

Capital Position – Basel III Q3 2013 to Q1 2015^{1,2}

(\$ millions) As at	Line #	2014					2013		Cross Reference ³	OSFI Template
		2015 Q1	Q4	Q3	Q2	Q1	Q4	Q3		
Common Equity Tier 1 Capital (CET1)										
Common shares plus related contributed surplus	1	\$ 19,982	\$ 19,961	\$ 19,796	\$ 19,646	\$ 19,462	\$ 19,341	\$ 19,255	A1+A2+B	1
Retained earnings	2	28,373	27,585	26,970	26,134	25,108	24,565	24,122	C	2
Accumulated other comprehensive income (loss)	3	9,956	4,936	3,834	4,206	4,874	3,166	2,650	D	3
Common Equity Tier 1 Capital before regulatory adjustments	4	58,311	52,482	50,600	49,986	49,444	47,072	46,027		6
Common Equity Tier 1 Capital regulatory adjustments										
Goodwill (net of related tax liability)	5	(18,639)	(16,709)	(16,220)	(13,867)	(14,058)	(13,280)	(13,107)	E1+E2-E3	8
Intangibles (net of related tax liability)	6	(2,432)	(2,355)	(2,327)	(2,299)	(2,307)	(2,097)	(2,077)	F1-F2	9
Deferred tax assets excluding those arising from temporary differences	7	(604)	(485)	(536)	(525)	(488)	(519)	(364)	G	10
Cash flow hedge reserve	8	(1,658)	(711)	(607)	(791)	(954)	(1,005)	(823)	H	11
Shortfall of provisions to expected losses	9	(71)	(91)	(101)	(96)	(93)	(116)	(202)	I	12
Gains and losses due to changes in own credit risk on fair valued liabilities	10	(115)	(98)	(77)	(84)	(96)	(89)	(75)	J	14
Defined benefit pension fund net assets (net of related tax liability)	11	(17)	(15)	(61)	(60)	(60)	(389)	(368)	K1-K2	15
Investment in own shares	12	-	(7)	-	-	-	(183)	(166)		16
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)	13	(1,167)	(1,046)	(1,080)	(3,293)	(3,544)	(3,572)	(3,492)	L1+L2+L3	19
Amounts exceeding the 15% threshold										22
of which: significant investments in the common stocks of financials	14	-	-	-	-	(31)	-	-		23
of which: deferred tax assets arising from temporary differences	15	-	-	-	-	(10)	-	-		25
Total regulatory adjustments to Common Equity Tier 1 Capital	16	(24,703)	(21,517)	(21,009)	(21,015)	(21,641)	(21,250)	(20,674)		28
Common Equity Tier 1 Capital	17	33,608	30,965	29,591	28,971	27,803	25,822	25,353		29
Additional Tier 1 capital instruments										
Directly issued qualifying Additional Tier 1 instruments plus stock surplus	18	1,501	1,001	1,001	-	-	-	-	M+N	30/31
Directly issued capital instruments subject to phase out from Additional Tier 1	19	3,941	3,941	4,364	4,911	4,911	5,524	5,524	O1+O2+O3+O4	33
Additional Tier 1 instruments issued by subsidiaries and held by third parties subject to phase out	20	388	444	429	490	490	552	552	P	34/35
Additional Tier 1 capital instruments before regulatory adjustments	21	5,830	5,386	5,794	5,401	5,401	6,076	6,076		36
Additional Tier 1 capital instruments regulatory adjustments										
Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	22	(352)	(352)	(352)	(352)	(352)	(352)	(352)	Q+R	40
Total regulatory adjustments to Additional Tier 1 Capital	23	(352)	(352)	(352)	(352)	(352)	(352)	(352)		43
Additional Tier 1 Capital	24	5,478	5,034	5,442	5,049	5,049	5,724	5,724		44
Tier 1 Capital	25	39,086	35,999	35,033	34,020	32,852	31,546	31,077		45
Tier 2 capital instruments and provisions										
Directly issued capital instruments subject to phase out from Tier 2	26	5,927	6,773	6,773	6,774	6,774	7,564	7,620	S	47
Tier 2 instruments issued by subsidiaries and held by third parties subject to phase out	27	207	237	237	237	237	297	267	T1+T2	48/49
Collective allowances	28	1,536	1,416	1,389	1,632	1,633	1,472	1,439	U	50
Tier 2 Capital before regulatory adjustments	29	7,670	8,426	8,399	8,643	8,644	9,333	9,326		51
Tier 2 regulatory adjustments										
Investment in own Tier 2 instruments	30	-	-	-	-	-	(19)	(9)		52
Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	31	(170)	(170)	(170)	(170)	(170)	(170)	(170)	V	55
Total regulatory adjustments to Tier 2 Capital	32	(170)	(170)	(170)	(170)	(170)	(189)	(179)		57
Tier 2 Capital	33	7,500	8,256	8,229	8,473	8,474	9,144	9,147		58
Total Capital	34	46,586	44,255	43,262	42,493	41,326	40,690	40,224		59
Common Equity Tier 1 Capital RWA⁴	35	355,597	328,393	316,716	313,238	312,972	286,355	283,521		60a
Tier 1 Capital RWA⁴	36	356,352	329,268	317,526	313,238	312,972	286,355	283,521		60b
Total Capital RWA⁴	37	\$ 356,999	\$ 330,581	\$ 318,743	\$ 313,238	\$ 312,972	\$ 286,355	\$ 283,521		60c

