fair value through other comprehensive income									
Other debt securities	26	–	(1)	–	(11)	–	–	14	3
Equity securities	2,142	–	(2)	122	45	–	–	2,307	(13)
	\$ 2,168	\$ (2)	\$ (3)	\$ 122	\$ 34	\$ (2)	\$ (2)	\$ 2,321	\$ (10)
FINANCIAL LIABILITIES									
Trading deposits ⁶	\$ (1,039)	\$ 34	\$ (18)	\$ (18)	\$ 97	\$ (16)	\$ (910)	\$ 44	
Derivatives ⁷									
Interest rate contracts	(137)	(18)	–	–	7	–	–	(148)	(10)
Foreign exchange contracts	(1)	(1)	–	–	1	(6)	–	(7)	(1)
Equity contracts	(28)	5	–	–	(1)	–	1	(23)	4
Commodity contracts	(10)	(14)	–	–	30	–	–	6	8
	(176)	(28)	–	–	37	(6)	1	(172)	1
Financial liabilities designated at fair value through profit or loss	(24)	(37)	–	(79)	66	–	–	(74)	(37)
	Fair value as at November 1 2023	Total realized and unrealized gains (losses)		Movements ¹			Transfers	Fair value as at April 30 2024	Change in unrealized gains (losses) on instruments still held ⁵
		Included in income ²	Included in OCI ⁴	Purchases/ Issuances	Sales/ Settlements	Into Level 3	Out of Level 3		
FINANCIAL ASSETS									
Trading loans, securities, and other									
Government and government-related securities	\$ 67	\$ 1	\$ (4)	\$ (67)	\$ 7	\$ (49)	\$ 29	\$ (2)	
Other debt securities	65	1	–	90	(85)	–	–	9	–
Equity securities	10	(1)	–	2	(2)	–	–	9	–
	142	–	–	92	(154)	7	(49)	38	(2)
Non-trading financial assets at fair value through profit or loss									
Securities	980	62	–	124	(15)	–	(1)	1,150	62
	980	62	–	124	(15)	–	(1)	1,150	62
Financial assets at fair value through other comprehensive income									
Other debt securities	27	–	(4)	3	(12)	–	–	14	–
Equity securities	2,377	–	(12)	128	(186)	–	–	2,307	(11)
	\$ 2,404	\$ (16)	\$ 131	\$ (198)	\$ (2)	\$ (49)	\$ (2)	\$ 2,321	\$ (11)
FINANCIAL LIABILITIES									
Trading deposits ⁶	\$ (985)	\$ 10	\$ (74)	\$ 118	\$ (21)	\$ (910)	\$ 2		
Derivatives ⁷									
Interest rate contracts	(126)	(41)	–	19	–	–	(148)	(23)	
Foreign exchange contracts	(6)	1	–	1	(6)	3	(7)	(2)	
Equity contracts	(21)	(1)	–	(1)	(1)	1	(23)	(1)	
Commodity contracts	(1)	(4)	–	11	–	–	6	(5)	
	(154)	(45)	–	30	(7)	4	(172)	(31)	
Financial liabilities designated at fair value through profit or loss	(22)	1	–	(133)	80	–	–	(74)	–

¹ Includes foreign exchange.

² Gains/losses on financial assets and liabilities are recognized within Non-interest Income on the Interim Consolidated Statement of Income.

³ Other comprehensive income.

⁴ Includes realized gains/losses transferred to retained earnings on disposal of equities designated at fair value through other comprehensive income (FVOCI). Refer to Note 5 for further details.

⁵ Changes in unrealized gains/losses on financial assets at FVOCI are recognized in AOCI.

⁶ Issuances and repurchases of trading deposits are reported on a gross basis.

⁷ Consists of derivative assets of \$20 million (January 31, 2024/February 1, 2024 – \$10 million; October 31, 2023/November 1, 2023 – \$22 million) and derivative liabilities of \$192 million (January 31, 2024/February 1, 2024 – \$186 million; October 31, 2023/November 1, 2023 – \$176 million) which have been netted in this table for presentation purposes only.

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

(millions of Canadian dollars)

	Fair value as at February 1 2023	Total realized and unrealized gains (losses)		Movements ¹			Transfers	Fair value as at April 30 2023	Change in unrealized gains (losses) on instruments still held ⁴
FINANCIAL ASSETS									
Trading loans, securities, and other									
Government and government- related securities	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –
Other debt securities	85	(3)	–	9	(44)	–	(25)	22	(27)
Equity securities	–	(4)	–	39	(5)	–	–	30	(2)
	85	(7)	–	48	(49)	–	(25)	52	(29)
Non-trading financial assets at fair value through profit or loss									
Securities	927	40	–	79	(45)	–	–	1,001	21
	927	40	–	79	(45)	–	–	1,001	21
Financial assets at fair value through other comprehensive income									
Other debt securities	63	–	(15)	21	(8)	–	–	61	–
Equity securities	3,240	–	(189)	1,269	(635)	–	–	3,685	(183)
	\$ 3,303	\$ –	\$ (204)	\$ 1,290	\$ (643)	\$ –	\$ –	\$ 3,746	\$ (183)
FINANCIAL LIABILITIES									
Trading deposits ⁵	\$ (486)	\$ (17)	\$ –	\$ (89)	\$ 4	\$ (6)	\$ 2	\$ (592)	\$ (14)
Derivatives ⁶									
Interest rate contracts	(164)	(6)	–	–	1	–	–	(169)	5
Foreign exchange contracts	2	(1)	–	–	–	–	–	1	–
Equity contracts	(51)	14	–	26	(9)	–	(7)	(27)	16
Commodity contracts	5	11	–	–	(18)	–	–	(2)	(1)
	(208)	18	–	26	(26)	–	(7)	(197)	20
Financial liabilities designated at fair value through profit or loss	(22)	20	–	(127)	80	–	–	(49)	(21)
	Fair value as at November 1 2022	Total realized and unrealized gains (losses)		Movements ¹			Transfers	Fair value as at April 30 2023	Change in unrealized gains (losses) on instruments still held ⁴
FINANCIAL ASSETS									
Trading loans, securities, and other									
Government and government- related securities	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –
Other debt securities	49	6	–	23	(59)	35	(32)	22	(23)
Equity securities	–	(4)	–	39	(5)	–	–	30	(2)
	49	2	–	62	(64)	35	(32)	52	(25)
Non-trading financial assets at fair value through profit or loss									
Securities	845	83	–	121	(48)	–	–	1,001	56
	845	83	–	121	(48)	–	–	1,001	56
Financial assets at fair value through other comprehensive income									
Other debt securities	60	–	(8)	21	(12)	–	–	61	–
Equity securities	2,477	–	(211)	2,093	(674)	–	–	3,685	(205)
	\$ 2,537	\$ –	\$ (219)	\$ 2,114	\$ (686)	\$ –	\$ –	\$ 3,746	\$ (205)
FINANCIAL LIABILITIES									
Trading deposits ⁵	\$ (416)	\$ (29)	\$ –	\$ (148)	\$ 8	\$ (9)	\$ 2	\$ (592)	\$ (24)
Derivatives ⁶									
Interest rate contracts	(156)	(30)	–	–	17	–	–	(169)	(5)
Foreign exchange contracts	4	(4)	–	–	–	–	1	1	(1)
Equity contracts	(59)	43	–	26	(7)	(2)	(28)	(27)	17
Commodity contracts	27	40	–	–	(69)	–	–	(2)	(4)
	(184)	49	–	26	(59)	(2)	(27)	(197)	7
Financial liabilities designated at fair value through profit or loss	(44)	70	–	(187)	112	–	–	(49)	72

¹ Includes foreign exchange.

² Gains/losses on financial assets and liabilities are recognized within Non-interest Income on the Interim Consolidated Statement of Income.

³ Includes realized gains/losses transferred to retained earnings on disposal of equities designated at FVOCI. Refer to Note 5 for further details.

⁴ Changes in unrealized gains/losses on financial assets at FVOCI are recognized in AOCI.

⁵ Issuances and repurchases of trading deposits are reported on a gross basis.

⁶ Consists of derivative assets of \$20 million (January 31, 2023/ February 1, 2023 – \$31 million; October 31, 2022/November 1, 2022 – \$50 million) and derivative liabilities of \$217 million (January 31, 2023/ February 1, 2023 – \$239 million; October 31, 2022/November 1, 2022 – \$234 million) which have been netted in this table for presentation purposes only.

NOTE 5: SECURITIES

(a) UNREALIZED SECURITIES GAINS (LOSSES)

The following table summarizes the unrealized gains and losses as at April 30, 2024 and October 31, 2023.

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

	As at							
	April 30, 2024			October 31, 2023				
	Cost/ amortized cost ¹	Gross unrealized gains	Gross unrealized (losses)	Fair value	Cost/ amortized cost ¹	Gross unrealized gains	Gross unrealized (losses)	Fair value
Government and government-related securities								
Canadian government debt								
Federal Provinces	\$ 18,693 \$ 20,540	\$ 39 \$ 95	\$ (125) \$ (49)	\$ 18,607 \$ 20,586	\$ 18,335 \$ 19,953	\$ 45 \$ 105	\$ (170) \$ (118)	\$ 18,210 \$ 19,940
U.S. federal, state, municipal governments, and agencies debt	15,791	30	(197)	15,624	11,260	17	(275)	11,002
Other OECD government-guaranteed debt	1,698	2	(17)	1,683	1,521	1	(24)	1,498
Mortgage-backed securities	2,234	1	(24)	2,211	2,313	—	(36)	2,277
	58,956	167	(412)	58,711	53,382	168	(623)	52,927
Other debt securities								
Asset-backed securities	3,473	1	(16)	3,458	4,146	—	(32)	4,114
Corporate and other debt	9,173	59	(57)	9,175	8,946	43	(99)	8,890
	12,646	60	(73)	12,633	13,092	43	(131)	13,004
Total debt securities	71,602	227	(485)	71,344	66,474	211	(754)	65,931
Equity securities								
Common shares	3,075	237	(88)	3,224	3,191	95	(116)	3,170
Preferred shares	620	20	(168)	472	566	1	(224)	343
	3,695	257	(256)	3,696	3,757	96	(340)	3,513
Total securities at fair value through other comprehensive income	\$ 75,297	\$ 484	\$ (741)	\$ 75,040	\$ 70,231	\$ 307	\$ (1,094)	\$ 69,444

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

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

The Bank designated certain equity securities at FVOCI. The following table summarizes the fair value of equity securities designated at FVOCI as at April 30, 2024 and October 31, 2023, and dividend income recognized on these securities for the three and six months ended April 30, 2024 and April 30, 2023.

Equity Securities Designated at Fair Value Through Other Comprehensive Income

(millions of Canadian dollars)	As at		For the three months ended		For the six months ended	
			April 30, 2024	April 30, 2023	April 30, 2024	April 30, 2023
	Fair value		Dividend income recognized		Dividend income recognized	
Common shares	\$ 3,224	\$ 3,170	\$ 48	\$ 45	\$ 65	\$ 62
Preferred shares	472	343	38	33	77	64
Total	\$ 3,696	\$ 3,513	\$ 86	\$ 78	\$ 142	\$ 126

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

Equity Securities Net Realized Gains (Losses)

(millions of Canadian dollars)	For the three months ended		For the six months ended	
	April 30, 2024	April 30, 2023	April 30, 2024	April 30, 2023
Equity Securities				
Fair value	\$ 73	\$ 121	\$ 115	\$ 166
Cumulative realized gain/(loss)	(1)	(5)	(1)	(8)
FHLB Stock				
Fair value	4	637	163	637
Cumulative realized gain/(loss)	—	—	—	—

(c) DEBT SECURITIES NET REALIZED GAINS (LOSSES)

The following table summarizes the net realized gains and losses for the three and six months ended April 30, 2024 and April 30, 2023, which are included in Other income (loss) on the Interim Consolidated Statement of Income.

