TD Bank Group Reports First Quarter 2024 Results

Earnings News Release • *Three months ended January 31, 2024*

This quarterly Earnings News Release should be read in conjunction with the Bank's unaudited first quarter 2024 Report to Shareholders for the three months ended January 31, 2024, prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), which is available on our website at http://www.td.com/investor/. This analysis is dated February 28, 2024. Unless otherwise indicated, all amounts are expressed in Canadian dollars, and have been primarily derived from the Bank's Annual or Interim Consolidated Financial Statements prepared in accordance with IFRS. Certain comparative amounts have been revised to conform to the presentation adopted in the current period. Additional information relating to the Bank is available on the Bank's website at http://www.td.com, as well as on SEDAR+ at http://www.sedar.com and on the U.S. Securities and Exchange Commission's (SEC) website at http://www.sec.gov (EDGAR filers section).

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

FIRST QUARTER FINANCIAL HIGHLIGHTS, compared with the first quarter last year:

- **Reported diluted earnings per share were $1.55, compared with $0.82.**
- **Adjusted diluted earnings per share were $2.00, compared with $2.23.**
- **Reported net income was $2,824 million, compared with $1,581 million.**
- **Adjusted net income was $3,637 million, compared with $4,154 million.**

FIRST QUARTER ADJUSTMENTS (ITEMS OF NOTE)

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

- **Amortization of acquired intangibles of $94 million ($79 million after-tax or 4 cents per share), compared with $54 million ($46 million after-tax or 3 cents per share) in the first quarter last year.**
- **Acquisition and integration charges related to the Schwab transaction of $32 million ($26 million after-tax or 2 cents per share), compared with $34 million ($28 million after-tax or 2 cents per share) in the first quarter last year.**
- **Share of restructuring and other charges from investment in Schwab of $49 million (or 3 cents per share).**
- **Restructuring charges of $291 million ($213 million after-tax or 12 cents per share).**
- **Acquisition and integration charges related to the Cowen acquisition of $117 million ($93 million after-tax or 5 cents per share).**
- **Impact from the terminated FHN acquisition-related capital hedging strategy of $57 million ($43 million after-tax or 2 cents per share).**
- **FDIC special assessment of $411 million ($310 million after-tax or 17 cents per share).**

TORONTO, February 29, 2024 – TD Bank Group ("TD" or the "Bank") today announced its financial results for the first quarter ended January 31, 2024. Reported earnings were $2.8 billion, up 79% compared with the first quarter last year, and adjusted earnings were $3.6 billion, down 12%.

"TD had a good start to the year, with revenue growth reflecting higher fee-income from our markets-driven businesses, including the contribution from TD Cowen, and higher volumes and deposit margins in the Canadian Personal and Commercial Bank," said Bharat Masrani, Group President and Chief Executive Officer, TD Bank Group. "Expense growth moderated from last quarter as we made progress on our restructuring initiatives, delivering efficiencies across the Bank."

Canadian Personal and Commercial Banking delivered a strong quarter supported by volume growth and margin expansion

Canadian Personal and Commercial Banking net income was $1,785 million, an increase of 3% compared to the first quarter last year. The increase reflects revenue growth, partially offset by higher non-interest expenses and provisions for credit losses (PCL). Revenue was $4,884 million, an increase of 6%, reflecting 8% growth in net interest income driven by volume growth and margin expansion.

Canadian Personal and Commercial Banking delivered another strong quarter for New to Canada account openings and continued momentum in credit cards. TD launched the Low Rate Visa card, further enhancing its award-winning line up of credit cards. In addition, TD Auto Finance delivered strong performance in prime retail auto lending and accelerated acquisition of dealer relationships in its commercial business year-over-year. Small Business Banking helped over 165,000 clients conveniently repay or refinance Canada Emergency Business Account loans.

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

U.S. Retail reported net income of $907 million, a decrease of 43% (43% in U.S. dollars) compared with the first quarter last year. On an adjusted basis, net income was $1,217 million, a decline of 27% (27% in U.S. dollars). TD Bank's investment in The Charles Schwab Corporation ("Schwab") contributed $194 million in earnings, a decrease of 36% (35% in U.S. dollars) compared with the first quarter last year.

The U.S. Retail Bank, which excludes the Bank's investment in Schwab, reported net income of $713 million (US$526 million), a decrease of 44% (45% in U.S. dollars) from the first quarter last year, primarily reflecting the Federal Deposit Insurance Corporation (FDIC) special assessment, lower revenue and higher PCL. On an adjusted basis net income was $1,023 million (US$752 million), a decrease of 25% (26% in U.S. dollars) from the first quarter last year.

The U.S. Retail Bank continued to deliver loan growth while maintaining its through-the-cycle underwriting standards, with total average loan balances up 9% compared with the first quarter last year and up 2% from last quarter. Average deposit volumes declined 9% year-over-year and 1% quarter-over-quarter. Excluding sweep deposits, total personal and business deposit average balances were down 2% year-over-year and flat quarter-over-quarter, reflecting competitive market conditions.

During the quarter, TD Bank, America's Most Convenient Bank® (TD AMCB) announced a three-year US$20 billion Community Impact Plan to support lending, philanthropy, and banking access in diverse and underserved communities across its footprint. TD AMCB continued to deliver innovative solutions to small business clients with the launch of Tap to Pay on iPhone and Zelle for Small Business, offering enhanced convenience and payment functionality.

Wealth Management and Insurance delivered good performance reflecting the strength of its diversified businesses

Wealth Management and Insurance net income was $555 million, relatively flat compared with the first quarter last year, as positive top-line momentum was partially offset by higher insurance service expenses. This quarter's revenue growth of 8% reflected insurance premium growth and higher fee-based revenue in the asset management and advice-based businesses.

This quarter, Wealth Management and Insurance's investments in client-centric innovation continued to drive momentum and gain recognition.TD Direct Investing ranked as the #1 Direct Investing Brokerage in Canada by the Globe and Mail for the second consecutive year. Eighteen mutual funds and ETFs managed by TD Asset Management received 2023 FundGrade A+ Awards by Fundata Canada Inc. for demonstrating strong risk-adjusted performance relative to industry peers, underscoring the expertise of the Bank's investment teams.

