



■ **TD Execution Services Limited**

MIFIDPRU Disclosure Report 2025

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Investment Firm Prudential Regime Disclosure Requirements

Main Disclosure Requirements	Reference To MIFIDPRU Rules	Pages
Scope of disclosure requirements	<i>MIFIDPRU 8.1</i>	4
Risk management objectives and policies	<i>MIFIDPRU 8.2</i>	5-7
Governance	<i>MIFIDPRU 8.3</i>	11
Own funds	<i>MIFIDPRU 8.4</i>	8-10
Own funds requirement	<i>MIFIDPRU 8.5</i>	10

Overview

1.1 Introduction

This report sets out the mandatory disclosures in accordance with the Financial Conduct Authority ("FCA") MIFIDPRU 8 standards for TD Execution Services Limited ("TDESL" or "the firm").

1.1.1 Background

The Investment Firms Prudential Regime ("IFPR") sets out requirements for investment firms to disclose additional information relating to their risk management approach, capital adequacy, remuneration approaches and governance arrangements. The disclosures aim to encourage market discipline by developing a set of disclosure requirements which will allow market participants to assess respective information on the firm.

This information is known as the firm's "MIFIDPRU Disclosures" and is intended to contain an overview of the following:

- Risk management objectives
- Internal governance arrangements
- Own Funds and Own Funds Requirements

The firm's remuneration disclosures are separately reported, but available in the same location as this MIFIDPRU Disclosure Report.

1.1.2 Location and Verification

The MIFIDPRU Disclosures have been reviewed and approved by the firm's Board of Directors. These disclosures will be published on the Company's public website: <https://www.tdsecurities.com/ca/en/legal>

1.2 Scope and Frequency of Disclosures

1.2.1 Scope

The disclosures are made in respect of TDESL for the financial year ended 31 October 2025. TDESL is a non- small non-interconnected ("non-SNI") MIFIDPRU Investment Firm regulated by the FCA.

1.2.2 Frequency

In accordance with MIFIDPRU 8.1.7, the disclosures are made on an individual basis and published on an annual basis or more frequently if the business were to undergo significant changes in business model.

The disclosures have been prepared as required under FCA MIFIDPRU 8 standards and for no other purpose. They do not constitute any form of financial statement and should not be solely relied upon in making any judgement about the firm.

1.3 Company Description

TDESL is a wholly owned subsidiary of its immediate parent, Toronto Dominion International Pte. Ltd. (Singapore) and the ultimate parent company, the Toronto Dominion Bank (Canada) respectively. The principal activities of the firm are:

- The provision of global algorithmic, electronic trading and sales trading execution services, and research sales to institutional and wholesale clients.
- The provision of Research Payment Account ("RPA") administration services under the service mark of Westminster RPA.
- The operation of a facilitation trading book, focused on facilitating incoming client requests or positioning inventory in anticipation of client demand.

1.3.1 Major Changes

Change in accounting year-end

The Company shortened its reporting period to the ten-month ended 31 October 2025, which it will use going forward to align its accounting reference date with the fiscal reference date of the ultimate parent, TD Bank Group.

Risk Management Objectives and Policies

In accordance with the Transitional Provisions in MIFIDPRU TP12.6, the firm is required to disclose the information about its risk management objectives and policies under MIFIDPRU 8.2.

2.1. Risk Management Framework

The Board has overall accountability for the management of risk within the firm. This includes determining the risk appetite, which sets out the nature and extent of the principal risks it is willing to take in achieving its objectives and defining the standards and expectations that drive the firm's risk culture.

TDESL has a proactive risk management approach and combines the experience and specialized knowledge of individual Businesses, and governance, risk, and oversight functions ("Oversight Functions"). It is based on enabling TDESL's businesses to understand their risks and develop the policies, processes and controls required to manage these risks appropriately in line with the Bank's strategy and risk appetite.