Debt Securities Net Realized Gains (Losses)

(millions of Canadian dollars)	For the three months ended		For the six months ended	
	April 30, 2024	April 30, 2023	April 30, 2024	April 30, 2023
Debt securities at amortized cost				
Debt securities at fair value through other comprehensive income	\$ (69) \$ 3	\$ (36) \$ 15	\$ (69) \$ 9	\$ (36) \$ 14
Total	\$ (66)	\$ (21)	\$ (60)	\$ (22)

(d) CREDIT QUALITY OF DEBT SECURITIES

The Bank evaluates non-retail credit risk on an individual borrower basis, using both a borrower risk rating (BRR) and facility risk rating, as detailed in the shaded area of the “Managing Risk” section of the 2023 MD&A. This system is used to assess all non-retail exposures, including debt securities.

The following table provides the gross carrying amounts of debt securities measured at amortized cost and debt securities at FVOCI by internal risk rating for credit risk management purposes, presenting separately those debt securities that are subject to Stage 1, Stage 2, and Stage 3 allowances. Refer to the “Allowance for Credit Losses” table in Note 6 for details regarding the allowance and provision for credit losses on debt securities.

Debt Securities by Risk Rating

(millions of Canadian dollars)

	April 30, 2024				As at October 31, 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Debt securities¹								
Investment grade	\$ 364,534	\$ –	\$ n/a ²	\$ 364,534	\$ 373,317	\$ –	\$ n/a	\$ 373,317
Non-investment grade	259	62	n/a	321	519	–	n/a	519
Watch and classified	n/a	85	n/a	85	n/a	113	n/a	113
Default	n/a	n/a	–	–	n/a	n/a	–	–
Total debt securities	364,793	147	–	364,940	373,836	113	–	373,949
Allowance for credit losses on debt securities at amortized cost	2	–	–	2	2	–	–	2
Total debt securities, net of allowance	\$ 364,791	\$ 147	\$ –	\$ 364,938	\$ 373,834	\$ 113	\$ –	\$ 373,947

¹ Includes debt securities backed by government-guaranteed loans of \$142 million (October 31, 2023 – \$104 million), which are reported in Non-investment grade or a lower risk rating based on the issuer's credit risk.

² Not applicable.

As at April 30, 2024, total debt securities, net of allowance, in the table above, include debt securities measured at amortized cost, net of allowance, of \$293,594 million (October 31, 2023 – \$308,016 million), and debt securities measured at FVOCI of \$71,344 million (October 31, 2023 – \$65,931 million). The difference between probability-weighted ECLs and base ECLs on debt securities at FVOCI and at amortized cost as at both April 30, 2024 and October 31, 2023, was insignificant.

NOTE 6: LOANS, IMPAIRED LOANS, AND ALLOWANCE FOR CREDIT LOSSES

(a) LOANS AND ACCEPTANCES

The following table provides details regarding the Bank's loans and acceptances as at April 30, 2024 and October 31, 2023.

Loans and Acceptances

(millions of Canadian dollars)

	As at	
	April 30, 2024	October 31, 2023
Residential mortgages	\$ 326,032	\$ 320,341
Consumer instalment and other personal	221,197	217,554
Credit card	39,421	38,660
Business and government	349,019	326,528
	935,669	903,083
Customers' liability under acceptances	4,183	17,569
Loans at FVOCI (Note 4)	206	421
Total loans and acceptances	940,058	921,073
Total allowance for loan losses	7,545	7,136
Total loans and acceptances, net of allowance	\$ 932,513	\$ 913,937

Business and government loans (including loans at FVOCI) and customers' liability under acceptances are grouped together as reflected below for presentation in the “Loans and Acceptances by Risk Ratings” table.

Loans and Acceptances – Business and Government

(millions of Canadian dollars)

	As at	
	April 30, 2024	October 31, 2023
Loans at amortized cost	\$ 349,019	\$ 326,528
Customers' liability under acceptances	4,183	17,569
Loans at FVOCI (Note 4)	206	421
Loans and acceptances	353,408	344,518
Allowance for loan losses	3,125	2,990
Loans and acceptances, net of allowance	\$ 350,283	\$ 341,528

(b) CREDIT QUALITY OF LOANS

In the retail portfolio, including individuals and small businesses, the Bank manages exposures on a pooled basis, using predictive credit scoring techniques. For non-retail exposures, each borrower is assigned a BRR that reflects the probability of default (PD) of the borrower using proprietary industry and sector specific risk models and expert judgment. Refer to the shaded areas of the "Managing Risk" section of the 2023 MD&A for further details, including the mapping of PD ranges to risk levels for retail exposures as well as the Bank's 21-point BRR scale to risk levels and external ratings for non-retail exposures.

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

Loans and Acceptances by Risk Ratings

	As at							
	April 30, 2024				October 31, 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Residential mortgages^{1,2,3}								
Low Risk	\$ 228,023	\$ 769	\$ n/a	\$ 228,792	\$ 225,596	\$ 46	\$ n/a	\$ 225,642
Normal Risk	69,156	13,473	n/a	82,629	70,423	11,324	n/a	81,747
Medium Risk	382	10,446	n/a	10,828	110	9,581	n/a	9,691
High Risk	4	3,096	308	3,408	10	2,573	325	2,908
Default	n/a	n/a	375	375	n/a	n/a	353	353
Total loans	297,565	27,784	683	326,032	296,139	23,524	678	320,341
Allowance for loan losses	129	214	60	403	154	192	57	403
Loans, net of allowance	297,436	27,570	623	325,629	295,985	23,332	621	319,938
Consumer instalment and other personal⁴								
Low Risk	98,382	2,637	n/a	101,019	100,102	2,278	n/a	102,380
Normal Risk	61,842	12,648	n/a	74,490	60,613	13,410	n/a	74,023
Medium Risk	26,283	6,376	n/a	32,659	24,705	5,816	n/a	30,521
High Risk	4,607	7,533	365	12,505	4,122	5,700	323	10,145
Default	n/a	n/a	524	524	n/a	n/a	485	485
Total loans	191,114	29,194	889	221,197	189,542	27,204	808	217,554
Allowance for loan losses	658	1,091	238	1,987	653	959	197	1,809
Loans, net of allowance	190,456	28,103	651	219,210	188,889	26,245	611	215,745
Credit card								
Low Risk	6,320	16	n/a	6,336	6,499	12	n/a	6,511
Normal Risk	11,126	182	n/a	11,308	11,171	134	n/a	11,305
Medium Risk	12,736	1,126	n/a	13,862	12,311	1,163	n/a	13,474
High Risk	2,767	4,605	427	7,799	2,567	4,289	401	7,257
Default	n/a	n/a	116	116	n/a	n/a	113	113
Total loans	32,949	5,929	543	39,421	32,548	5,598	514	38,660
Allowance for loan losses	667	979	384	2,030	709	913	312	1,934
Loans, net of allowance	32,282	4,950	159	37,391	31,839	4,685	202	36,726
Business and government^{1,2,3,5}								
Investment grade or Low/Normal Risk	163,179	112	n/a	163,291	159,477	101	n/a	159,578
Non-investment grade or Medium Risk	162,642	10,685	n/a	173,327	161,651	10,278	n/a	171,929
Watch and classified or High Risk	698	14,312	69	15,079	604	11,017	75	11,696
Default	n/a	n/a	1,711	1,711	n/a	n/a	1,315	1,315
Total loans and acceptances	326,519	25,109	1,780	353,408	321,732	21,396	1,390	344,518
Allowance for loan and acceptances losses	1,025	1,631	469	3,125	1,157	1,371	462	2,990
Loans and acceptances, net of allowance	325,494	23,478	1,311	350,283	320,575	20,025	928	341,528
Total loans and acceptances⁶	848,147	88,016	3,895	940,058	839,961	77,722	3,390	921,073
Total allowance for loan losses^{6,7}	2,479	3,915	1,151	7,545	2,673	3,435	1,028	7,136
Total loans and acceptances, net of allowance⁶	\$ 845,668	\$ 84,101	\$ 2,744	\$ 932,513	\$ 837,288	\$ 74,287	\$ 2,362	\$ 913,937

¹ Includes impaired loans with a balance of \$192 million (October 31, 2023 – \$271 million) which did not have a related allowance for loan losses as the realizable value of the collateral exceeded the loan amount.

² Excludes trading loans and non-trading loans at fair value through profit or loss (FVTPL) with a fair value of \$19 billion (October 31, 2023 – \$17 billion) and \$3 billion (October 31, 2023 – \$3 billion), respectively.

³ Includes insured mortgages of \$73 billion (October 31, 2023 – \$74 billion).

⁴ Includes Canadian government-insured real estate personal loans of \$6 billion (October 31, 2023 – \$7 billion).

⁵ Includes loans guaranteed by government agencies of \$25 billion (October 31, 2023 – \$26 billion), which are primarily reported in Non-investment grade or a lower risk rating based on the borrowers' credit risk.

⁶ Stage 3 includes acquired credit-impaired (ACI) loans of nil (October 31, 2023 – \$91 million) and a related allowance for loan losses of nil (October 31, 2023 – \$6 million), which have been included in the "Default" risk rating category as they were impaired at acquisition.

⁷ Includes allowance for loan losses related to loans that are measured at FVOCI of nil (October 31, 2023 – nil).

Loans and Acceptances by Risk Ratings (Continued) – Off-Balance Sheet Credit Instruments¹

(millions of Canadian dollars)

	April 30, 2024							As at						
	Stage 1			Stage 2		Stage 3		Total	October 31, 2023					
	\$	256,848	\$	1,397	\$	n/a	\$	258,245	\$	254,231	\$	1,093	\$	255,324
Retail Exposures²														
Low Risk	\$	92,179		1,301		n/a	\$	93,480		91,474		1,112	n/a	92,586
Normal Risk														
Medium Risk		19,866		1,235		n/a		21,101		19,774		1,079	n/a	20,853
High Risk				1,229		1,278		–		2,507		1,209	1,198	–
Default				n/a		n/a		–		–		n/a	n/a	–
Non-Retail Exposures³														
Investment grade		275,384		–		n/a		275,384		264,029		–	n/a	264,029
Non-investment grade		97,750		5,328		n/a		103,078		98,068		4,396	n/a	102,464
Watch and classified		305		4,533		–		4,838		218		4,158	–	4,376
Default				n/a		n/a		204		204		n/a	107	107
Total off-balance sheet credit instruments		743,561		15,072		204		758,837		729,003		13,036	107	742,146
Allowance for off-balance sheet credit instruments		423		568		11		1,002		476		565	8	1,049
Total off-balance sheet credit instruments, net of allowance		\$ 743,138		\$ 14,504		\$ 193		\$ 757,835		\$ 728,527		\$ 12,471	\$ 99	\$ 741,097

¹ Excludes mortgage commitments.

² Includes \$373 billion (October 31, 2023 – \$369 billion) of personal lines of credit and credit card lines, which are unconditionally cancellable at the Bank's discretion at any time.

³ Includes \$64 billion (October 31, 2023 – \$62 billion) of the undrawn component of uncommitted credit and liquidity facilities.

(c) ALLOWANCE FOR CREDIT LOSSES

The following table provides details on the Bank's allowance for credit losses as at and for the three and six months ended April 30, 2024 and April 30, 2023, including allowance for off-balance sheet instruments in the applicable categories.