Wholesale Banking delivered record revenue

Wholesale Banking reported net income for the quarter was $205 million, a decrease of $126 million compared with the first quarter last year, reflecting higher non-interest expenses which include integration-related costs of $117 million and a provision of $102 million taken in connection with the industry-wide U.S. record keeping matter, partially offset by higher revenues. On an adjusted basis, net income was $298 million, a decrease of $49 million or 14%. Revenue for the quarter was $1,780 million, an increase of $435 million, or 32%, compared with the first quarter last year, reflecting the segment's expanded capabilities from the inclusion of TD Cowen and strong performance across Global Markets and Corporate and Investment Banking.

This quarter, the Wholesale Bank continued to demonstrate its leadership in Environmental, Social, and Governance (ESG). TD Securities was joint lead manager on a 3-year (US$1.5 billion) Social Bond for the International Finance Corporation (IFC) to support low-income communities in emerging markets. The transaction represents IFC's largest social bond ever issued. TD Securities was also joint lead manager on a new (AUD$1.5 billion) Green Bond issued by KFW Development Bank, the issuer's largest ever transaction in the Australian market.

Continuing to innovate for customers

The Bank continued to enhance TD Invent, its enterprise approach to innovation, including reaching a milestone with over 700 patents across Canada and the U.S. as of this quarter. For the third consecutive year, the Bank was recognized by the Business Intelligence Group's annual BIG Innovation Awards, ranking highest in the Organization and Product categories for the TD Accessibility Adapter, a colleague-developed browser plug-in that helps to make online experiences more inclusive.

Capital

TD's Common Equity Tier 1 Capital ratio was 13.9%.

Conclusion

"Looking ahead, TD is well-positioned from both a capital and funding perspective, with the capacity to continue to invest in our business and return capital to shareholders," said Masrani. "I want to thank our more than 95,000 TD bankers who continue to deliver for our customers, communities, and shareholders."

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

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.

TABLE 1: FINANCIAL HIGHLIGHTS

(millions of Canadian dollars, except as noted)	*For the three months ended*		
	January 31 2024	October 31 2023	January 31 2023
Results of operations			
Total revenue – reported[1]	**$ 13,714**	$ 13,178	$ 12,201
Total revenue – adjusted[1,2]	**13,771**	13,242	13,077
Provision for (recovery of) credit losses	**1,001**	878	690
Insurance service expenses (ISE)[1]	**1,366**	1,346	1,164
Non-interest expenses – reported[1]	**8,030**	7,628	8,112
Non-interest expenses – adjusted[1,2]	**7,125**	6,988	6,337
Net income – reported[1]	**2,824**	2,866	1,581
Net income – adjusted[1,2]	**3,637**	3,485	4,154
Financial position (billions of Canadian dollars)			
Total loans net of allowance for loan losses	**$ 904.3**	$ 895.9	$ 836.7
Total assets	**1,910.9**	1,955.1	1,926.6
Total deposits	**1,181.3**	1,198.2	1,220.6
Total equity	**112.4**	112.1	112.0
Total risk-weighted assets[3]	**579.4**	571.2	531.6
Financial ratios			
Return on common equity (ROE) – reported[1,4]	**10.9 %**	10.5 %	5.9 %
Return on common equity – adjusted[1,2]	**14.1**	12.9	16.1
Return on tangible common equity (ROTCE)[1,2,4]	**14.9**	14.3	8.0
Return on tangible common equity – adjusted[1,2]	**18.7**	17.1	21.1
Efficiency ratio – reported[1,4]	**58.6**	57.9	66.5
Efficiency ratio – adjusted, net of ISE[1,2,4,5]	**57.4**	58.7	53.2
Provision for (recovery of) credit losses as a % of net average loans and acceptances	**0.44**	0.39	0.32
Common share information – reported (Canadian dollars)			
Per share earnings[1]			
Basic	**$ 1.55**	$ 1.48	$ 0.82
Diluted	**1.55**	1.48	0.82
Dividends per share	**1.02**	0.96	0.96
Book value per share[4]	**57.34**	56.56	55.07
Closing share price[6]	**81.67**	77.46	92.06
Shares outstanding (millions)			
Average basic	**1,776.7**	1,806.3	1,820.7
Average diluted	**1,778.2**	1,807.8	1,823.1
End of period	**1,772.1**	1,790.7	1,828.9
Market capitalization (billions of Canadian dollars)	**$ 144.7**	$ 138.7	$ 168.4
Dividend yield[4]	**4.9 %**	4.7 %	4.3 %
Dividend payout ratio[4]	**65.7**	64.6	116.6
Price-earnings ratio[1,4]	**13.1**	14.0	11.1
Total shareholder return (1 year)[4]	**(6.9)**	(6.9)	(5.7)
Common share information – adjusted (Canadian dollars)[1,2]			
Per share earnings[1]			
Basic	**$ 2.01**	$ 1.82	$ 2.24
Diluted	**2.00**	1.82	2.23
Dividend payout ratio	**50.7 %**	52.4 %	42.9 %
Price-earnings ratio[1]	**10.6**	9.8	10.8
Capital ratios[3]			
Common Equity Tier 1 Capital ratio	**13.9 %**	14.4 %	15.5 %
Tier 1 Capital ratio	**15.7**	16.2	17.5
Total Capital ratio	**17.6**	18.1	19.9
Leverage ratio	**4.4**	4.4	4.8
TLAC ratio	**30.8**	32.7	36.6
TLAC Leverage ratio	**8.6**	8.9	9.9

1 For the three months ended October 31, 2023 and January 31, 2023, certain amounts have been restated for the adoption of IFRS 17, *Insurance Contracts* (IFRS 17). Refer to Note 2 of the Bank's first 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 the "How We Performed" section of this document for further explanation, a list of the items of note, and a reconciliation of adjusted to reported results. Non-GAAP financial measures and ratios used in this document are not defined terms under IFRS and, therefore, may not be comparable to similar terms used by other issuers.

3 These measures have been included in this document in accordance with the Office of the Superintendent of Financial Institutions Canada's (OSFI's) Capital Adequacy Requirements, Leverage Requirements, and Total Loss Absorbing Capacity (TLAC) guidelines. Refer to the "Capital Position" section in the first quarter of 2024 MD&A for further details.

4 For additional information about this metric, refer to the Glossary in the first quarter of 2024 MD&A, which is incorporated by reference.

