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BY E-APPS

May 19, 2022

Re: Supplemental Response to Request for Additional
Information Regarding Application by The Toronto-
Dominion Bank and its subsidiary Bank Holding
Companies to Acquire First Horizon Corporation

James W. Corkery
Assistant Vice President, Supervision, Regulation, and Credit
Federal Reserve Bank of Philadelphia
Ten Independence Mall
Philadelphia, Pennsylvania 19106

Dear Mr. Corkery:

On behalf of The Toronto-Dominion Bank ("TDB") and its subsidiary bank holding companies, TD Group US Holdings LLC ("TDGUS") and TD Bank US Holding Company ("TDBUSH" and, together with TDB and TDGUS, "TD" or the "Applicant"), enclosed please find a supplemental response (the "Supplemental Response Submission") to the letter dated April 19, 2022, from Federal Reserve Bank of Philadelphia ("Reserve Bank"), requesting additional information on the application by the Applicant to acquire First Horizon Corporation ("FHN") and its subsidiary bank, First Horizon Bank, Memphis, Tennessee, through the merger of FHN with a subsidiary of TDBUSH, pursuant to Section 3(a) of the Bank Holding Company Act of 1956, as amended (the "BHC Act"), and Sections 225.11 and 225.15 of Regulation Y thereunder.

The Supplemental Response Submission is divided into a non-confidential portion and a confidential portion. For the confidential portion, which has been marked "Confidential Treatment Requested," Applicant respectfully requests confidential treatment pursuant to the Freedom of Information Act, 5 U.S.C. § 552(b), and the Board of Governors of the Federal Reserve System's ("Board") regulations thereunder, 12 C.F.R. Part 261 (collectively, "FOIA"), on the grounds that the information contained in the confidential portion has been actually and customarily kept confidential by the Applicant and, where relevant, FHN, and this information is being provided to the Board and the Reserve Bank under an assurance and expectation of privacy.¹ Disclosure of this information would reveal

¹ *Food Mktg. Inst. v. Argus Leader Media*, 139 S. Ct. 2356, 2363 and 2366 (2019).

to competitors the internal strategies, transactions, and competitive position of the Applicant and, where relevant, FHN, and would place the Applicant and FHN at a competitive disadvantage with respect to competitors who do not publicly reveal such information. Accordingly, we respectfully request that the confidential portion not be made available for public inspection or copying. In addition, we request that any memoranda, notes, or other writings of any kind whatsoever by an employee, agent, or other person under the control of the Board or the Reserve Bank that incorporate, include, or relate to any of the matters referred to in the confidential portion not be made part of any public record and not be disclosed to any person.

In the event of a FOIA request, we respectfully request notice of such request, as well as a reasonable period of time to respond prior to any release of materials by Board staff or Reserve Bank staff. This request for notice and an opportunity to respond also extends in the case of any part of the confidential portion (including any such memoranda, notes, or other writings by Board staff or Reserve Bank staff) being the subject of a FOIA request or a request or demand for disclosure by any governmental agency, Congressional office or committee, court, or grand jury.

* * *

If you have any questions regarding this Application, please contact me, Lee Meyerson (lmeyerson@stblaw.com) or Spencer Sloan (spencer.sloan@stblaw.com).

Very truly yours,

Adam J. Cohen

Adam J. Cohen

Enclosures

cc: Ms. Alison M. Thro
Board – Legal

Ms. Christina Vito
Mr. Eddy Hsiao
Reserve Bank

Ms. Ellen Glaessner
TD

Mr. Stephen Salley
Mr. Patrick Lynch
Mr. Bradford Olson
Sullivan & Cromwell

SUPPLEMENTAL RESPONSE SUBMISSION OF THE TORONTO-DOMINION BANK

and its subsidiary bank holding companies

to the

REQUEST FOR ADDITIONAL INFORMATION OF APRIL 19, 2022

from the

FEDERAL RESERVE BANK OF PHILADELPHIA

relating to the proposal to acquire

FIRST HORIZON CORPORATION

May 19, 2022

**Supplemental Submission in Response to the Request for Information dated April 19, 2022
 (“Response Submission”)¹
 May 19, 2022**

Each item contained in the Request for Information dated April 19, 2022 is repeated below, followed by TD’s response.