Allowance for Credit Losses

	Foreign exchange, disposals, and other adjustments						Foreign exchange, disposals, and other adjustments		
	Balance at beginning of period	Provision for credit losses	Write-offs, net of recoveries	Balance at end of period	Balance at beginning of period	Provision for credit losses	Write-offs, net of recoveries	Balance at end of period	
<i>For the three months ended</i>									
<i>April 30, 2024</i>									
Residential mortgages	\$ 410	\$ (8)	\$ (1)	\$ 2	\$ 403	\$ 330	\$ 4	\$ (3)	\$ 3
Consumer instalment and other personal	1,979	361	(288)	20	2,072	1,753	183	(181)	11
Credit card	2,577	423	(403)	47	2,644	2,407	327	(283)	29
Business and government	3,299	296	(207)	40	3,428	2,987	86	(57)	48
Total allowance for loan losses, including off-balance sheet instruments	8,265	1,072	(899)	109	8,547	7,477	600	(524)	91
Debt securities at amortized cost	2	—	—	—	2	1	—	—	1
Debt securities at FVOCI	1	(1)	—	1	1	1	(1)	—	1
Total allowance for credit losses on debt securities	3	(1)	—	1	3	2	(1)	—	2
Total allowance for credit losses	\$ 8,268	\$ 1,071	\$ (899)	\$ 110	\$ 8,550	\$ 7,479	\$ 599	\$ (524)	\$ 93
Comprising:									
Allowance for credit losses on loans at amortized cost	\$ 7,265				\$ 7,545	\$ 6,492			\$ 6,644
Allowance for credit losses on loans at FVOCI	—				—	—			—
Allowance for loan losses	7,265				7,545	6,492			6,644
Allowance for off-balance sheet instruments	1,000				1,002	985			1,000
Allowance for credit losses on debt securities	3				3	2			3
<i>For the six months ended</i>									
<i>April 30, 2023</i>									
Residential mortgages	\$ 403	\$ —	\$ (3)	\$ 3	\$ 403	\$ 323	\$ 16	\$ (4)	\$ (1)
Consumer instalment and other personal	1,895	743	(563)	(3)	2,072	1,704	445	(377)	(6)
Credit card	2,577	853	(772)	(14)	2,644	2,352	664	(528)	(8)
Business and government	3,310	477	(320)	(39)	3,428	2,984	165	(88)	3
Total allowance for loan losses, including off-balance sheet instruments	8,185	2,073	(1,658)	(53)	8,547	7,363	1,290	(997)	(12)
Debt securities at amortized cost	2	—	—	—	2	1	—	—	1
Debt securities at FVOCI	2	(1)	—	—	1	2	(1)	—	1
Total allowance for credit losses on debt securities	4	(1)	—	—	3	3	(1)	—	1
Total allowance for credit losses	\$ 8,189	\$ 2,072	\$ (1,658)	\$ (53)	\$ 8,550	\$ 7,366	\$ 1,289	\$ (997)	\$ (11)
Comprising:									
Allowance for credit losses on loans at amortized cost	\$ 7,136				\$ 7,545	\$ 6,432			\$ 6,644
Allowance for credit losses on loans at FVOCI	—				—	—			—
Allowance for loan losses	7,136				7,545	6,432			6,644
Allowance for off-balance sheet instruments	1,049				1,002	931			1,000
Allowance for credit losses on debt securities	4				3	3			3

(d) ALLOWANCE FOR LOAN LOSSES BY STAGE

The following table provides details on the Bank's allowance for loan losses by stage as at and for the three months ended April 30, 2024 and April 30, 2023.

Allowance for Loan Losses by Stage

(millions of Canadian dollars)	For the three months ended							
	April 30, 2024				April 30, 2023			
	Stage 1	Stage 2	Stage 3 ¹	Total	Stage 1	Stage 2	Stage 3 ¹	Total
Residential Mortgages								
Balance at beginning of period	\$ 137	\$ 212	\$ 61	\$ 410	\$ 129	\$ 150	\$ 51	\$ 330
Provision for credit losses								
Transfer to Stage 1 ²	32	(32)	—	—	21	(21)	—	—
Transfer to Stage 2	(7)	13	(6)	—	(8)	12	(4)	—
Transfer to Stage 3	—	(8)	8	—	(1)	(3)	4	—
Net remeasurement due to transfers into stage ³	(8)	6	—	(2)	(4)	5	—	1
New originations or purchases ⁴	7	n/a	n/a	7	8	n/a	n/a	8
Net repayments ⁵	(1)	—	—	(1)	(1)	(1)	—	(2)
Derecognition of financial assets (excluding disposals and write-offs) ⁶	(1)	(7)	(19)	(27)	(1)	(4)	(3)	(8)
Changes to risk, parameters, and models ⁷	(31)	29	17	15	(28)	30	3	5
Disposals	—	—	—	—	—	—	—	—
Write-offs	—	—	(2)	(2)	—	—	(3)	(3)
Recoveries	—	—	1	1	—	—	—	—
Foreign exchange and other adjustments	1	1	—	2	1	1	1	3
Balance at end of period	\$ 129	\$ 214	\$ 60	\$ 403	\$ 116	\$ 169	\$ 49	\$ 334
Consumer Instalment and Other Personal								
Balance, including off-balance sheet instruments, at beginning of period	\$ 664	\$ 1,090	\$ 225	\$ 1,979	\$ 675	\$ 916	\$ 162	\$ 1,753
Provision for credit losses								
Transfer to Stage 1 ²	142	(141)	(1)	—	136	(135)	(1)	—
Transfer to Stage 2	(58)	81	(23)	—	(48)	67	(19)	—
Transfer to Stage 3	(3)	(62)	65	—	(2)	(49)	51	—
Net remeasurement due to transfers into stage ³	(63)	71	2	10	(48)	49	3	4
New originations or purchases ⁴	87	n/a	n/a	87	99	n/a	n/a	99
Net repayments ⁵	(18)	(24)	(4)	(46)	(1)	(26)	(3)	(30)
Derecognition of financial assets (excluding disposals and write-offs) ⁶	(16)	(26)	(16)	(58)	(17)	(23)	(8)	(48)
Changes to risk, parameters, and models ⁷	(55)	148	275	368	(124)	117	165	158
Disposals	—	—	—	—	—	—	—	—
Write-offs	—	—	(370)	(370)	—	—	(254)	(254)
Recoveries	—	—	82	82	—	—	73	73
Foreign exchange and other adjustments	8	9	3	20	5	5	1	11
Balance, including off-balance sheet instruments, at end of period	688	1,146	238	2,072	675	921	170	1,766
Less: Allowance for off-balance sheet instruments ⁸	30	55	—	85	37	51	—	88
Balance at end of period	\$ 658	\$ 1,091	\$ 238	\$ 1,987	\$ 638	\$ 870	\$ 170	\$ 1,678
Credit Card⁹								
Balance, including off-balance sheet instruments, at beginning of period	\$ 880	\$ 1,325	\$ 372	\$ 2,577	\$ 956	\$ 1,198	\$ 253	\$ 2,407
Provision for credit losses								
Transfer to Stage 1 ²	263	(255)	(8)	—	270	(264)	(6)	—
Transfer to Stage 2	(81)	101	(20)	—	(76)	90	(14)	—
Transfer to Stage 3	(5)	(239)	244	—	(5)	(179)	184	—
Net remeasurement due to transfers into stage ³	(118)	121	6	9	(127)	121	5	(1)
New originations or purchases ⁴	40	n/a	n/a	40	46	n/a	n/a	46
Net repayments ⁵	(8)	1	18	11	34	(6)	15	43
Derecognition of financial assets (excluding disposals and write-offs) ⁶	(10)	(18)	(88)	(116)	(10)	(23)	(65)	(98)
Changes to risk, parameters, and models ⁷	(61)	286	254	479	(135)	284	188	337
Disposals	—	—	—	—	—	—	—	—
Write-offs	—	—	(486)	(486)	—	—	(357)	(357)
Recoveries	—	—	83	83	—	—	74	74
Foreign exchange and other adjustments	15	23	9	47	11	14	4	29
Balance, including off-balance sheet instruments, at end of period	915	1,345	384	2,644	964	1,235	281	2,480
Less: Allowance for off-balance sheet instruments ⁸	248	366	—	614	278	361	—	639
Balance at end of period	\$ 667	\$ 979	\$ 384	\$ 2,030	\$ 686	\$ 874	\$ 281	\$ 1,841

¹ Includes allowance for loan losses related to ACI loans.

² Transfers represent stage transfer movements prior to ECL remeasurement.

³ Represents the mechanical remeasurement between twelve-month (i.e., Stage 1) and lifetime ECLs (i.e., Stage 2 or 3) due to stage transfers necessitated by credit risk migration, as described in the "Significant Increase in Credit Risk" section of Note 2 and Note 3 of the Bank's 2023 Annual Consolidated Financial Statements, holding all other factors impacting the change in ECLs constant.

⁴ Represents the increase in the allowance resulting from loans that were newly originated, purchased, or renewed.

⁵ Represents the changes in the allowance related to cash flow changes associated with new draws or repayments on loans outstanding.

⁶ Represents the decrease in the allowance resulting from loans that were fully repaid and excludes the decrease associated with loans that were disposed or fully written off.

⁷ Represents the changes in the allowance related to current period changes in risk (e.g., PD) caused by changes to macroeconomic factors, level of risk, parameters, and/or models, subsequent to stage migration. Refer to the "Measurement of Expected Credit Losses", "Forward-Looking Information" and "Expert Credit Judgment" sections of Note 2 and Note 3 of the Bank's 2023 Annual Consolidated Financial Statements for further details.

⁸ The allowance for loan losses for off-balance sheet instruments is recorded in Other liabilities on the Interim Consolidated Balance Sheet.

⁹ Credit cards are considered impaired and migrate to Stage 3 when they are 90 days past due and written off at 180 days past due. Refer to Note 2 of the Bank's 2023 Annual Consolidated Financial Statements for further details.

Allowance for Loan Losses by Stage (Continued)

(millions of Canadian dollars)

	For the three months ended							
	April 30, 2024				April 30, 2023			
	Stage 1	Stage 2	Stage 3 ¹	Total	Stage 1	Stage 2	Stage 3 ¹	Total
Business and Government²								
Balance, including off-balance sheet instruments, at beginning of period	\$ 1,139	\$ 1,631	\$ 529	\$ 3,299	\$ 1,265	\$ 1,356	\$ 366	\$ 2,987
Provision for credit losses								
Transfer to Stage 1 ³	52	(52)	–	–	122	(122)	–	–
Transfer to Stage 2	(166)	170	(4)	–	(124)	127	(3)	–
Transfer to Stage 3	(2)	(80)	82	–	(4)	(18)	22	–
Net remeasurement due to transfers into stage ³	(18)	51	1	34	(36)	27	–	(9)
New originations or purchases ³	297	n/a	n/a	297	265	n/a	n/a	265
Net repayments ³	9	(11)	(3)	(5)	28	(18)	(19)	(9)
Derecognition of financial assets (excluding disposals and write-offs) ³	(161)	(155)	(100)	(416)	(163)	(121)	(106)	(390)
Changes to risk, parameters, and models ³	2	194	190	386	(125)	192	162	229
Disposals	–	–	–	–	–	–	–	–
Write-offs	–	–	(222)	(222)	–	–	(65)	(65)
Recoveries	–	–	15	15	–	–	8	8
Foreign exchange and other adjustments	18	30	(8)	40	33	18	(3)	48
Balance, including off-balance sheet instruments, at end of period	1,170	1,778	480	3,428	1,261	1,441	362	3,064
Less: Allowance for off-balance sheet instruments ⁴	145	147	11	303	150	120	3	273
Balance at end of period	1,025	1,631	469	3,125	1,111	1,321	359	2,791
Total Allowance, including off-balance sheet instruments, at end of period	2,902	4,483	1,162	8,547	3,016	3,766	862	7,644
Less: Total Allowance for off-balance sheet instruments⁴	423	568	11	1,002	465	532	3	1,000
Total Allowance for Loan Losses at end of period	\$ 2,479	\$ 3,915	\$ 1,151	\$ 7,545	\$ 2,551	\$ 3,234	\$ 859	\$ 6,644

¹ Includes allowance for loan losses related to ACI loans.