5 Efficiency ratio – adjusted, net of ISE is calculated by dividing adjusted non-interest expenses by adjusted total revenue, net of ISE. Adjusted total revenue, net of ISE – Q1 2024: $12,405 million, Q4 2023: $11,896 million, Q1 2023: $11,913 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)* Restructuring Charges**
The Bank continued to undertake certain measures in the first quarter of 2024 to reduce its cost base and achieve greater efficiency. In connection with these measures, the Bank incurred $291 million of restructuring charges which primarily relate to employee severance and other personnel-related costs and real estate optimization. The Bank continues to expect to incur restructuring charges in the first half of calendar 2024 that are of a similar magnitude to the restructuring charges incurred in the fourth quarter of 2023.

***b)* 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 FDIC 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. The FDIC plans to provide institutions subject to the special assessment an updated estimate with its first quarter 2024 special assessment invoice, to be released in June 2024. At this time, it is not known what the final FDIC special assessment will be, but the Bank expects the FDIC special assessment to increase.

HOW WE PERFORMED

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

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

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

Investment in The Charles Schwab Corporation and IDA Agreement
On October 6, 2020, the Bank acquired an approximately 13.5% stake in The Charles Schwab Corporation ("Schwab") following the completion of Schwab's acquisition of TD Ameritrade Holding Corporation ("TD Ameritrade") of which the Bank was a major shareholder (the "Schwab transaction"). On August 1, 2022, the Bank sold 28.4 million non-voting common shares of Schwab, 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 first 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 the minimum level of 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. The fees are intended to compensate the Bank for losses incurred this quarter from discontinuing certain hedging relationships, and for lost revenues. The net impact is recorded in net interest income.

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

TABLE 2: OPERATING RESULTS – Reported

(millions of Canadian dollars)	*For the three months ended*		
	January 31 2024	October 31 2023	January 31 2023
Net interest income	**$ 7,488**	$ 7,494	$ 7,733
Non-interest income[1]	**6,226**	5,684	4,468
Total revenue[1]	**13,714**	13,178	12,201
Provision for (recovery of) credit losses	**1,001**	878	690
Insurance service expenses[1]	**1,366**	1,346	1,164
Non-interest expenses[1]	**8,030**	7,628	8,112
Income before income taxes and share of net income from investment in Schwab[1]	**3,317**	3,326	2,235
Provision for (recovery of) income taxes[1]	**634**	616	939
Share of net income from investment in Schwab	**141**	156	285
Net income – reported[1]	**2,824**	2,866	1,581
Preferred dividends and distributions on other equity instruments	**74**	196	83
Net income available to common shareholders[1]	**$ 2,750**	$ 2,670	$ 1,498

[1] For the three months ended October 31, 2023 and January 31, 2023, certain amounts have been restated for the adoption of IFRS 17. Refer to Note 2 of the Bank's first 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" section.

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

(millions of Canadian dollars)	*For the three months ended*		
	January 31 2024	October 31 2023	January 31 2023
Operating results – adjusted			
Net interest income[1]	$ **7,545**	$ 7,558	$ 7,862
Non-interest income[1,2]	**6,226**	5,684	5,215
Total revenue[2]	**13,771**	13,242	13,077
Provision for (recovery of) credit losses	**1,001**	878	690
Insurance service expenses[2]	**1,366**	1,346	1,164
Non-interest expenses[2,3]	**7,125**	6,988	6,337
Income before income taxes and share of net income from investment in Schwab	**4,279**	4,030	4,886
Provision for income taxes	**872**	779	1,060
Share of net income from investment in Schwab[4]	**230**	234	328
Net income – adjusted[2]	**3,637**	3,485	4,154
Preferred dividends and distributions on other equity instruments	**74**	196	83
Net income available to common shareholders – adjusted	**3,563**	3,289	4,071
Pre-tax adjustments for items of note			
Amortization of acquired intangibles[5]	**(94)**	(92)	(54)
Acquisition and integration charges related to the Schwab transaction[3,4]	**(32)**	(31)	(34)
Share of restructuring and other charges from investment in Schwab[4]	**(49)**	(35)	–
Restructuring charges[3]	**(291)**	(363)	–
Acquisition and integration-related charges[3]	**(117)**	(197)	(21)
Charges related to the terminated First Horizon (FHN) acquisition[3]	**–**	–	(106)
Impact from the terminated FHN acquisition-related capital hedging strategy[1]	**(57)**	(64)	(876)
Litigation (settlement)/recovery[3]	**–**	–	(1,603)
FDIC special assessment[3]	**(411)**	–	–
Less: Impact of income taxes			
Amortization of acquired intangibles	**(15)**	(9)	(8)
Acquisition and integration charges related to the Schwab transaction	**(6)**	(5)	(6)
Restructuring charges	**(78)**	(97)	–
Acquisition and integration-related charges	**(24)**	(36)	(5)
Charges related to the terminated FHN acquisition	**–**	–	(26)
Impact from the terminated FHN acquisition-related capital hedging strategy	**(14)**	(16)	(216)
Litigation (settlement)/recovery	**–**	–	(445)
FDIC special assessment	**(101)**	–	–
Canada Recovery Dividend (CRD) and federal tax rate increase for fiscal 2022[6]	**–**	–	585
Total adjustments for items of note	**(813)**	(619)	(2,573)
Net income available to common shareholders – reported	$ **2,750**	$ 2,670	$ 1,498

[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 – Q1 2023: ($998) million, ii) basis adjustment amortization related to de-designated fair value hedge accounting relationships, recorded in net interest income – 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 – Q1 2023: $251 million. After the termination of the merger agreement, the residual impact of the strategy is reversed through net interest income – Q1 2024: ($57) million, Q4 2023: ($64) million.

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

[3] Adjusted non-interest expenses exclude the following items of note:
  i. Amortization of acquired intangibles – Q1 2024: $63 million, Q4 2023: $62 million, Q1 2023: $24 million, reported in the Corporate segment;
  ii. The Bank's own integration and acquisition costs related to the Schwab transaction – Q1 2024: $23 million, Q4 2023: $18 million, Q1 2023: $21 million, reported in the Corporate segment;
  iii. Acquisition and integration-related charges – Q1 2024: $117 million, Q4 2023: $197 million, Q1 2023: $21 million, reported in the Wholesale Banking segment;
  iv. Charges related to the terminated FHN acquisition – Q1 2023: $106 million, reported in the U.S. Retail segment;
  v. Stanford litigation settlement – Q1 2023: $1,603 million, reported in the Corporate segment;
  vi. Restructuring charges – Q1 2024: $291 million, Q4 2023: $363 million, reported in the Corporate segment; and
  vii. FDIC special assessment – Q1 2024: $411 million, reported in the U.S. Retail segment.