¹ Capital position has been calculated using the "all-in" basis.

² Prior to the first quarter of 2015, the amounts have not been adjusted to reflect the impact of the 2015 IFRS Standards and Amendments.

³ Cross referenced to the Reconciliation with Balance Sheet Under Regulatory Scope of Consolidation table on page 74.

⁴ Effective the third quarter of 2014, each capital ratio has its own RWA measure due to the OSFI prescribed scalar for inclusion of the CVA. For the third and fourth quarters of 2014, the scalars for inclusion of CVA for CET1, Tier 1 and Total Capital RWA were 57%, 65%, and 77%, respectively. For fiscal 2015, the scalars are 64%, 71%, and 77%, respectively.

Capital Position – Basel III Q3 2013 to Q1 2015 (Continued)¹

(\$ millions, except as noted) As at	Line #	2015	2014				2013		Cross Reference ²	OSFI Template
		Q1	Q4	Q3	Q2	Q1	Q4	Q3		
Capital Ratios³										
Common Equity Tier 1 Capital (as percentage of CET1 Capital RWA)	38	9.5 %	9.4 %	9.3 %	9.2 %	8.9 %	9.0 %	8.9 %		61
Tier 1 (as percentage of Tier 1 Capital RWA)	39	11.0	10.9	11.0	10.9	10.5	11.0	11.0		62
Total Capital (as percentage of Total Capital RWA)	40	13.0	13.4	13.6	13.6	13.2	14.2	14.2		63
Buffer requirement (minimum CET1 requirement plus capital conservation buffer plus global systemically important banks (G-SIBs) buffer plus domestic systemically important banks (D-SIBs) buffer requirement expressed as percentage of RWA)	41	7.0	7.0	7.0	7.0	7.0	7.0	7.0		64
of which: capital conservation buffer requirement	42	2.5	2.5	2.5	2.5	2.5	2.5	2.5		65
Common Equity Tier 1 available to meet buffers (as percentage of RWA)	43	9.5	9.4	9.3	9.2	8.9	9.0	8.9		68
OSFI all-in target (minimum plus conservation buffer plus D-SIB surcharge (if applicable))										
Common Equity Tier 1 all-in target ratio	44	7.0	7.0	7.0	7.0	7.0	7.0	7.0		69
Tier 1 all-in target ratio	45	8.5	8.5	8.5	8.5	8.5	8.5	8.5		70
Total Capital all-in target ratio	46	10.5	10.5	10.5	10.5	10.5	10.5	10.5		71
Amounts below the thresholds for deduction (before risk weighting)										
Non-significant investments in the capital of other financials	47	\$ 1,689	\$ 1,006	\$ 741	\$ 1,044	\$ 819	\$ 934	\$ 1,715		72
Significant investments in the common stock of financials	48	3,478	3,201	3,067	3,226	3,108	3,034	2,976		73
Mortgage servicing rights	49	10	9	17	–	–	–	–		74
Deferred tax assets arising from temporary differences (net of related tax liability)	50	1,276	948	979	1,088	1,062	922	891		75
Applicable caps on the inclusion of allowances in Tier 2										
Allowance eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap)	51	1,536	1,416	1,389	1,633	1,633	1,472	1,439		76
Cap on inclusion of allowances in Tier 2 under standardized approach	52	2,240	1,983	1,895	1,866	1,868	1,621	1,590		77
Capital instruments subject to phase-out arrangements (only applicable between January 1, 2013 to January 1, 2022)										
Current cap on Additional Tier 1 instruments subject to phase out arrangements	53	4,726	5,401	5,401	5,401	5,401	6,076	6,076		82
Amounts excluded from Additional Tier 1 due to cap (excess over cap after redemptions and maturities)	54	–	–	–	128	813	567	564		83
Current cap on Tier 2 instruments subject to phase out arrangements	55	6,134	7,010	7,010	7,010	7,010	7,887	7,887		84
Amounts excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)	56	1,676	804	784	845	858	–	5		85
Capital Ratios – transitional basis⁴										
Risk-weighted assets	57	\$ 364,957	\$ 347,005	\$ 333,679	\$ 330,255	\$ 326,853	\$ 307,840	\$ 301,305		
Common Equity Tier 1 Capital	58	41,565	39,095	38,179	38,022	36,977	37,011	36,321		
Tier 1 Capital	59	41,565	39,095	38,179	38,022	36,977	37,011	36,321		
Total Capital	60	48,796	47,032	46,072	45,276	44,131	44,500	43,800		
Common Equity Tier 1 (as percentage of RWA)	61	11.4 %	11.3 %	11.4 %	11.5 %	11.3 %	12.0 %	12.1 %		
Tier 1 Capital (as percentage of RWA)	62	11.4	11.3	11.4	11.5	11.3	12.0	12.1		
Total Capital (as percentage of RWA)	63	13.4	13.6	13.8	13.7	13.5	14.5	14.5		
Capital Ratios for significant bank subsidiaries										
TD Bank N.A.⁵										
Common Equity Tier 1 Capital	64	12.7	12.7	12.1	12.0	n/a	n/a	n/a		
Tier 1 Capital	65	12.9	12.9	12.3	12.2	11.1	11.3	11.6		
Total Capital	66	13.9	13.9	13.4	13.3	12.3	12.4	12.8		
TD Mortgage Corporation										
Common Equity Tier 1 Capital	67	27.8	28.0	27.8	27.0	25.8	25.5	23.7		
Tier 1 Capital	68	27.8	28.0	27.8	27.0	25.8	25.5	23.7		
Total Capital	69	29.2	29.6	29.4	28.5	27.3	27.2	25.4		