- 1. Provide revised pro forma financial statements for TDGUS (parent-only balance sheet and consolidated balance sheet and capital ratios), TDBUSH (parent-only balance sheet), and TD Bank, National Association (“TD Bank”), Wilmington, Delaware (balance sheet and capital ratios), for the most recent quarter-end. Include detailed explanatory footnotes.**

For the information requested by this Question 1, please see Confidential Exhibit A to this Response Submission.

- 2. Provide the calculation of the pro forma goodwill resulting from the proposed transaction. Discuss in detail how each line item in the goodwill calculation was determined.**

For the information requested by this Question 2, please see Confidential Exhibit B to this Response Submission.

- 3. Provide actual and pro forma asset quality ratios (the classified ratio and the nonperforming assets ratio) for TDGUS on a consolidated basis and the resultant merged bank as of the most recent quarter end. The numerator and denominator of each calculated ratio must be as of the same date. The asset quality ratios should be calculated as follows, with supporting details of the calculations:**
 - a. Provide two separate elements: (i) internally classified assets, comprised of the separate categories of substandard, doubtful, and loss (with relevant components of other real estate owned (“OREO”) separately identified in each category), and (ii) nonperforming assets, comprised of nonaccrual loans, all restructured loans, and OREO.**
 - b. Provide a breakdown of each category (for example, commercial real estate, oil and gas, consumer loans) of internally classified assets and nonperforming assets.**
 - c. For the classified assets ratio, the level of classified assets should be compared to the total amount of tier 1 capital and allowance for loan loss reserves.**

¹ Capitalized terms used but not defined herein have the meanings set forth in the Application to the Board of Governors of the Federal Reserve System pursuant to Section 3 of the Bank Holding Company Act, dated March 21, 2022, relating to TD’s proposed acquisition of First Horizon Corporation (the “Application”).

- d. For the nonperforming assets ratio, the level of nonperforming assets should be compared to the total equity capital (common stock, perpetual preferred stock, surplus, retained earnings accumulated other comprehensive income) and the allowance for loan loss reserves.**

For the information requested by this Question 3, please see Confidential Exhibit C to this Response Submission.

- 4. Provide actual and pro forma loan loss reserve coverage ratios for TDGUS on a consolidated basis and the resultant merged bank as of the most recent quarter end. The coverage ratios should be calculated as follows, with supporting details of the calculations:**
 - a. For the consolidated applicant, for the numerator use the total allowance for loan loss reserves and for the denominator use nonaccrual loans and loans past due more than 90 days.**
 - b. For the target bank, and/or the resultant merged bank, for the numerator use the total allowance for loan loss reserves and for the denominator use nonaccrual loans.**

For the information requested by this Question 4, please see Confidential Exhibit D to this Response Submission.

- 5. Provide the parent-only balance sheet for each of the Applicants that reflects the accounting entries for the payment of funds for the purchase of common stock from the First Horizon shareholders.**

For the information requested by this Question 5, please see Confidential Exhibit E to this Response Submission.

- 17. Identify TDB's and First Horizon's products or services and lines of business in which TDB and First Horizon compete. For each product/service and line of business:**
 - a. Provide a measure of TDB's and First Horizon's (a) volume and (b) market share in 2020 and 2021.²**
 - b. Identify major competitors and provide these competitors' volume and market share in 2020 and 2021.**

As noted in the response submission dated April 29, 2022, the national market for commercial banking products and services includes a significant number of major competitors whose volumes and market shares far exceed those of TD and FHN, individually or in the aggregate. The market is extremely competitive, and the sheer number and size of banks and other non-bank

² TD understands that the Board has clarified that the information requested in response to this Item 17 should be limited to information relating to commercial banking products and service lines of business.

financial services companies in this market ensures that the industry will remain highly competitive following the Proposed Transaction.

For additional information on commercial loan volumes of each of TDB and First Horizon requested by this item, please see Confidential Exhibit F to this Response Submission.