[4] 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 – Q1 2024: $31 million, Q4 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 – Q1 2024: $9 million, Q4 2023: $13 million, Q1 2023: $13 million;
  iii. The Bank's share of restructuring charges incurred by Schwab – Q1 2024: $27 million, Q4 2023: $35 million; and
  iv. The Bank's share of the FDIC special assessment charge incurred by Schwab – Q1 2024: $22 million.

[5] 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 3 and 4 for amounts.

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

TABLE 4: RECONCILIATION OF REPORTED TO ADJUSTED EARNINGS PER SHARE[1]			
(Canadian dollars)	*For the three months ended*		
	January 31 2024	October 31 2023	January 31 2023
Basic earnings per share – reported[2]	**$ 1.55**	$ 1.48	$ 0.82
Adjustments for items of note	**0.45**	0.34	1.41
Basic earnings per share – adjusted[2]	**$ 2.01**	$ 1.82	$ 2.24
Diluted earnings per share – reported[2]	**$ 1.55**	$ 1.48	$ 0.82
Adjustments for items of note	**0.45**	0.34	1.41
Diluted earnings per share – adjusted[2]	**$ 2.00**	$ 1.82	$ 2.23

[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 months ended October 31, 2023 and January 31, 2023, certain amounts have been restated for the adoption of IFRS 17. Refer to Note 2 of the Bank's first quarter 2024 Interim Consolidated Financial Statements for further details.

Return on Common Equity

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

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

TABLE 5: RETURN ON COMMON EQUITY			
(millions of Canadian dollars, except as noted)	*For the three months ended*		
	January 31 2024	October 31 2023	January 31 2023
Average common equity	**$ 100,269**	$ 100,998	$ 100,441
Net income available to common shareholders – reported[1]	**2,750**	2,670	1,498
Items of note, net of income taxes	**813**	619	2,573
Net income available to common shareholders – adjusted[1]	**$ 3,563**	$ 3,289	$ 4,071
Return on common equity – reported[1]	**10.9 %**	10.5 %	5.9 %
Return on common equity – adjusted[1]	**14.1**	12.9	16.1

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

Return on Tangible Common Equity

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

TABLE 6: RETURN ON TANGIBLE COMMON EQUITY			
(millions of Canadian dollars, except as noted)	*For the three months ended*		
	January 31 2024	October 31 2023	January 31 2023
Average common equity	**$ 100,269**	$ 100,998	$ 100,441
Average goodwill	**18,208**	18,217	17,486
Average imputed goodwill and intangibles on investments in Schwab	**6,056**	6,094	6,160
Average other acquired intangibles[1]	**615**	635	442
Average related deferred tax liabilities	**(231)**	(114)	(174)
Average tangible common equity	**75,621**	76,166	76,527
Net income available to common shareholders – reported[2]	**2,750**	2,670	1,498
Amortization of acquired intangibles, net of income taxes	**79**	83	46
Net income available to common shareholders adjusted for amortization of acquired intangibles, net of income taxes[2]	**2,829**	2,753	1,544
Other items of note, net of income taxes	**734**	536	2,527
Net income available to common shareholders – adjusted[2]	**$ 3,563**	$ 3,289	$ 4,071
Return on tangible common equity[2]	**14.9 %**	14.3 %	8.0 %
Return on tangible common equity – adjusted[2]	**18.7**	17.1	21.1

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

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

HOW OUR BUSINESSES PERFORMED

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

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

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

Net interest income within Wholesale Banking is calculated on a taxable equivalent basis (TEB), which means that the value of non-taxable or tax-exempt income, including certain dividends, is adjusted to its equivalent pre-tax value. Using TEB allows the Bank to measure income from all securities and loans consistently and makes for a more meaningful comparison of net interest income with similar institutions. The TEB increase to net interest income and provision for income taxes reflected in Wholesale Banking results is reversed in the Corporate segment. The TEB adjustment for the quarter was $29 million, compared with $44 million in the prior quarter and $57 million in the first quarter last year.

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

TABLE 7: CANADIAN PERSONAL AND COMMERCIAL BANKING

(millions of Canadian dollars, except as noted)			*For the three months ended*
	January 31 2024	October 31 2023	January 31 2023
Net interest income	**$ 3,833**	$ 3,705	$ 3,539
Non-interest income	**1,051**	1,049	1,050
Total revenue	**4,884**	4,754	4,589
Provision for (recovery of) credit losses – impaired	**364**	274	220
Provision for (recovery of) credit losses – performing	**59**	116	107
Total provision for (recovery of) credit losses	**423**	390	327
Non-interest expenses	**1,984**	2,039	1,863
Provision for (recovery of) income taxes	**692**	646	670
Net income	**$ 1,785**	$ 1,679	$ 1,729
Selected volumes and ratios			
Return on common equity[1]	**34.6 %**	35.1 %	39.9 %
Net interest margin (including on securitized assets)[2]	**2.84**	2.78	2.80
Efficiency ratio	**40.6**	42.9	40.6
Number of Canadian retail branches	**1,062**	1,062	1,060
Average number of full-time equivalent staff	**29,271**	29,069	28,803

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

[2] Net interest margin is calculated by dividing net interest income by average interest-earning assets. Average interest-earning assets used in the calculation of net interest margin is a non-GAAP financial measure. Refer to "Non-GAAP and Other Financial Measures" in the "How We Performed" section of this document and the Glossary in the Bank's first quarter 2024 MD&A for additional information about these metrics.

Quarterly comparison – Q1 2024 vs. Q1 2023

Canadian Personal and Commercial Banking net income for the quarter was $1,785 million, an increase of $56 million, or 3%, compared with the first quarter last year, reflecting higher revenue, partially offset by higher non-interest expenses and PCL. The annualized ROE for the quarter was 34.6%, compared with 39.9% in the first quarter last year.

Revenue for the quarter was $4,884 million, an increase of $295 million, or 6%, compared with the first quarter last year.

Net interest income was $3,833 million, an increase of $294 million, or 8%, compared with the first quarter last year, primarily reflecting volume growth. Average loan volumes increased $36 billion, or 7%, reflecting 7% growth in personal loans and 8% growth in business loans. Average deposit volumes increased $14 billion, or 3%, reflecting 6% growth in personal deposits, partially offset by 2% decline in business deposits. Net interest margin was 2.84%, an increase of 4 basis points (bps), primarily due to higher margins on deposits, partially offset by lower margins on loans.