² Includes allowance for loan losses related to customers' liability under acceptances.

³ For explanations regarding this line item, refer to the "Allowance for Loan Losses by Stage" table on the previous page in this Note.

⁴ The allowance for loan losses for off-balance sheet instruments is recorded in Other liabilities on the Interim Consolidated Balance Sheet.

The following table provides details on the Bank's allowance for loan losses by stage as at and for the six months ended April 30, 2024 and April 30, 2023.

Allowance for Loan Losses by Stage

(millions of Canadian dollars)

	For the six months ended							
	April 30, 2024				April 30, 2023			
	Stage 1	Stage 2	Stage 3 ¹	Total	Stage 1	Stage 2	Stage 3 ¹	Total
Residential Mortgages								
Balance at beginning of period	\$ 154	\$ 192	\$ 57	\$ 403	\$ 127	\$ 140	\$ 56	\$ 323
Provision for credit losses								
Transfer to Stage 1 ²	68	(65)	(3)	—	56	(55)	(1)	—
Transfer to Stage 2	(17)	28	(11)	—	(14)	23	(9)	—
Transfer to Stage 3	—	(17)	17	—	(1)	(8)	9	—
Net remeasurement due to transfers into stage ³	(14)	13	—	(1)	(11)	11	—	—
New originations or purchases ⁴	15	n/a	n/a	15	16	n/a	n/a	16
Net repayments ⁵	(2)	—	—	(2)	(2)	(2)	—	(4)
Derecognition of financial assets (excluding disposals and write-offs) ⁶	(3)	(12)	(23)	(38)	(2)	(8)	(6)	(16)
Changes to risk, parameters, and models ⁷	(71)	74	23	26	(52)	68	4	20
Disposals	—	—	—	—	—	—	—	—
Write-offs	—	—	(4)	(4)	—	—	(5)	(5)
Recoveries	—	—	1	1	—	—	1	1
Foreign exchange and other adjustments	(1)	1	3	3	(1)	—	—	(1)
Balance at end of period	\$ 129	\$ 214	\$ 60	\$ 403	\$ 116	\$ 169	\$ 49	\$ 334
Consumer Instalment and Other Personal								
Balance, including off-balance sheet instruments, at beginning of period	\$ 688	\$ 1,010	\$ 197	\$ 1,895	\$ 654	\$ 896	\$ 154	\$ 1,704
Provision for credit losses								
Transfer to Stage 1 ²	273	(271)	(2)	—	306	(303)	(3)	—
Transfer to Stage 2	(130)	172	(42)	—	(100)	137	(37)	—
Transfer to Stage 3	(6)	(122)	128	—	(4)	(95)	99	—
Net remeasurement due to transfers into stage ³	(117)	157	4	44	(101)	103	5	7
New originations or purchases ⁴	176	n/a	n/a	176	198	n/a	n/a	198
Net repayments ⁵	(36)	(45)	(7)	(88)	(23)	(44)	(6)	(73)
Derecognition of financial assets (excluding disposals and write-offs) ⁶	(33)	(46)	(26)	(105)	(35)	(47)	(17)	(99)
Changes to risk, parameters, and models ⁷	(126)	294	548	716	(218)	277	353	412
Disposals	—	—	—	—	—	—	—	—
Write-offs	—	—	(717)	(717)	—	—	(520)	(520)
Recoveries	—	—	154	154	—	—	143	143
Foreign exchange and other adjustments	(1)	(3)	1	(3)	(2)	(3)	(1)	(6)
Balance, including off-balance sheet instruments, at end of period	688	1,146	238	2,072	675	921	170	1,766
Less: Allowance for off-balance sheet instruments ⁸	30	55	—	85	37	51	—	88
Balance at end of period	\$ 658	\$ 1,091	\$ 238	\$ 1,987	\$ 638	\$ 870	\$ 170	\$ 1,678
Credit Card⁹								
Balance, including off-balance sheet instruments, at beginning of period	\$ 988	\$ 1,277	\$ 312	\$ 2,577	\$ 954	\$ 1,191	\$ 207	\$ 2,352
Provision for credit losses								
Transfer to Stage 1 ²	509	(494)	(15)	—	569	(558)	(11)	—
Transfer to Stage 2	(176)	212	(36)	—	(162)	188	(26)	—
Transfer to Stage 3	(11)	(462)	473	—	(10)	(343)	353	—
Net remeasurement due to transfers into stage ³	(226)	260	13	47	(266)	248	10	(8)
New originations or purchases ⁴	79	n/a	n/a	79	97	n/a	n/a	97
Net repayments ⁵	14	6	35	55	62	1	28	91
Derecognition of financial assets (excluding disposals and write-offs) ⁶	(20)	(34)	(172)	(226)	(22)	(41)	(111)	(174)
Changes to risk, parameters, and models ⁷	(236)	586	548	898	(255)	554	359	658
Disposals	—	—	—	—	—	—	—	—
Write-offs	—	—	(930)	(930)	—	—	(671)	(671)
Recoveries	—	—	158	158	—	—	143	143
Foreign exchange and other adjustments	(6)	(6)	(2)	(14)	(3)	(5)	—	(8)
Balance, including off-balance sheet instruments, at end of period	915	1,345	384	2,644	964	1,235	281	2,480
Less: Allowance for off-balance sheet instruments ⁸	248	366	—	614	278	361	—	639
Balance at end of period	\$ 667	\$ 979	\$ 384	\$ 2,030	\$ 686	\$ 874	\$ 281	\$ 1,841

¹ Includes allowance for loan losses related to ACI loans.

² Transfers represent stage transfer movements prior to ECL remeasurement.

³ Represents the mechanical remeasurement between twelve-month (i.e., Stage 1) and lifetime ECLs (i.e., Stage 2 or 3) due to stage transfers necessitated by credit risk migration, as described in the "Significant Increase in Credit Risk" section of Note 2 and Note 3 of the Bank's 2023 Annual Consolidated Financial Statements, holding all other factors impacting the change in ECLs constant.

⁴ Represents the increase in the allowance resulting from loans that were newly originated, purchased, or renewed.

⁵ Represents the changes in the allowance related to cash flow changes associated with new draws or repayments on loans outstanding.

⁶ Represents the decrease in the allowance resulting from loans that were fully repaid and excludes the decrease associated with loans that were disposed or fully written off.

⁷ Represents the changes in the allowance related to current period changes in risk (e.g., PD) caused by changes to macroeconomic factors, level of risk, parameters, and/or models, subsequent to stage migration. Refer to the "Measurement of Expected Credit Losses", "Forward-Looking Information" and "Expert Credit Judgment" sections of Note 2 and Note 3 of the Bank's 2023 Annual Consolidated Financial Statements for further details.

⁸ The allowance for loan losses for off-balance sheet instruments is recorded in Other liabilities on the Interim Consolidated Balance Sheet.

⁹ Credit cards are considered impaired and migrate to Stage 3 when they are 90 days past due and written off at 180 days past due. Refer to Note 2 of the Bank's 2023 Annual Consolidated Financial Statements for further details.

Allowance for Loan Losses by Stage (Continued)

(millions of Canadian dollars)

	For the six months ended							
	April 30, 2024				April 30, 2023			
	Stage 1	Stage 2	Stage 3 ¹	Total	Stage 1	Stage 2	Stage 3 ¹	Total
Business and Government²								
Balance, including off-balance sheet instruments,								
at beginning of period	\$ 1,319	\$ 1,521	\$ 470	\$ 3,310	\$ 1,220	\$ 1,417	\$ 347	\$ 2,984
Provision for credit losses								
Transfer to Stage 1 ³	114	(114)	–	–	222	(220)	(2)	–
Transfer to Stage 2	(283)	290	(7)	–	(283)	289	(6)	–
Transfer to Stage 3	(16)	(135)	151	–	(9)	(39)	48	–
Net remeasurement due to transfers into stage ³	(39)	93	5	59	(64)	51	–	(13)
New originations or purchases ³	568	n/a	n/a	568	597	n/a	n/a	597
Net repayments ³	17	(19)	(29)	(31)	32	(39)	(43)	(50)
Derecognition of financial assets (excluding disposals and write-offs) ³	(333)	(254)	(145)	(732)	(351)	(272)	(239)	(862)
Changes to risk, parameters, and models ³	(160)	396	377	613	(116)	256	353	493
Disposals	–	–	–	–	–	–	–	–
Write-offs	–	–	(346)	(346)	–	–	(108)	(108)
Recoveries	–	–	26	26	–	–	20	20
Foreign exchange and other adjustments	(17)	–	(22)	(39)	13	(2)	(8)	3
Balance, including off-balance sheet instruments,								
at end of period	1,170	1,778	480	3,428	1,261	1,441	362	3,064
Less: Allowance for off-balance sheet instruments ⁴	145	147	11	303	150	120	3	273
Balance at end of period	1,025	1,631	469	3,125	1,111	1,321	359	2,791
Total Allowance, including off-balance sheet instruments, at end of period	2,902	4,483	1,162	8,547	3,016	3,766	862	7,644
Less: Total Allowance for off-balance sheet instruments⁴	423	568	11	1,002	465	532	3	1,000
Total Allowance for Loan Losses at end of period	\$ 2,479	\$ 3,915	\$ 1,151	\$ 7,545	\$ 2,551	\$ 3,234	\$ 859	\$ 6,644

¹ Includes allowance for loan losses related to ACI loans.

² Includes allowance for loan losses related to customers' liability under acceptances.

³ For explanations regarding this line item, refer to the "Allowance for Loan Losses by Stage" table on the previous page in this Note.

⁴ The allowance for loan losses for off-balance sheet instruments is recorded in Other liabilities on the Interim Consolidated Balance Sheet.

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

(e) FORWARD-LOOKING INFORMATION

Relevant macroeconomic factors are incorporated in risk parameters as appropriate. Additional risk factors that are industry or segment specific are also incorporated, where relevant. The key macroeconomic variables used in determining ECLs include regional unemployment rates for all retail exposures and regional housing price indices for residential mortgages and home equity lines of credit. For business and government loans, the key macroeconomic variables include gross domestic product (GDP), unemployment rates, interest rates, and credit spreads. Refer to Note 3 of the Bank's 2023 Annual Consolidated Financial Statements for a discussion of how forward-looking information is generated and considered in determining whether there has been a significant increase in credit risk and in measuring ECLs.

Macroeconomic Variables

Select macroeconomic variables are projected over the forecast period. The following table sets out average values of the macroeconomic variables over the four calendar quarters starting with the current quarter, and the remaining 4-year forecast period for the base forecast and upside and downside scenarios used in determining the Bank's ECLs as at April 30, 2024. As the forecast period increases, information about the future becomes less readily available and projections are anchored on assumptions around structural relationships between economic parameters that are inherently much less certain. Restrictive monetary policy is contributing to elevated economic uncertainty, particularly in Canada where household debt levels remain elevated, and is likely to continue to weigh on near-term economic growth and lead to a modest increase in the unemployment rate.

Macroeconomic Variables

	As at							
	April 30, 2024							
	Base Forecast		Upside Scenario		Downside Scenario			
	Average Q2 2024- Q1 2025 ¹	Remaining 4-year period ¹	Average Q2 2024- Q1 2025 ¹	Remaining 4-year period ¹	Average Q2 2024- Q1 2025 ¹	Remaining 4-year period ¹	Average Q2 2024- Q1 2025 ¹	Remaining 4-year period ¹
Unemployment rate								
Canada	6.5	%	6.1	%	5.8	%	5.8	%
United States	4.1		4.0		3.8		3.9	
Real GDP								
Canada	1.1		1.9		1.5		1.9	
United States	2.0		1.9		2.6		1.9	
Home prices								
Canada (average existing price) ²	1.5		2.9		1.9		2.9	
United States (CoreLogic HPI) ³	3.0		2.7		3.5		2.8	
Central bank policy interest rate								
Canada	4.25		2.31		4.88		2.44	
United States	4.94		2.84		5.38		2.94	
U.S. 10-year treasury yield	3.86		3.21		4.20		3.32	
U.S. 10-year BBB spread (%-pts)	1.70		1.81		1.49		1.74	
Exchange rate (U.S. dollar/Canadian dollar)	\$ 0.74		\$ 0.80		\$ 0.77		\$ 0.81	

¹ The numbers represent average values for the quoted periods, and average of year-on-year growth for real GDP and home prices.