¹ Prior to the first quarter of 2015, the amounts have not been adjusted to reflect the impact of the 2015 IFRS Standards and Amendments.

² Cross referenced to the Reconciliation with Balance Sheet Under Regulatory Scope of Consolidation table on page 74.

³ The "all-in" basis of regulatory reporting includes all of the regulatory adjustments that will be required by 2019.

⁴ The "transitional" basis of regulatory reporting allows for certain adjustments to CET1, the largest of which being goodwill, intangible assets and the threshold deductions, to be phased-in over a period of five years starting in 2014, while retaining the phase-out rules for non-qualifying capital instruments. In addition, 100% of the CVA is included for calculation of the transitional ratios.

⁵ On a stand-alone basis, TD Bank, N.A. reports regulatory capital to the Office of the Comptroller of the Currency (OCC) on calendar quarter ends.

Reconciliation with Balance Sheet Under Regulatory Scope of Consolidation

(\$ millions)
As at

Line #	2015		Cross Reference ³
	Balance Sheet ¹	Under Regulatory scope of consolidation ²	
		Q1	
Cash and due from banks	\$ 2,899	\$ 2,899	
Interest-bearing deposits with banks	50,624	50,601	
Trading loans, securities, and other	107,488	107,488	
Derivatives	93,223	93,184	
Financial assets designated at fair value through profit or loss	4,097	2,706	
Held-to-maturity securities	70,559	70,559	
Available-for-sale securities	67,424	65,571	
Securities purchased under reverse repurchase agreements	93,411	93,411	
Loans	512,194	511,975	
Allowance for loan losses	(3,263)	(3,263)	
<i>Eligible general allowance reflected in Tier 2 regulatory capital</i>		(1,536)	U
<i>Shortfall of allowance to expected loss</i>		(71)	I
<i>Allowances not reflected in regulatory capital</i>		(1,656)	
Other	81,499	79,776	
Investment in TD Ameritrade		855	L1
<i>Significant investments exceeding regulatory thresholds</i>		2,668	
<i>Significant investments not exceeding regulatory thresholds</i>		2,812	E2
<i>Imputed goodwill</i>		15,848	E1
Goodwill		2,774	F1
Other intangibles		19	
Other intangibles (Mortgage Servicing Rights)			
Deferred tax assets		604	G
<i>Deferred tax assets (DTA) excluding those arising from temporary differences</i>		1,276	
<i>DTA's (net of associated deferred tax liabilities (DTL)) realizable through net operating loss (NOL) carryback</i>		1,027	
<i>DTA's (net of associated DTL's) arising from temporary differences but not realizable through NOL carryback</i>		(935)	
<i>Other DTA/DTL adjustments⁴</i>			
Significant investments in financials (excluding TD Ameritrade)		15	L2
<i>Significant investments exceeding regulatory thresholds</i>		2	R
<i>Significant investments in Additional Tier 1 Capital</i>		45	
<i>Significant investments not exceeding regulatory thresholds</i>		17	K1
Defined pension benefits		52,749	
Other Assets			
TOTAL ASSETS	1,080,155	1,074,907	
LIABILITIES AND EQUITY⁵			
Trading deposits	63,365	63,365	
Derivatives	80,674	80,674	
Securitization liabilities at fair value	11,564	11,564	