Non-interest income was $1,051 million, relatively flat compared with the first quarter last year.

PCL for the quarter was $423 million, an increase of $96 million, compared with the first quarter last year. PCL – impaired for the quarter was $364 million, an increase of $144 million, or 65%, reflecting further normalization of credit performance in the consumer lending portfolios, and credit migration in the commercial lending portfolios. PCL – performing was $59 million, a decrease of $48 million, reflecting a lower build in the current quarter. The performing provisions this quarter largely reflect credit conditions, including some continued normalization of credit performance in the consumer lending portfolios, credit migration in the commercial lending portfolios, and volume growth. Total PCL as an annualized percentage of credit volume was 0.30%, an increase of 5 bps compared with the first quarter last year.

Non-interest expenses for the quarter were $1,984 million, an increase of $121 million, or 6%, compared with the first quarter last year, reflecting higher spend supporting business growth including employee-related expenses and technology costs.

The efficiency ratio for the quarter was 40.6%, flat compared with the first quarter last year.

Quarterly comparison – Q1 2024 vs. Q4 2023

Canadian Personal and Commercial Banking net income for the quarter was $1,785 million, an increase of $106 million, or 6%, compared with the prior quarter, reflecting higher revenue and lower non-interest expenses, partially offset by higher PCL. The annualized ROE for the quarter was 34.6%, compared with 35.1%, in the prior quarter.

Revenue increased $130 million, or 3%, compared with the prior quarter. Net interest income increased $128 million, or 3%, reflecting volume growth and higher margins. Average loan volumes increased $7 billion, or 1%, reflecting 1% growth in personal loans and 2% growth in business loans. Average deposit volumes increased $8 billion, or 2%, reflecting 3% growth in personal deposits, partially offset by 1% decline in business deposits. Net interest margin was 2.84%, an increase of 6 bps, primarily due to higher deposit margins.

Non-interest income increased $2 million, relatively flat compared with the prior quarter.

PCL for the quarter was $423 million, an increase of $33 million compared with the prior quarter. PCL – impaired was $364 million, an increase of $90 million, or 33%, reflecting further normalization of credit performance in the consumer lending portfolios, and credit migration in the commercial lending portfolios. PCL – performing was $59 million, a decrease of $57 million, reflecting a lower build in the current quarter. The performing provisions this quarter largely reflect credit conditions including some continued normalization of credit performance in the consumer lending portfolios, credit migration in the commercial lending portfolios, and volume growth. Total PCL as an annualized percentage of credit volume was 0.30%, an increase of 2 bps compared with the prior quarter.

Non-interest expenses decreased $55 million, or 3% compared with the prior quarter, primarily reflecting higher non-credit provisions in the prior quarter and lower operating expenses within our support functions, partially offset by higher employee-related expenses in Branch Banking.

The efficiency ratio was 40.6%, compared with 42.9%, in the prior quarter.

TABLE 8: U.S. RETAIL

(millions of dollars, except as noted)	*For the three months ended*		
	January 31 2024	October 31 2023	January 31 2023
Canadian Dollars			
Net interest income	**$ 2,899**	$ 2,951	$ 3,167
Non-interest income	**604**	572	560
Total revenue	**3,503**	3,523	3,727
Provision for (recovery of) credit losses – impaired	**377**	308	212
Provision for (recovery of) credit losses – performing	**8**	(19)	(12)
Total provision for (recovery of) credit losses	**385**	289	200
Non-interest expenses – reported	**2,410**	2,045	2,040
Non-interest expenses – adjusted[1,2]	**1,999**	2,045	1,934
Provision for (recovery of) income taxes – reported	**(5)**	117	204
Provision for (recovery of) income taxes – adjusted[1]	**96**	117	230
U.S. Retail Bank net income – reported	**713**	1,072	1,283
U.S. Retail Bank net income – adjusted[1]	**1,023**	1,072	1,363
Share of net income from investment in Schwab[3,4]	**194**	197	301
Net income – reported	**$ 907**	$ 1,269	$ 1,584
Net income – adjusted[1]	**1,217**	1,269	1,664
U.S. Dollars			
Net interest income	**$ 2,141**	$ 2,175	$ 2,348
Non-interest income	**446**	421	415
Total revenue	**2,587**	2,596	2,763
Provision for (recovery of) credit losses – impaired	**279**	227	158
Provision for (recovery of) credit losses – performing	**6**	(14)	(9)
Total provision for (recovery of) credit losses	**285**	213	149
Non-interest expenses – reported	**1,779**	1,505	1,512
Non-interest expenses – adjusted[1,2]	**1,479**	1,505	1,434
Provision for (recovery of) income taxes – reported	**(3)**	87	151
Provision for (recovery of) income taxes – adjusted[1]	**71**	87	170
U.S. Retail Bank net income – reported	**526**	791	951
U.S. Retail Bank net income – adjusted[1]	**752**	791	1,010
Share of net income from investment in Schwab[3,4]	**144**	146	222
Net income – reported	**$ 670**	$ 937	$ 1,173
Net income – adjusted[1]	**896**	937	1,232
Selected volumes and ratios			
Return on common equity – reported[5]	**8.5 %**	12.2 %	15.5 %
Return on common equity – adjusted[1,5]	**11.3**	12.2	16.3
Net interest margin[1,6]	**3.03**	3.07	3.29
Efficiency ratio – reported	**68.8**	58.0	54.7
Efficiency ratio – adjusted[1]	**57.2**	58.0	51.9
Assets under administration (billions of U.S. dollars)[7]	**$ 40**	$ 40	$ 38
Assets under management (billions of U.S. dollars)[7,8]	**7**	7	7
Number of U.S. retail stores	**1,176**	1,177	1,161
Average number of full-time equivalent staff	**27,985**	28,182	27,587

[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 – Q1 2023: $106 million or US$78 million ($80 million or US$59 million after-tax); and
ii. FDIC special assessment – Q1 2024: $411 million or US$300 million ($310 million or US$226 million 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 first quarter 2024 Interim Consolidated Financial Statements for further details.

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

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

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

[7] For additional information about this metric, refer to the Glossary in the Bank's first quarter 2024 MD&A.