² The average home price is the average transacted sale price of homes sold via the Multiple Listing Service; data is collected by the Canadian Real Estate Association.

³ The CoreLogic home price index (HPI) is a repeat-sales index which tracks increases and decreases in the same home's sales price over time.

(f) SENSITIVITY OF ALLOWANCE FOR CREDIT LOSSES

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

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

Change from Base to Probability-Weighted ECLs

(millions of Canadian dollars, except as noted)	As at	
	April 30, 2024	October 31, 2023
Probability-weighted ECLs	\$ 7,385	\$ 7,149
Base ECLs	6,849	6,658
Difference – in amount	\$ 536	\$ 491
Difference – in percentage	7.8 %	7.4 %

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

Incremental Lifetime ECLs Impact

(millions of Canadian dollars)	As at	
	April 30, 2024	October 31, 2023
Probability-weighted ECLs	\$ 7,385	\$ 7,149
All performing loans and off-balance sheet instruments using 12-month ECLs	5,403	5,295
Incremental lifetime ECLs impact	\$ 1,982	\$ 1,854

(g) FORECLOSED ASSETS

Foreclosed assets are repossessed non-financial assets where the Bank gains title, ownership, or possession of individual properties, such as real estate properties, which are managed for sale in an orderly manner with the proceeds used to reduce or repay any outstanding debt. The Bank does not generally occupy foreclosed properties for its business use. The Bank predominantly relies on third-party appraisals to determine the carrying value of foreclosed assets. Foreclosed assets held for sale were \$76 million as at April 30, 2024 (October 31, 2023 – \$59 million) and were recorded in Other assets on the Interim Consolidated Balance Sheet.

(h) LOANS PAST DUE BUT NOT IMPAIRED

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

Loans Past Due but not Impaired¹

(millions of Canadian dollars)	April 30, 2024			As at		
	31-60 days	61-89 days	Total	31-60 days	61-89 days	Total
Residential mortgages	\$ 284	\$ 97	\$ 381	\$ 286	\$ 81	\$ 367
Consumer instalment and other personal	862	330	1,192	870	287	1,157
Credit card	337	245	582	359	242	601
Business and government	234	121	355	264	103	367
Total	\$ 1,717	\$ 793	\$ 2,510	\$ 1,779	\$ 713	\$ 2,492

¹ Includes loans that are measured at FVOCI.

NOTE 7: INVESTMENT IN ASSOCIATES AND JOINT VENTURES

INVESTMENT IN THE CHARLES SCHWAB CORPORATION

The Bank has significant influence over The Charles Schwab Corporation ("Schwab") and the ability to participate in the financial and operating policy-making decisions of Schwab through a combination of the Bank's ownership, board representation and the insured deposit account agreement between the Bank and Schwab. As such, the Bank accounts for its investment in Schwab using the equity method. The Bank's share of Schwab's earnings available to common shareholders is reported with a one-month lag. The Bank takes into account changes in the one-month lag period that would significantly affect the results.

As at April 30, 2024, the Bank's reported investment in Schwab was approximately 12.3% (October 31, 2023 – 12.4%), consisting of 9.8% of the outstanding voting common shares and the remainder in non-voting common shares of Schwab with an aggregate fair value of \$23 billion (US\$17 billion) (October 31, 2023 – \$16 billion (US\$12 billion)) based on the closing price of US\$73.95 (October 31, 2023 – US\$52.04) on the New York Stock Exchange.

The Bank and Schwab are party to a stockholder agreement (the "Stockholder Agreement") under which the Bank has the right to designate two members of Schwab's Board of Directors and has representation on two Board Committees, subject to the Bank meeting certain conditions. The Bank's designated directors currently are the Bank's Group President and Chief Executive Officer and the Bank's former Chair of the Board. Under the Stockholder Agreement, the Bank is not permitted to own more than 9.9% voting common shares of Schwab, and the Bank is subject to customary standstill restrictions and subject to certain exceptions, transfer restrictions.

The carrying value of the Bank's investment in Schwab of \$9.9 billion as at April 30, 2024 (October 31, 2023 – \$8.9 billion) represents the Bank's share of Schwab's stockholders' equity, adjusted for goodwill, other intangibles, and cumulative translation adjustment. The Bank's share of net income from its investment in Schwab of \$194 million and \$335 million during the three and six months ended April 30, 2024, respectively (three and six months ended April 30, 2023 – \$241 million and \$526 million, respectively), reflects net income after adjustments for amortization of certain intangibles net of tax.

The following tables represent the gross amount of Schwab's total assets, liabilities, net revenues, net income available to common stockholders, other comprehensive income (loss), and comprehensive income (loss).

Summarized Financial Information

(millions of Canadian dollars)	As at		
	March 31		September 30 2023
	2024	2023	
Total assets	\$ 634,593	\$ 644,139	
Total liabilities	577,180	592,923	
 (millions of Canadian dollars)			
<i>For the three months ended</i>			
March 31		March 31	For the six months ended
2024		2023	March 31
Total net revenues	\$ 6,393	\$ 6,915	\$ 12,466
Total net income available to common stockholders	1,687	2,072	2,948
Total other comprehensive income (loss)	749	2,610	4,319
Total comprehensive income (loss)	2,436	4,682	7,267
			14,380
			4,544
			3,331
			7,875

Insured Deposit Account ("IDA") Agreement

On November 25, 2019, the Bank and Schwab signed an insured deposit account agreement (the "2019 Schwab IDA Agreement"), with an initial expiration date of July 1, 2031. Under the 2019 Schwab IDA Agreement, starting July 1, 2021, Schwab had the option to reduce the deposits by up to US\$10 billion per year (subject to certain limitations and adjustments), with a floor of US\$50 billion. In addition, Schwab requested some further operational flexibility to allow for the sweep deposit balances to fluctuate over time, under certain conditions and subject to certain limitations.

On May 4, 2023, the Bank and Schwab entered into an amended insured deposit account agreement (the "2023 Schwab IDA Agreement" or the "Schwab IDA Agreement"), which replaced the 2019 Schwab IDA Agreement. Pursuant to the 2023 Schwab IDA Agreement, the Bank continues to make sweep deposit accounts available to clients of Schwab. Schwab designates a portion of the deposits with the Bank as fixed-rate obligation amounts (FROA). Remaining deposits over FROA are designated as floating-rate obligations. In comparison to the 2019 Schwab IDA Agreement, the 2023 Schwab IDA Agreement extends the initial expiration date by three years to July 1, 2034 and provides for lower deposit balances in its first six years, followed by higher balances in the later years. Specifically, until September 2025, the aggregate FROA will serve as the floor. Thereafter, the floor will be set at US\$60 billion. In addition, Schwab has the option to buy down up to \$6.8 billion (US\$5 billion) of FROA by paying the Bank certain fees in accordance with the 2023 Schwab IDA Agreement, subject to certain limits. Refer to Note 27 of the Bank's 2023 Annual Consolidated Financial Statements for further details on the Schwab IDA Agreement.

During the first quarter of 2024, Schwab exercised its option to buy down the remaining \$0.7 billion (US\$0.5 billion) of the US\$5 billion FROA buydown allowance and paid \$32 million (US\$23 million) in termination fees to the Bank in accordance with the 2023 Schwab IDA Agreement. By the end of the first quarter of 2024, Schwab had completed its buy down of the full US\$5 billion FROA buydown allowance and had paid a total of \$337 million (US\$250 million) in termination fees to the Bank. The fees were intended to compensate the Bank for losses incurred from discontinuing certain hedging relationships and for lost revenues. The net impact was recorded in net interest income.

NOTE 8: SIGNIFICANT TRANSACTION

Acquisition of Cowen Inc.

On March 1, 2023, the Bank completed the acquisition of Cowen Inc. ("Cowen"). The acquisition advances the Wholesale Banking segment's long-term growth strategy in the U.S. and adds complementary products and services to the Bank's existing businesses. The results of the acquired business have been consolidated by the Bank from the closing date and primarily reported in the Wholesale Banking segment. Consideration included \$1,500 million (US\$1,100 million) in cash for 100% of Cowen's common shares outstanding, \$253 million (US\$186 million) for the settlement of Cowen's Series A Preferred Stock, and \$205 million (US\$151 million) related to the replacement of share-based payment awards.

The acquisition was accounted for as a business combination under the purchase method. The acquisition contributed \$10,793 million (US\$7,928 million) of assets and \$10,005 million (US\$7,351 million) of liabilities. The excess of accounting consideration over the fair value of the tangible net assets acquired was allocated to intangible assets of \$298 million (US\$219 million) net of taxes, and goodwill of \$872 million (US\$641 million). Goodwill is not deductible for tax purposes.

The Bank plans to dispose of certain non-core businesses that were acquired in connection with the Cowen acquisition. These non-core businesses are disposal groups which meet the criteria to be classified as held for sale and are measured at the lower of their carrying amount and fair value less costs to sell. The assets and liabilities of these disposal groups are recorded in Other assets and Other liabilities, respectively, on the Interim Consolidated Balance Sheet. During the three months ended January 31, 2024, the Bank disposed of Cowen's legacy prime brokerage and outsourced trading business that was classified as held for sale. As at April 30, 2024, assets of \$736 million (October 31, 2023 – \$1,958 million) and liabilities of \$320 million (October 31, 2023 – \$1,291 million) were classified as held for sale.

NOTE 9: OTHER ASSETS

Other Assets

(millions of Canadian dollars)

	As at	
	April 30 2024	October 31 2023
Accounts receivable and other items ¹	\$ 13,309	\$ 13,893
Accrued interest	5,580	5,504
Current income tax receivable	4,259	4,814
Defined benefit asset	936	1,254
Reinsurance contract assets	719	702
Prepaid expenses ²	1,607	1,462
Total²	\$ 26,410	\$ 27,629

¹ Includes assets related to disposal groups classified as held for sale in connection with the Cowen acquisition. Refer to Note 8 for further details.

² Balances as at October 31, 2023 have been restated for the adoption of IFRS 17. Refer to Note 2 for details.

NOTE 10: DEPOSITS

Demand deposits are those for which the Bank does not have the right to require notice prior to withdrawal, which primarily include business and government chequing accounts. Notice deposits are those for which the Bank can legally require notice prior to withdrawal, which include both savings and chequing accounts. Term deposits are payable on a given date of maturity and are purchased by customers to earn interest over a fixed period, with terms ranging from one day to ten years and generally include fixed term deposits, guaranteed investment certificates, senior debt, and similar instruments. The aggregate amount of term deposits in denominations of \$100,000 or more as at April 30, 2024, was \$518 billion (October 31, 2023 – \$512 billion).