Other financial liabilities designated at fair value through profit or loss	2,751	2,751	
Deposits	672,772	672,772	
Other	178,623	173,375	
Deferred tax liabilities			
Goodwill		21	E3
Intangible assets (excluding mortgage servicing rights)		342	F2
Defined benefit pension fund assets		-	K2
Other deferred tax liabilities (Cash flow hedges and other DTL's)		1,271	
Other DTA/DTL adjustments ⁴		(1,283)	
Gains and losses due to changes in own credit risk on fair value liabilities		115	J
Liability for Preferred Shares			
Capital instruments issued by subsidiaries and held by third parties		18	T2
Instruments not allowed for regulatory capital subject to phase out		15	
Other liabilities		172,876	
Subordinated notes and debentures	7,777	7,777	
Regulatory capital amortization of maturing debentures		-	
Directly issued capital instruments subject to phase out from Tier 2		5,927	S
Capital instruments issued by subsidiaries and held by third parties-Tier 2		189	T1
Capital instruments not allowed for regulatory capital		1,661	
Liabilities	1,017,526	1,012,278	
Common Shares	19,948	19,948	A1
Preferred Shares	2,700	2,700	
Directly issued qualifying Additional Tier 1 instruments		1,500	M
Directly issued capital instruments subject to phase out from Additional Tier 1		1,200	O2
Treasury Shares - Common	(179)	(179)	A2
Treasury Shares - Preferred	(3)	(3)	O4
Contributed Surplus	214	214	
Contributed surplus - Common Shares		213	B
Contributed surplus - Preferred Shares		1	N
Retained Earnings	28,373	28,373	C
Accumulated other comprehensive income	9,956	9,956	D
Cash flow hedges requiring derecognition		1,658	H
Net AOCI included as capital		8,298	
Non-controlling interests in subsidiaries	1,620	1,620	
Portion allowed for regulatory capital (directly issued)		994	O3
Portion allowed for regulatory capital (issued by subsidiaries and held by third parties) subject to phase out		388	P
Portion not allowed for regulatory capital subject to phase out		238	
TOTAL LIABILITIES AND EQUITY	1,080,155	1,074,907	

¹ As per Balance Sheet on page 13.

² Legal entities excluded from the regulatory scope of consolidation included the following insurance subsidiaries: Meloche Monnex Inc. (consolidated), CT Financial Assurance Company, TD Life Insurance Company, TD Reinsurance (Barbados) Inc. and TD Reinsurance (Ireland) Limited which have total assets included in the consolidated Bank of \$5.2 billion and total equity of \$1.7 billion of which \$297 million is deducted from CET1, \$350 million is deducted from additional Tier 1 and \$170 million is deducted from Tier 2 Capital. Cross referenced (L3, Q, V) respectively, to the Capital Position - Basel III Q3 2013 to Q1 2015 on page 72.

³ Cross referenced to the current period on the Capital Position - Basel III Q3 2013 to Q1 2015 on pages 72 and 73.

⁴ This adjustment is related to deferred tax assets/liabilities netted for financial accounting purposes.

⁵ Included in current cap on additional Tier 1 instruments is \$1.7 billion (O1) related to TD Capital Trust IV (no longer consolidated as the Bank is not the primary beneficiary of the trust)