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

Quarterly comparison – Q1 2024 vs. Q1 2023

U.S. Retail reported net income for the quarter was $907 million (US$670 million), a decrease of $677 million (US$503 million), or 43% (43% in U.S. dollars), compared with the first quarter last year. On an adjusted basis, net income for the quarter was $1,217 million (US$896 million), a decrease of $447 million (US$336 million), or 27% (27% in U.S. dollars). The reported and adjusted annualized ROE for the quarter were 8.5% and 11.3%, respectively, compared with 15.5% and 16.3%, respectively, in the first 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 $194 million (US$144 million), a decrease of $107 million (US$78 million), or 36% (35% in U.S. dollars).

U.S. Retail Bank reported net income was $713 million (US$526 million), a decrease of $570 million (US$425 million), or 44% (45% in U.S. dollars), compared with the first quarter last year, primarily reflecting the FDIC special assessment in non-interest expenses, lower revenue and higher PCL. U.S. Retail Bank adjusted net income was $1,023 million (US$752 million), a decrease of $340 million (US$258 million), or 25% (26% in U.S. dollars), compared with the first quarter last year, reflecting lower revenue, higher PCL and higher non-interest expenses.

Revenue for the quarter was US$2,587 million, a decrease of US$176 million, or 6%, compared with the first quarter last year. Net interest income of US$2,141 million, decreased US$207 million, or 9%, driven by lower deposit volumes and margins, partially offset by higher loan volumes. Net interest margin of 3.03%, 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$31 million, or 7%, compared with the first quarter last year, primarily reflecting fee income growth from increased customer activity.

Average loan volumes increased US$16 billion, or 9%, compared with the first quarter last year. Personal loans increased 11%, reflecting lower mortgage prepayments in the higher rate environment and strong auto originations. Business loans increased 7%, reflecting good originations from new customer growth and slower payment rates. Average deposit volumes decreased US$33 billion, or 9%, reflecting a 23% decrease in sweep deposits, a 4% decrease in business deposits, and a 1% decrease in personal deposit volumes.

Assets under administration (AUA) were US$40 billion as at January 31, 2024, an increase of US$2 billion, or 5%, compared with the first quarter last year, reflecting net asset growth. After giving effect to realignment of certain asset management businesses from U.S. Retail to Wealth Management and Insurance, Assets under Management (AUM) were US$7 billion as at January 31, 2024, flat compared with the first quarter last year.

PCL for the quarter was US$285 million, an increase of US$136 million compared with the first quarter last year. PCL – impaired was US$279 million, an increase of US$121 million, or 77%, primarily reflecting further normalization of credit performance in the consumer lending portfolios and credit migration in the commercial lending portfolios, largely related to commercial real estate. PCL – performing was a build of US$6 million, compared with a recovery of US$9 million in the prior year. 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 0.61%, an increase of 27 bps, compared with the first quarter last year.

Reported non-interest expenses for the quarter were US$1,779 million, an increase of US$267 million, or 18%, compared with the first quarter last year, reflecting the FDIC special assessment, and higher employee-related expenses, partially offset by acquisition and integration-related charges for the terminated First Horizon transaction in the first quarter last year. On an adjusted basis, non-interest expenses increased US$45 million, or 3%, reflecting higher employee-related expenses.

The reported and adjusted efficiency ratios for the quarter were 68.8% and 57.2%, respectively, compared with 54.7% and 51.9%, respectively, in the first quarter last year.

Quarterly comparison – Q1 2024 vs. Q4 2023

U.S. Retail reported net income of $907 million (US$670 million), a decrease of $362 million (US$267 million), or 29% (28% in U.S. dollars), compared with the prior quarter. On an adjusted basis, net income for the quarter was $1,217 million (US$896 million), a decrease of $52 million (US$41 million), or 4% (4% in U.S. dollars). The reported and adjusted annualized ROE for the quarter were 8.5% and 11.3%, respectively, compared with 12.2%, respectively, in the prior quarter.

The contribution from Schwab of $194 million (US$144 million) decreased $3 million (US$2 million), or 2% (1% in U.S. dollars).

U.S. Retail Bank reported net income was $713 million (US$526 million), a decrease of $359 million (US$265 million), or 33% (34% in U.S. dollars), compared with the prior quarter, primarily reflecting the FDIC special assessment in non-interest expenses and higher PCL. U.S. Retail Bank adjusted net income was $1,023 million (US$752 million), a decrease of $49 million (US$39 million), or 5% (5% in U.S. dollars), primarily reflecting higher PCL, partially offset by lower non-interest expenses.

Revenue for the quarter was US$2,587 million, a decrease of US$9 million, relatively flat compared with the prior quarter. Net interest income of US$2,141 million decreased US$34 million, or 2%, primarily reflecting lower deposit volumes, partially offset by higher loan volumes. Net interest margin of 3.03% decreased 4 bps quarter over quarter due to lower deposit margins reflecting higher deposit costs, partially offset by the benefit of higher reinvestment rates. Non-interest income of US$446 million increased US$25 million, or 6%, primarily reflecting higher deposit-related fees.

Average loan volumes increased US$3 billion, or 2%, compared with the prior quarter. Personal loans increased 2%, reflecting lower mortgage prepayments, strong auto originations, and seasonal credit card growth. 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 1% decrease in business deposits, partially offset by a 1% increase in personal deposit volume.

AUA were US$40 billion as at January 31, 2024, flat compared with the prior quarter. After giving effect to realignment of certain asset management businesses from U.S. Retail to Wealth Management and Insurance, AUM were US$7 billion, flat compared with the prior quarter.

PCL for the quarter was US$285 million, an increase of US$72 million compared with the prior quarter. PCL – impaired was US$279 million, an increase of US$52 million, or 23%, reflecting further normalization of credit performance in the consumer lending portfolios, including seasonal trends in the credit card and auto portfolios. PCL – performing was a build of US$6 million, compared with a recovery of US$14 million in the prior quarter. 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 0.61%, an increase of 15 bps, compared with the prior quarter.

Reported non-interest expenses for the quarter were US$1,779 million, an increase of US$274 million, or 18%, compared to the prior quarter, primarily reflecting the FDIC special assessment. On an adjusted basis, non-interest expenses decreased US$26 million, or 2%, reflecting higher legal costs in the prior quarter, partially offset by higher employee-related expenses.

The reported and adjusted efficiency ratios for the quarter were 68.8% and 57.2%, respectively, compared with 58.0%, respectively, in the prior quarter.