Deposits

(millions of Canadian dollars)

							As at	
	By Type			By Country			April 30	October 31
	Demand	Notice	Term ¹	Canada	United States	International	2024	2023
Personal	\$ 16,583	\$ 475,841	\$ 136,559	\$ 331,478	\$ 297,505	\$ –	\$ 628,983	\$ 626,596
Banks	11,986	397	20,080	20,385	11,222	856	32,463	31,225
Business and government ²	133,913	188,769	219,643	381,588	157,482	3,255	542,325	540,369
	162,482	665,007	376,282	733,451	466,209	4,111	1,203,771	1,198,190
Trading	–	–	31,221	23,623	2,667	4,931	31,221	30,980
Designated at fair value through profit or loss ³	–	–	187,885	49,127	70,510	68,248	187,885	191,988
Total	\$ 162,482	\$ 665,007	\$ 595,388	\$ 806,201	\$ 539,386	\$ 77,290	\$ 1,422,877	\$ 1,421,158
Non-interest-bearing deposits included above⁴								
Canada							\$ 55,617	\$ 61,581
United States							72,766	76,376
International							–	23
Interest-bearing deposits included above⁴								
Canada							750,584	712,283
United States ⁵							466,620	482,247
International							77,290	88,648
Total^{2,6}	\$ 162,482	\$ 665,007	\$ 595,388	\$ 806,201	\$ 539,386	\$ 77,290	\$ 1,422,877	\$ 1,421,158

¹ Includes \$101.1 billion (October 31, 2023 – \$103.3 billion) of senior debt which is subject to the bank recapitalization “bail-in” regime. This regime provides certain statutory powers to the Canada Deposit Insurance Corporation, including the ability to convert specified eligible shares and liabilities into common shares in the event that the Bank becomes non-viable.

² Includes \$66.1 billion relating to covered bondholders (October 31, 2023 – \$57.0 billion).

³ Financial liabilities designated at FVTPL on the Consolidated Balance Sheet also includes \$219.9 million (October 31, 2023 – \$142.3 million) of loan commitments and financial guarantees designated at FVTPL.

⁴ The geographical splits of the deposits are based on the point of origin of the deposits.

⁵ Includes \$9.6 billion (October 31, 2023 – \$13.9 billion) of U.S. federal funds deposited and \$11.0 billion (October 31, 2023 – \$9.0 billion) of deposits and advances with the FHLB.

⁶ Includes deposits of \$765.0 billion (October 31, 2023 – \$779.9 billion) denominated in U.S. dollars and \$119.4 billion (October 31, 2023 – \$115.0 billion) denominated in other foreign currencies.

NOTE 11: OTHER LIABILITIES

Other Liabilities

(millions of Canadian dollars)

	As at	
	April 30	October 31
	2024	2023
Accounts payable, accrued expenses, and other items ^{1,2}	\$ 7,350	\$ 8,314
Accrued interest	4,867	4,421
Accrued salaries and employee benefits	4,166	4,993
Cheques and other items in transit ²	1,386	2,245
Current income tax payable	127	162
Deferred tax liabilities	213	204
Defined benefit liability	1,297	1,244
Lease liabilities	5,116	5,050
Liabilities related to structured entities	19,180	17,520
Provisions (Note 19)	4,448	3,421
Total²	\$ 48,150	\$ 47,574

¹ Includes liabilities related to disposal groups classified as held for sale in connection with the Cowen acquisition. Refer to Note 8 for further details.

² Balances as at October 31, 2023 have been restated for the adoption of IFRS 17. Refer to Note 2 for details.

NOTE 12: SUBORDINATED NOTES AND DEBENTURES

Issues

On April 9, 2024, the Bank issued \$1.75 billion of non-viability contingent capital (NVCC) medium-term notes constituting subordinated indebtedness of the Bank (the “Notes”), maturing on April 9, 2034. The Notes will bear interest at a fixed rate of 5.177% per annum (paid semi-annually) until April 9, 2029, and at Daily Compounded Canadian Overnight Repo Rate Average plus 1.53% thereafter (paid quarterly) until maturity on April 9, 2034. With the prior approval of OSFI, the Bank may, at its option, redeem the Notes on or after April 9, 2029, 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.

NOTE 13: EQUITY

The following table summarizes the changes to the shares and other equity instruments issued and outstanding, and treasury instruments held as at and for the three and six months ended April 30, 2024 and April 30, 2023.

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

(millions of shares or other equity instruments and millions of Canadian dollars)	For the three months ended				For the six months ended			
	April 30, 2024		April 30, 2023		April 30, 2024		April 30, 2023	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Common Shares								
Balance as at beginning of period	1,772.8	\$ 25,318	1,830.0	\$ 25,094	1,791.4	\$ 25,434	1,821.7	\$ 24,363
Proceeds from shares issued on exercise of stock options	0.4	24	0.7	45	1.0	66	1.1	71
Shares issued as a result of dividend reinvestment plan	1.6	132	8.9	713	3.3	269	16.8	1,418
Purchase of shares for cancellation and other	(15.2)	(217)	—	—	(36.1)	(512)	—	—
Balance as at end of period – common shares	1,759.6	\$ 25,257	1,839.6	\$ 25,852	1,759.6	\$ 25,257	1,839.6	\$ 25,852
Preferred Shares and Other Equity Instruments								
Preferred Shares – Class A								
Balance as at beginning of period	143.6	\$ 5,200	159.6	\$ 5,600	143.6	\$ 5,200	159.6	\$ 5,600
Redemption of shares ¹	(14.0)	(350)	—	—	(14.0)	(350)	—	—
Balance as at end of period	129.6	\$ 4,850	159.6	\$ 5,600	129.6	\$ 4,850	159.6	\$ 5,600
Other Equity Instruments²								
Balance as at beginning and end of period	5.0	\$ 5,653	5.0	\$ 5,653	5.0	\$ 5,653	5.0	\$ 5,653
Balance as at end of period – preferred shares and other equity instruments	134.6	\$ 10,503	164.6	\$ 11,253	134.6	\$ 10,503	164.6	\$ 11,253
Treasury – common shares³								
Balance as at beginning of period	0.7	\$ (58)	1.1	\$ (103)	0.7	\$ (64)	1.0	\$ (91)
Purchase of shares	26.7	(2,154)	26.5	(2,235)	64.2	(5,250)	46.9	(4,051)
Sale of shares	(27.1)	2,188	(26.5)	2,239	(64.6)	5,290	(46.8)	4,043
Balance as at end of period – treasury – common shares	0.3	\$ (24)	1.1	\$ (99)	0.3	\$ (24)	1.1	\$ (99)
Treasury – preferred shares and other equity instruments³								
Balance as at beginning of period	0.1	\$ (27)	0.1	\$ (9)	0.1	\$ (65)	0.1	\$ (7)
Purchase of shares and other equity instruments	1.5	(153)	1.0	(185)	3.2	(251)	2.0	(326)
Sale of shares and other equity instruments	(1.5)	172	(1.0)	184	(3.2)	308	(2.0)	323
Balance as at end of period – treasury – preferred shares and other equity instruments	0.1	\$ (8)	0.1	\$ (10)	0.1	\$ (8)	0.1	\$ (10)

¹ On April 30, 2024, the Bank redeemed all of its 14 million outstanding Non-Cumulative 5-Year Rate Reset Class A First Preferred Shares NVCC, Series 22 ("Series 22 Preferred Shares"), at a redemption price of \$25.00 per Series 22 Preferred Share, for a total redemption cost of \$350 million.

² For Limited Recourse Capital Notes, the number of shares represents the number of notes issued.

³ When the Bank purchases its own equity instruments as part of its trading business, they are classified as treasury instruments and the cost of these instruments is recorded as a reduction in equity.

DIVIDENDS

On May 22, 2024, the Board approved a dividend in an amount of one dollar and two cents (\$1.02) per fully paid common share in the capital stock of the Bank for the quarter ending July 31, 2024, payable on and after July 31, 2024, to shareholders of record at the close of business on July 10, 2024.

DIVIDEND REINVESTMENT PLAN

The Bank offers a dividend reinvestment plan 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 price.

During the three and six months ended April 30, 2024, the Bank issued 1.6 million and 3.3 million common shares, respectively, from treasury with no discount. During the three and six months ended April 30, 2023, the Bank issued 8.9 million and 16.8 million common shares, respectively, from treasury with a 2% discount.

NORMAL COURSE ISSUER BID

On August 28, 2023, the Bank announced that the Toronto Stock Exchange and OSFI approved a normal course issuer bid (NCIB) to repurchase for cancellation up to 90 million of its common shares. The NCIB commenced on August 31, 2023, and during the three months ended April 30, 2024, the Bank repurchased 15.2 million common shares under the NCIB, at an average price of \$80.10 per share for a total amount of \$1.2 billion. During the six months ended April 30, 2024, the Bank repurchased 36.1 million common shares under the NCIB, at an average price of \$81.43 per share for a total amount of \$2.9 billion. From the commencement of the NCIB to April 30, 2024, the Bank repurchased 58 million shares under the program.

NOTE 14: INSURANCE

(a) INSURANCE SERVICE RESULT

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

Insurance Service Result

(millions of Canadian dollars)	For the three months ended		For the six months ended	
	April 30, 2024	April 30, 2023	April 30, 2024	April 30, 2023
Insurance revenue	\$ 1,665	\$ 1,514	\$ 3,341	\$ 3,056
Insurance service expenses	1,248	1,118	2,614	2,282
Insurance service result before reinsurance contracts held	417	396	727	774
Net income (expense) from reinsurance contracts held	(31)	(38)	(19)	(84)
Insurance service result	\$ 386	\$ 358	\$ 708	\$ 690

For the three and six months ended April 30, 2024, the Bank recognized insurance finance expenses of \$58 million and \$180 million, respectively (three and six months ended April 30, 2023 – \$59 million and \$184 million, respectively), from insurance and reinsurance contracts in other income (loss). The Bank's investment return on securities supporting insurance contracts is comprised of interest income reported in net interest income and fair value changes reported in other income (loss). Investment return on securities supporting insurance contracts was \$35 million and \$163 million, respectively, for the three and six months ended April 30, 2024 (three and six months ended April 30, 2023 – \$56 million and \$206 million, respectively).

(b) INSURANCE CONTRACT LIABILITIES

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

The following table presents LRC and LIC balances for property and casualty insurance contracts.

Property and casualty insurance contract liabilities by LRC and LIC

(millions of Canadian dollars)	As at					
	April 30, 2024			April 30, 2023		
	Liability for remaining coverage	Liability for incurred claims	Total	Liability for remaining coverage	Liability for incurred claims	Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Excluding loss component	Loss component
Balance at beginning of period						
Insurance contract liabilities	\$ 630	\$ 129	\$ 4,740	\$ 220	\$ 5,719	\$ 623
Balance at end of period						
Insurance contract liabilities	\$ 630	\$ 119	\$ 4,723	\$ 220	\$ 5,692	\$ 551

For property and casualty contracts, during the three and six months ended April 30, 2024, the Bank recognized insurance revenue of \$1,305 million and \$2,631 million, respectively (three and six months ended April 30, 2023 – \$1,170 million and \$2,358 million, respectively), insurance service expenses of \$1,033 million and \$2,204 million, respectively (three and six months ended April 30, 2023 – \$925 million and \$1,903 million, respectively), and insurance finance expenses of \$77 million and \$198 million, respectively (three and six months ended April 30, 2023 – \$79 million and \$200 million, respectively).

Other insurance liabilities were \$132 million as at April 30, 2024 (October 31, 2023 – \$127 million) and include life and health insurance contract liabilities of \$112 million (October 31, 2023 – \$124 million).

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

The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the expected value amount. The Bank has estimated the risk adjustment for its property and casualty operations' LIC using statistical techniques in accordance with Canadian accepted actuarial principles to develop potential future observations and a confidence level of 90th percentile.

Insurance contract liabilities are calculated by discounting expected future cash flows. The interest rates used to discount the Bank's insurance balances over a duration of 1 to 10 years range from 5.3% to 4.9% as at April 30, 2024 (October 31, 2023 – 5.7% to 5.5%).

NOTE 15: SHARE-BASED COMPENSATION

For the three and six months ended April 30, 2024, the Bank recognized compensation expense for stock option awards of \$10.4 million and \$20.5 million, respectively (three and six months ended April 30, 2023 – \$9.6 million and \$22.2 million, respectively). During the three months ended April 30, 2024 and April 30, 2023, nil stock options were granted by the Bank. During the six months ended April 30, 2024, 2.5 million (six months ended April 30, 2023 – 2.5 million) stock options were granted by the Bank at a weighted-average fair value of \$14.36 per option (April 30, 2023 – \$14.70 per option).