TABLE 9: WEALTH MANAGEMENT AND INSURANCE

(millions of Canadian dollars, except as noted)	For the three months ended		
	January 31 2024	October 31 2023	January 31 2023
Net interest income	**$ 285**	$ 265	$ 283
Non-interest income[1]	**2,850**	2,691	2,632
Total revenue	**3,135**	2,956	2,915
Provision for (recovery of) credit losses – impaired	**–**	–	–
Provision for (recovery of) credit losses – performing	**–**	–	–
Total provision for (recovery of) credit losses	**–**	–	–
Insurance service expenses[1]	**1,366**	1,346	1,164
Non-interest expenses[1]	**1,047**	957	1,009
Provision for (recovery of) income taxes	**167**	161	188
Net income	**$ 555**	$ 492	$ 554
Selected volumes and ratios			
Return on common equity[1,2]	**37.5 %**	33.9 %	39.1 %
Efficiency ratio[1]	**33.4**	32.4	34.6
Efficiency ratio, net of ISE[1,3]	**59.2**	59.4	57.6
Assets under administration (billions of Canadian dollars)[4]	**$ 576**	$ 531	$ 541
Assets under management (billions of Canadian dollars)	**479**	441	452
Average number of full-time equivalent staff	**15,386**	15,674	16,400

[1] For the three months ended October 31, 2023 and January 31, 2023, certain amounts have been restated for the adoption of IFRS 17. Refer to Note 2 of the Bank's first 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 – Q1 2024: $1,769 million, Q4 2023: $1,610 million, Q1 2023: $1,751 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 of this document and the Glossary in the Bank's first quarter 2024 MD&A for additional information about this metric.

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

Quarterly comparison – Q1 2024 vs. Q1 2023

Wealth Management and Insurance net income for the quarter was $555 million, an increase of $1 million, or relatively flat compared with the first quarter last year, reflecting higher revenue, offset by higher insurance service expenses and non-interest expenses. The annualized ROE for the quarter was 37.5%, compared with 39.1% in the first quarter last year.

Revenue for the quarter was $3,135 million, an increase of $220 million, or 8%, compared with the first quarter last year. Non-interest income was $2,850 million, an increase of $218 million, or 8%, reflecting higher insurance premiums, and higher fee-based revenue in the wealth management business. Net interest income was $285 million, an increase of $2 million, or 1%, compared with the first quarter last year.

AUA were $576 billion as at January 31, 2024, an increase of $35 billion, or 6%, compared with the first quarter last year, reflecting market appreciation and net asset growth. AUM were $479 billion as at January 31, 2024, an increase of $27 billion, or 6%, compared with the first quarter last year, reflecting market appreciation.

Insurance service expenses for the quarter were $1,366 million, an increase of $202 million, or 17%, compared with the first quarter last year, reflecting increased claims severity and less favourable prior years' claims development.

Non-interest expenses for the quarter were $1,047 million, an increase of $38 million, or 4%, compared with the first quarter last year, reflecting higher variable compensation commensurate with higher revenues, and technology costs.

The efficiency ratio for the quarter was 33.4%, compared with 34.6% in the first quarter last year. The efficiency ratio, net of ISE for the quarter was 59.2%, compared with 57.6% in the first quarter last year.

Quarterly comparison – Q1 2024 vs. Q4 2023

Wealth Management and Insurance net income for the quarter was $555 million, an increase of $63 million, or 13%, compared with the prior quarter, reflecting higher revenue, partially offset by higher non-interest expenses. The annualized ROE for the quarter was 37.5%, compared with 33.9%, in the prior quarter.

Revenue increased $179 million, or 6%, compared with the prior quarter. Non-interest income increased $159 million, or 6%, reflecting higher insurance premiums, as well as higher fee-based and transaction revenue in the wealth management business. Net interest income increased $20 million, or 8%, reflecting higher deposit margins.

AUA increased $45 billion, or 8%, and AUM increased $38 billion, or 9%, compared with the prior quarter, both primarily reflecting market appreciation and net asset growth.

Insurance service expenses for the quarter increased $20 million, or 1%, compared with the prior quarter, reflecting less favourable prior years' claims development, partially offset by fewer severe weather-related events.

Non-interest expenses increased $90 million, or 9%, compared with the prior quarter, primarily reflecting higher employee-related expenses including variable compensation commensurate with higher revenues.

The efficiency ratio for the quarter was 33.4%, compared with 32.4% in the prior quarter. The efficiency ratio, net of ISE for the quarter was 59.2%, compared with 59.4% in the prior quarter.

TABLE 10: WHOLESALE BANKING[1]

(millions of Canadian dollars, except as noted)		*For the three months ended*	
	January 31 2024	October 31 2023	January 31 2023
Net interest income (TEB)	**$ 198**	$ 245	$ 525
Non-interest income	**1,582**	1,243	820
Total revenue	**1,780**	1,488	1,345
Provision for (recovery of) credit losses – impaired	**5**	–	1
Provision for (recovery of) credit losses – performing	**5**	57	31
Total provision for (recovery of) credit losses	**10**	57	32
Non-interest expenses – reported	**1,500**	1,441	883
Non-interest expenses – adjusted[2,3]	**1,383**	1,244	862
Provision for (recovery of) income taxes (TEB) – reported	**65**	(27)	99
Provision for (recovery of) income taxes (TEB) – adjusted[2]	**89**	9	104
Net income – reported	**$ 205**	$ 17	$ 331
Net income – adjusted[2]	**298**	178	347
Selected volumes and ratios			
Trading-related revenue (TEB)[4]	**$ 730**	$ 590	$ 662
Average gross lending portfolio (billions of Canadian dollars)[5]	**96.2**	93.0	96.9
Return on common equity – reported[6]	**5.3 %**	0.5 %	9.4 %
Return on common equity – adjusted[2,6]	**7.6**	4.9	9.9
Efficiency ratio – reported	**84.3**	96.8	65.7
Efficiency ratio – adjusted[2]	**77.7**	83.6	64.1
Average number of full-time equivalent staff	**7,100**	7,346	5,365

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 – Q1 2024: $117 million ($93 million after-tax), Q4 2023: $197 million ($161 million after-tax), Q1 2023: $21 million ($16 million after-tax).

4 Includes net interest income (loss) TEB of ($54) million (Q4 2023: $61 million, Q1 2023: $261 million), and trading income (loss) of $784 million (Q4 2023: $529 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 of this document and the Glossary in the Bank's first quarter of 2024 MD&A for additional information about this metric.

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

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

Quarterly comparison – Q1 2024 vs. Q1 2023

Wholesale Banking reported net income for the quarter was $205 million, a decrease of $126 million, or 38%, compared with the first quarter last year, primarily reflecting higher non-interest expenses, partially offset by higher revenues. On an adjusted basis, net income was $298 million, a decrease of $49 million or 14%.

Revenue for the quarter, including TD Cowen, was $1,780 million, an increase of $435 million, or 32%, compared with the first quarter last year. Higher revenue primarily reflects higher equity commissions, lending revenue primarily from syndicated and leveraged finance, underwriting fees, and trading-related revenue.

PCL for the quarter was $10 million, a decrease of $22 million compared with the first quarter last year. PCL – impaired was $5 million. PCL – performing was $5 million, a decrease of $26 million due to prior period build.

Reported non-interest expenses for the quarter, including TD Cowen, were $1,500 million, an increase of $617 million, or 70%, compared with the first quarter last year, primarily reflecting TD Cowen and the associated acquisition and integration-related costs and higher variable compensation commensurate with higher revenues as well as a provision of $102 million taken in connection with the U.S. record keeping matter. On an adjusted basis, non-interest expenses were $1,383 million, an increase of $521 million, or 60%.

Quarterly comparison – Q1 2024 vs. Q4 2023

Wholesale Banking reported net income for the quarter was $205 million, an increase of $188 million compared with the prior quarter, primarily reflecting higher revenues, partially offset by higher non-interest expenses. On an adjusted basis, net income was $298 million, an increase of $120 million, or 67%.

Revenue for the quarter increased $292 million, or 20%, compared with the prior quarter. Higher revenue primarily reflects higher trading-related revenue, lending revenue, and underwriting fees.

PCL for the quarter was $10 million, a decrease of $47 million compared with the prior quarter. PCL – impaired was $5 million. PCL – performing was $5 million, a decrease of $52 million due to prior quarter build.

Reported non-interest expenses for the quarter, increased $59 million, or 4%, compared with the prior quarter, primarily reflecting a provision of $102 million taken in connection with the U.S. record keeping matter, partially offset by lower acquisition and integration related costs. On an adjusted basis, non-interest expenses increased $139 million or 11%.

TABLE 11: CORPORATE

(millions of Canadian dollars)			*For the three months ended*
	January 31 2024	October 31 2023	January 31 2023
Net income (loss) – reported	**$ (628)**	$ (591)	$ (2,617)
Adjustments for items of note			
Amortization of acquired intangibles	**94**	92	54
Acquisition and integration charges related to the Schwab transaction	**32**	31	34
Share of restructuring and other charges from investment in Schwab	**49**	35	–
Restructuring charges	**291**	363	–
Impact from the terminated FHN acquisition-related capital hedging strategy	**57**	64	876
Litigation settlement	**–**	–	1,603
Less: impact of income taxes			
CRD and federal tax rate increase for fiscal 2022	**–**	–	(585)
Other items of note	**113**	127	675
Net income (loss) – adjusted[1]	**$ (218)**	$ (133)	$ (140)
Decomposition of items included in net income (loss) – adjusted			
Net corporate expenses[2]	**$ (254)**	$ (227)	$ (191)
Other	**36**	94	51
Net income (loss) – adjusted[1]	**$ (218)**	$ (133)	$ (140)
Selected volumes			
Average number of full-time equivalent staff	**23,437**	23,491	21,844

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

[2] For additional information about this metric, refer to the Glossary in the first quarter of 2023 MD&A, which is incorporated by reference.

Quarterly comparison – Q1 2024 vs. Q1 2023

Corporate segment's reported net loss for the quarter was $628 million, compared with a reported net loss of $2,617 million in the first quarter last year. The lower net loss primarily reflects the impact of the Stanford litigation settlement in the prior year, the net effect of the terminated FHN acquisition-related capital hedging strategy, and prior year recognition of a 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 in the current quarter. Net corporate expenses increased $63 million compared to the prior year, mainly reflecting investments in our risk and control infrastructure. The adjusted net loss for the quarter was $218 million, compared with an adjusted net loss of $140 million in the first quarter last year.

Quarterly comparison – Q1 2024 vs. Q4 2023

Corporate segment's reported net loss for the quarter was $628 million, compared with a reported net loss of $591 million in the prior quarter. The higher net loss reflects lower revenue in treasury and balance sheet management activities and higher risk and control expenses, partially offset by lower restructuring charges. Net corporate expenses increased $27 million compared to the prior quarter, mainly reflecting investments in our risk and control infrastructure. The adjusted net loss for the quarter was $218 million, compared with an adjusted net loss of $133 million in the prior quarter.

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 www.computershare.com/investor
Beneficially own TD shares that are held in the name of an intermediary, such as a bank, a trust company, a securities broker or other nominee	Your TD shares, including questions regarding the dividend reinvestment plan and mailings of shareholder materials	Your intermediary

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

Access to Quarterly Results Materials
Interested investors, the media and others may view the first quarter earnings news release, results slides, supplementary financial information, and the Report to Shareholders on the TD Investor Relations website at www.td.com/investor/.

Quarterly Earnings Conference Call
TD Bank Group will host an earnings conference call in Toronto, Ontario on February 29, 2024. The call will be audio webcast live through TD's website at 8:30 a.m. ET. The call will feature presentations by TD executives on the Bank's financial results for first 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 February 29, 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 February 29, 2024, until 11:59 p.m. ET on March 15, 2024, by calling 905-694-9451 or 1-800-408-3053 (toll free). The passcode is 7300743#.

Annual Meeting
Thursday, April 18, 2024
Toronto, Ontario

About TD Bank Group
The Toronto-Dominion Bank and its subsidiaries are collectively known as TD Bank Group ("TD" or the "Bank"). TD is the sixth largest bank in North America by assets and serves over 27.5 million customers in four key businesses operating in a number of locations in financial centres around the globe: Canadian Personal and Commercial Banking, including TD Canada Trust and TD Auto Finance Canada; U.S. Retail, including TD Bank, America's Most Convenient Bank®, TD Auto Finance U.S., TD Wealth (U.S.), and an investment in The Charles Schwab Corporation; Wealth Management and Insurance, including TD Wealth (Canada), TD Direct Investing, and TD Insurance; and Wholesale Banking, including TD Securities and TD Cowen. TD also ranks among the world's leading online financial services firms, with more than 17 million active online and mobile customers. TD had $1.91 trillion in assets on January 31, 2024. The Toronto-Dominion Bank trades under the symbol "TD" on the Toronto and New York Stock Exchanges.

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