The following table summarizes the assumptions used for estimating the fair value of options for the six months ended April 30, 2024 and April 30, 2023.

Assumptions Used for Estimating the Fair Value of Options

(in Canadian dollars, except as noted)

	For the six months ended	
	April 30 2024	April 30 2023
Risk-free interest rate	3.41 %	2.87 %
Option contractual life	10 years	10 years
Expected volatility	18.92 %	18.43 %
Expected dividend yield	3.78 %	3.69 %
Exercise price/share price	\$ 81.78	\$ 90.55

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

NOTE 16: EMPLOYEE BENEFITS

The following table summarizes expenses for the Bank's principal pension and non-pension post-retirement defined benefit plans and the Bank's other material defined benefit pension plans, for the three and six months ended April 30, 2024 and April 30, 2023. Other employee defined benefit plans operated by the Bank and certain of its subsidiaries are not considered material for disclosure purposes.

Defined Benefit Plan Expenses

(millions of Canadian dollars)

	Principal post-retirement benefit plan					
	Principal pension plans			Other pension plans ¹		
	April 30 2024	April 30 2023	April 30 2024	April 30 2023	April 30 2024	April 30 2023
Service cost – benefits earned	\$ 54	\$ 62	\$ 1	\$ 1	\$ 4	\$ 4
Net interest cost (income) on net defined benefit liability (asset)	(21)	(25)	5	5	6	5
Interest cost on asset limitation and minimum funding requirement	3	5	–	–	1	1
Past service cost ²	35	–	–	–	–	–
Defined benefit administrative expenses	2	3	–	–	1	2
Total	\$ 73	\$ 45	\$ 6	\$ 6	\$ 12	\$ 12
	For the six months ended					
	April 30 2024	April 30 2023	April 30 2024	April 30 2023	April 30 2024	April 30 2023
	\$ 108	\$ 124	\$ 2	\$ 2	\$ 8	\$ 8
Service cost – benefits earned	\$ 108	\$ 124	\$ 2	\$ 2	\$ 8	\$ 8
Net interest cost (income) on net defined benefit liability (asset)	(41)	(50)	10	10	12	11
Interest cost on asset limitation and minimum funding requirement	6	10	–	–	2	2
Past service cost ²	35	–	–	–	–	–
Defined benefit administrative expenses	4	5	–	–	2	3
Total	\$ 112	\$ 89	\$ 12	\$ 12	\$ 24	\$ 24

¹ Includes Canada Trust defined benefit pension plan, TD Banknorth defined benefit pension plan, TD Auto Finance defined benefit pension plan, TD Insurance defined benefit pension plan, and supplemental executive defined benefit pension plans.

² Relates to the Pension Fund Society that was modified during the quarter.

The following table summarizes expenses for the Bank's defined contribution plans for the three and six months ended April 30, 2024 and April 30, 2023.

Defined Contribution Plan Expenses

(millions of Canadian dollars)

	For the three months ended		For the six months ended	
	April 30 2024	April 30 2023	April 30 2024	April 30 2023
Defined contribution pension plans ¹	\$ 73	\$ 62	\$ 158	\$ 126
Government pension plans ²	132	121	329	294
Total	\$ 205	\$ 183	\$ 487	\$ 420

¹ Includes defined contribution portion of the TD Pension Plan (Canada) and TD Bank, N.A. defined contribution 401(k) plan.

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

The following table summarizes the remeasurements recognized in OCI for the Bank's principal pension and post-retirement defined benefit plans and certain of the Bank's other material defined benefit pension plans, for the three and six months ended April 30, 2024 and April 30, 2023.

Amounts Recognized in Other Comprehensive Income for Remeasurement of Defined Benefit Plans^{1,2,3}

(millions of Canadian dollars)

	Principal post-retirement					
	Principal pension plans		benefit plan		Other pension plans	
	April 30 2024	April 30 2023	April 30 2024	April 30 2023	April 30 2024	April 30 2023
Remeasurement gain/(loss) – financial	\$ 439	\$ (147)	\$ 13	\$ (3)	\$ 18	\$ –
Remeasurement gain/(loss) – return on plan assets less interest income	(524)	38	–	–	–	–
Change in asset limitation and minimum funding requirement	24	63	–	–	–	–
Total	\$ (61)	\$ (46)	\$ 13	\$ (3)	\$ 18	\$ –
	For the six months ended					
	April 30 2024	April 30 2023	April 30 2024	April 30 2023	April 30 2024	April 30 2023
Remeasurement gain/(loss) – financial	\$ (685)	\$ (529)	\$ (23)	\$ (27)	\$ (25)	\$ –
Remeasurement gain/(loss) – return on plan assets less interest income	276	424	–	–	–	–
Change in asset limitation and minimum funding requirement	200	179	–	–	–	–
Total	\$ (209)	\$ 74	\$ (23)	\$ (27)	\$ (25)	\$ –

¹ Excludes the Canada Trust defined benefit pension plan, TD Banknorth defined benefit pension plan, TD Auto Finance defined benefit pension plan, TD Insurance defined benefit pension plan, and other employee defined benefit plans operated by the Bank and certain of its subsidiaries not considered material for disclosure purposes as these plans are not remeasured on a quarterly basis.

² Changes in discount rates and return on plan assets are reviewed and updated on a quarterly basis. All other assumptions are updated annually.

³ Amounts are presented on a pre-tax basis.

NOTE 17: INCOME TAXES

International Tax Reform – Pillar Two Global Minimum Tax

The OECD published Pillar Two model rules as part of its efforts toward international tax reform. The Pillar Two model rules provide for the implementation of a 15% global minimum tax for large multinational enterprises, which is to be applied on a jurisdiction-by-jurisdiction basis. Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Bank operates. On May 2, 2024, the Government of Canada introduced Bill C-69, which includes the *Global Minimum Tax Act* addressing the Pillar Two model rules. The rules will be effective for the Bank in Canada and other jurisdictions for the fiscal year beginning on November 1, 2024. The Bank is assessing its potential exposure to Pillar Two income taxes.

Other Tax Matters

The Canada Revenue Agency (CRA), Revenu Québec Agency (RQA) and Alberta Tax and Revenue Administration (ATRA) are denying certain dividend and interest deductions claimed by the Bank. During the quarter, the RQA reassessed the Bank for \$1 million of additional tax and interest in respect of its 2018 taxation year. As at April 30, 2024, the CRA has reassessed the Bank for \$1,661 million for the years 2011 to 2018, the RQA has reassessed the Bank for \$52 million for the years 2011 to 2018, and the ATRA has reassessed the Bank for \$71 million for the years 2011 to 2018. In total, the Bank has been reassessed for \$1,784 million of income tax and interest. The Bank expects to continue to be reassessed for open years. The Bank is of the view that its tax filing positions were appropriate and filed a Notice of Appeal with the Tax Court of Canada on March 21, 2023.

NOTE 18: EARNINGS PER SHARE

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

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

The following table presents the Bank's basic and diluted earnings per share for the three and six months ended April 30, 2024 and April 30, 2023.

Basic and Diluted Earnings Per Share¹

(millions of Canadian dollars, except as noted)	<i>For the three months ended</i>		<i>For the six months ended</i>	
	April 30 2024	April 30 2023	April 30 2024	April 30 2023
Basic earnings per share				
Net income attributable to common shareholders	\$ 2,374	\$ 3,096	\$ 5,124	\$ 4,594
Weighted-average number of common shares outstanding (millions)	1,762.8	1,828.3	1,769.8	1,824.4
Basic earnings per share (Canadian dollars)	\$ 1.35	\$ 1.69	\$ 2.90	\$ 2.52
Diluted earnings per share				
Net income attributable to common shareholders	\$ 2,374	\$ 3,096	\$ 5,124	\$ 4,594
Net income available to common shareholders including impact of dilutive securities	2,374	3,096	5,124	4,594
Weighted-average number of common shares outstanding (millions)	1,762.8	1,828.3	1,769.8	1,824.4
Effect of dilutive securities				
Stock options potentially exercisable (millions) ²	1.3	2.0	1.4	2.2
Weighted-average number of common shares outstanding – diluted (millions)	1,764.1	1,830.3	1,771.2	1,826.6
Diluted earnings per share (Canadian dollars)²	\$ 1.35	\$ 1.69	\$ 2.89	\$ 2.52

¹ Amounts for the three and six months ended April 30, 2023 have been restated for the adoption of IFRS 17. Refer to Note 2 for details.

² For the three and six months ended April 30, 2024, the computation of diluted earnings per share excluded average options outstanding of 7.3 million and 6.7 million, respectively, with a weighted-average exercise price of \$89.14 and \$89.93, respectively, as the option price was greater than the average market price of the Bank's common shares. For the three and six months ended April 30, 2023, the computation of diluted earnings per share excluded average options outstanding of 4.9 million and 4.2 million, respectively, with a weighted-average exercise price of \$92.89 and \$93.29, respectively, as the option price was greater than the average market price of the Bank's common shares.

NOTE 19: PROVISIONS AND CONTINGENT LIABILITIES

Other than as described below, there have been no new significant events or transactions except as previously identified in Note 26 of the Bank's 2023 Annual Consolidated Financial Statements.

(a) RESTRUCTURING

The Bank continued to undertake certain measures in the second quarter of 2024 to reduce its cost base and achieve greater efficiency. In connection with these measures, the Bank incurred \$165 million and \$456 million of restructuring charges during the three and six months ended April 30, 2024, respectively. The restructuring costs primarily relate to: (i) employee severance and other personnel-related costs recorded as provisions and (ii) real estate optimization mainly recorded as a reduction to buildings.

(b) LEGAL AND REGULATORY MATTERS

Other than as described below, there have been no new significant legal and regulatory matters, and no significant developments to the matters previously identified in Note 26 of the Bank's 2023 Annual Consolidated Financial Statements.

In the ordinary course of business, the Bank and its subsidiaries are involved in various legal and regulatory actions, including but not limited to civil claims and lawsuits, regulatory examinations, investigations, audits, and requests for information by governmental, regulatory and self-regulatory agencies and law enforcement authorities in various jurisdictions, in respect of our businesses and compliance programs. The Bank establishes provisions when it becomes probable that the Bank will incur a loss and the amount can be reliably estimated. The Bank also estimates the aggregate range of reasonably possible losses (RPL) in its legal and regulatory actions (that is, those which are neither probable nor remote), in excess of provisions. As at April 30, 2024, the Bank's RPL is from zero to approximately \$1.31 billion (October 31, 2023 – from zero to approximately \$1.44 billion). The Bank's provisions and RPL represent the Bank's best estimates based upon currently available information for actions for which estimates can be made, but there are a number of factors that could cause the Bank's provisions and/or RPL to be significantly different from its actual or RPL. For example, the Bank's estimates involve significant judgment due to the varying stages of the proceedings, the existence of multiple defendants in many proceedings whose share of liability has yet to be determined, the numerous yet-unresolved issues in many of the proceedings, some of which are beyond the Bank's control and/or involve novel legal theories and interpretations, the attendant uncertainty of the various potential outcomes of such proceedings, and the fact that the underlying matters will change from time to time. In addition, some actions seek very large or indeterminate damages.

The Bank has been responding to formal and informal inquiries from regulatory authorities and law enforcement concerning its *Bank Secrecy Act*/anti-money laundering compliance program, both generally and in connection with specific clients, counterparties, or incidents in the U.S., including in connection with an investigation by the United States Department of Justice. The Bank is cooperating with such authorities and is pursuing efforts to enhance its *Bank Secrecy Act*/anti-money laundering compliance program. In the second quarter, the Bank recorded an initial provision of \$615 million (US\$450 million) in connection with its discussions with one of its U.S. regulators related to this matter. The Bank's regulatory and law enforcement discussions with three U.S. regulators (including the regulator previously referenced) and the U.S. Department of Justice are ongoing. The Bank anticipates non-monetary penalties and additional monetary penalties. This provision does not reflect the final aggregate amount of potential monetary penalties or any non-monetary penalties, which are unknown and not reliably estimable at this time.

The Bank and certain of its subsidiaries have reached a settlement in principle relating to a civil matter, pursuant to which the Bank has recorded a provision of \$274 million in the quarter.

In management's opinion, based on its current knowledge and after consultation with counsel, the ultimate disposition of these actions, individually or in the aggregate, will not have a material adverse effect on the consolidated financial condition or the consolidated cash flows of the Bank. However, because of the factors listed above, as well as other uncertainties inherent in litigation and regulatory matters, there is a possibility that the ultimate resolution of legal or regulatory actions may be material to the Bank's consolidated results of operations for any particular reporting period.

NOTE 20: SEGMENTED INFORMATION

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

Canadian Personal and Commercial Banking provides financial products and services to personal, small business and commercial customers, and includes TD Auto Finance Canada. U.S. Retail is comprised of personal and business banking in the U.S., TD Auto Finance U.S., the U.S. wealth business, as well as the Bank's equity investment in Schwab. Wealth Management and Insurance includes the Canadian wealth business which provides investment products and services to institutional and retail investors, and the insurance business which provides property and casualty insurance, as well as life and health insurance products to customers across Canada. Effective the first quarter of 2024, certain asset management businesses which were previously reported in the U.S. Retail segment are now reported in the Wealth Management and Insurance segment. Comparative period information has been adjusted to reflect the new alignment. Wholesale Banking provides a wide range of capital markets, investment banking, and corporate banking products and services, including underwriting and distribution of new debt and equity issues, providing advice on strategic acquisitions and divestitures, and meeting the daily trading, funding, and investment needs of the Bank's clients. The Corporate segment includes the effects of certain asset securitization programs, treasury management, elimination of taxable equivalent adjustments and other management reclassifications, corporate level tax items, and residual unallocated revenue and expenses.

The following table summarizes the segment results for the three and six months ended April 30, 2024 and April 30, 2023.

Results by Business Segment^{1,2}

(millions of Canadian dollars)	Canadian Personal and Commercial Banking		U.S. Retail		Wealth Management and Insurance		Wholesale Banking ³		Corporate ³		Total
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
Net interest income (loss)	\$ 3,812	\$ 3,377	\$ 2,841	\$ 3,034	\$ 304	\$ 258	\$ 189	\$ 498	\$ 319	\$ 261	\$ 7,465
Non-interest income (loss)	1,027	1,027	606	523	2,810	2,543	1,751	919	160	(43)	6,354
Total revenue	4,839	4,404	3,447	3,557	3,114	2,801	1,940	1,417	479	218	13,819
Provision for (recovery of) credit losses	467	247	380	190	—	1	55	12	169	149	1,071
Insurance service expenses	—	—	—	—	1,248	1,118	—	—	—	—	1,248
Non-interest expenses	1,957	1,903	2,597	2,022	1,027	963	1,430	1,189	1,390	679	8,401
Income (loss) before income taxes and share of net income from investment in Schwab	2,415	2,254	470	1,345	839	719	455	216	(1,080)	(610)	3,099
Provision for (recovery of) income taxes	676	629	73	189	218	195	94	66	(322)	(220)	729
Share of net income from investment in Schwab ^{4,5}	—	—	183	250	—	—	—	—	11	(9)	194
Net income (loss)	\$ 1,739	\$ 1,625	\$ 580	\$ 1,406	\$ 621	\$ 524	\$ 361	\$ 150	\$ (737)	\$ (399)	\$ 2,564
For the three months ended April 30											
Net interest income (loss)	\$ 7,645	\$ 6,916	\$ 5,740	\$ 6,201	\$ 589	\$ 541	\$ 387	\$ 1,023	\$ 592	\$ 480	\$ 14,953
Non-interest income (loss)	2,078	2,077	1,210	1,083	5,660	5,175	3,333	1,739	299	(637)	12,580
Total revenue	9,723	8,993	6,950	7,284	6,249	5,716	3,720	2,762	891	(157)	27,533
Provision for (recovery of) credit losses	890	574	765	390	—	1	65	44	352	280	2,072
Insurance service expenses	—	—	—	—	2,614	2,282	—	—	—	—	2,614
Non-interest expenses	3,941	3,766	5,007	4,062	2,074	1,972	2,930	2,072	2,479	2,996	16,431
Income (loss) before income taxes and share of net income from investment in Schwab	4,892	4,653	1,178	2,832	1,561	1,461	725	646	(1,940)	(3,433)	6,416
Provision for (recovery of) income taxes	1,368	1,299	68	393	385	383	159	165	(617)	(442)	1,363
Share of net income from investment in Schwab ^{4,5}	—	—	377	551	—	—	—	—	(42)	(25)	335
Net income (loss)	\$ 3,524	\$ 3,354	\$ 1,487	\$ 2,990	\$ 1,176	\$ 1,078	\$ 566	\$ 481	\$ (1,365)	\$ (3,016)	\$ 5,388
For the six months ended April 30											
Net interest income (loss)	\$ 7,645	\$ 6,916	\$ 5,740	\$ 6,201	\$ 589	\$ 541	\$ 387	\$ 1,023	\$ 592	\$ 480	\$ 14,953
Non-interest income (loss)	2,078	2,077	1,210	1,083	5,660	5,175	3,333	1,739	299	(637)	12,580
Total revenue	9,723	8,993	6,950	7,284	6,249	5,716	3,720	2,762	891	(157)	27,533
Provision for (recovery of) credit losses	890	574	765	390	—	1	65	44	352	280	2,072
Insurance service expenses	—	—	—	—	2,614	2,282	—	—	—	—	2,614
Non-interest expenses	3,941	3,766	5,007	4,062	2,074	1,972	2,930	2,072	2,479	2,996	16,431
Income (loss) before income taxes and share of net income from investment in Schwab	4,892	4,653	1,178	2,832	1,561	1,461	725	646	(1,940)	(3,433)	6,416
Provision for (recovery of) income taxes	1,368	1,299	68	393	385	383	159	165	(617)	(442)	1,363
Share of net income from investment in Schwab ^{4,5}	—	—	377	551	—	—	—	—	(42)	(25)	335
Net income (loss)	\$ 3,524	\$ 3,354	\$ 1,487	\$ 2,990	\$ 1,176	\$ 1,078	\$ 566	\$ 481	\$ (1,365)	\$ (3,016)	\$ 5,388

¹ Amounts for the three and six months ended April 30, 2023 have been restated for the adoption of IFRS 17. Refer to Note 2 for details.

² 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.

³ Net interest income within Wholesale Banking is calculated on a taxable equivalent basis (TEB). The TEB adjustment reflected in Wholesale Banking is reversed in the Corporate segment.

⁴ The after-tax amounts for amortization of acquired intangibles, the Bank's share of acquisition and integration charges associated with Schwab's acquisition of TD Ameritrade, the Bank's share of Schwab's restructuring charges, and the Bank's share of Schwab's FDIC special assessment charge are recorded in the Corporate segment.

⁵ The Bank's share of Schwab's earnings is reported with a one-month lag. Refer to Note 7 for further details.

Total Assets by Business Segment¹

(millions of Canadian dollars)	Canadian Personal and Commercial Banking		U.S. Retail		Wealth Management and Insurance		Wholesale Banking		Corporate		Total										
	As at April 30, 2024																				
Total assets	\$ 572,130																				
As at October 31, 2023																					
Total assets	\$ 560,303																				

¹ Balances as at October 31, 2023 have been restated for the adoption of IFRS 17. Refer to Note 2 for details.

NOTE 21: INTEREST INCOME AND EXPENSE

The following tables present interest income and interest expense by basis of accounting measurement.

Interest Income

(millions of Canadian dollars)	For the three months ended		For the six months ended	
	April 30, 2024	April 30, 2023	April 30, 2024	April 30, 2023
Measured at amortized cost ¹	\$ 19,694	\$ 16,634	\$ 39,260	\$ 32,161
Measured at FVOCI – Debt instruments ¹	965	795	1,898	1,516
	20,659	17,429	41,158	33,677
Measured or designated at FVTPL	2,247	1,797	4,497	3,553
Measured at FVOCI – Equity instruments	90	81	154	133
Total	\$ 22,996	\$ 19,307	\$ 45,809	\$ 37,363

¹ Interest income is calculated using EIRM.

Interest Expense

(millions of Canadian dollars)	For the three months ended		For the six months ended	
	April 30, 2024	April 30, 2023	April 30, 2024	April 30, 2023
Measured at amortized cost ¹	\$ 12,504	\$ 9,613	\$ 24,696	\$ 18,283
Measured or designated at FVTPL	3,027	2,266	6,160	3,919
Total	\$ 15,531	\$ 11,879	\$ 30,856	\$ 22,202

¹ Interest expense is calculated using EIRM.

NOTE 22: REGULATORY CAPITAL

The Bank manages its capital under guidelines established by OSFI. The regulatory capital guidelines measure capital in relation to credit, market, and operational risks. The Bank has various capital policies, procedures, and controls which it utilizes to achieve its goals and objectives. The Bank is designated as a domestic systemically important bank (D-SIB) and a global systemically important bank (G-SIB).

Canadian banks designated as D-SIBs are required to comply with OSFI's minimum targets for risk-based capital and leverage ratios. The minimum targets include a D-SIB surcharge and Domestic Stability Buffer (DSB) for Common Equity Tier 1 (CET1), Tier 1, Total Capital and risk-based Total Loss Absorbing Capacity (TLAC) ratios. The DSB level was increased to 3.5% as of November 1, 2023, which sets these minimum target ratios at 11.5%, 13.0%, 15.0% and 25.0%, respectively. The OSFI target includes the greater of the D-SIB or G-SIB surcharge, both of which are currently 1% for the Bank. On February 1, 2023, OSFI announced revisions to the Leverage Requirements Guideline to introduce a requirement for D-SIBs to hold a leverage ratio buffer of 0.50% in addition to the existing minimum requirement. This sets the minimum targets for leverage and TLAC leverage ratios at 3.5% and 7.25%, respectively.

The Bank complied with all minimum risk-based capital and leverage ratio requirements set by OSFI in the six months ended April 30, 2024.

The following table summarizes the Bank's regulatory capital positions as at April 30, 2024 and October 31, 2023.

The impact to CET1 capital upon adoption of IFRS 17 is immaterial to the Bank.

Regulatory Capital Position

(millions of Canadian dollars, except as noted)	As at	
	April 30 2024	October 31 2023
Capital		
Common Equity Tier 1 Capital	\$ 80,841	\$ 82,317
Tier 1 Capital	90,988	92,752
Total Capital	102,973	103,648
Risk-weighted assets used in the calculation of capital ratios	602,825	571,161
Capital and leverage ratios		
Common Equity Tier 1 Capital ratio	13.4 %	14.4 %
Tier 1 Capital ratio	15.1	16.2
Total Capital ratio	17.1	18.1
Leverage ratio	4.3	4.4
TLAC Ratio	30.6	32.7
TLAC Leverage Ratio	8.7	8.9

SHAREHOLDER AND INVESTOR INFORMATION

Shareholder Services

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

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

General Information

Products and services: Contact TD Canada Trust, 24 hours a day, seven days a week: 1-866-567-8888

French: 1-866-233-2323

Cantonese/Mandarin: 1-800-328-3698

Telephone device for the hearing impaired (TTY): 1-800-361-1180

Website: www.td.com

Email: customer.service@td.com

Quarterly Earnings Conference Call

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

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