The firm has an established Enterprise Risk Framework (ERF) that addresses these responsibilities. It sets the direction of how TDESL manages risk, which is reinforced by detailed risk-specific frameworks. The TDESL ERF aligns to the TDBG ERF and should be read in conjunction with the following key policies and frameworks:

- TDBG Risk Appetite Governance Framework
- TDBG Internal Control Policy
- TDBG Enterprise Framework and Policy Governance Standard

The framework has the following core elements:

- Risk Definition (including Risk Inventory and Risk-Specific Frameworks)
- Risk Appetite
- Risk Governance & Organisation (including Risk Culture, Risk Management Principles, Lines of Defence, and Risk Organisational Structure)
- Risk Management (including processes & tools for risk identification, assessment, monitoring, and reporting of risk, and risk culture)

The framework establishes the following risk management requirements:

- Identifies, measures, manages, monitors, and reports on the harms to the firm, the clients and the market.
- Monitors performance and risk indicators to ensure that the firm remains within its risk appetite.
- Manages the risk that the firm's conduct may pose harm to the fair outcomes for clients, or to the sound, stable, resilient, and transparent operation of financial markets.

This framework provides the Board with assurance that the firm's risks, including the risks relating to the achievement of the firm's strategic objectives, are understood, and managed in accordance with the appetite and tolerance levels set. It provides the basis for enabling the firm's ongoing assessment, control, monitoring, and reporting of risk management.

TDESL has a robust process of identifying, monitoring, reporting, and controlling risks based on the three lines of defence model. This details responsibility for governance and control, risk management, and internal audit, and clarifies the segregation of duties between those who take on risk, those who control risk and those who provide assurance.

- The First Line of Defence is provided by Risk Owners and Governance & Control teams which are responsible for identifying and assessing risk, designing, and implementing controls, and monitoring and reporting their ongoing effectiveness to safeguard TDESL from exceeding its risk appetite.
- The Second Line of Defence is comprised of Risk Oversight functions. They provide objective oversight of risk management, risk governance and control and is responsible for establishing risk management strategy, policies, and practices.
- Third Line of Defence is provided by Internal Audit which undertakes independent assessments to validate the effectiveness of the first and second lines of defence in fulfilling their mandates and managing risk.

2.2. Principal Risks

To adequately assess the potential harm to the firm, the clients or the market, the firm has adopted a common risk inventory that breaks the principal risks faced by the firm into Major Risk Categories, which comprehensively reflect the risks inherent in TDESL. This section discloses the risk management objectives that fit within the categories of risks addressed by MIFIDPRU 4 (Own Funds Requirements), MIFIDPRU 5 (Concentration Risk) and MIFIDPRU 6 (Liquidity). Own Funds Requirements are presented in Section 4 of this report.

The major risks identified for the firm within the risk inventory and associated mitigants are summarised in the table below.

TD Risk Inventory		
Major Risk Category	Description	Group Mitigant Summary
Strategic Risk	The risk of sub-optimal outcomes (including financial losses or reputational damage) arising from the Bank's strategic choices, ineffective strategic implementation, inadequate responses to strategic disruption (e.g., technological advancements or unforeseen competitive shifts), regulatory shifts, or tail risk exposures (i.e., low probability events that can result in extremely large quantifiable losses, material intervention or action from regulators, and/or significant harm to the TD brand). Strategies span ongoing business operations and inorganic (Mergers & Acquisitions and partnerships) activities.	TDESL operates a focused business model within a competitive market, regularly updating its Board on strategy and performance. The company invests in algorithms and maintains oversight over new product launches through the NBPA process. Risk concentration and revenue streams are actively monitored, with Board approval required for financial forecasts. TDESL's agency-based approach limits exposure to geopolitical and financial risks, while environmental and social risks are mitigated under the broader TDBG ESG Framework.
Credit Risk	The risk of loss if a borrower or counterparty in a transaction fails to meet its agreed payment obligations.	TDESL manages credit and pre-settlement risks through stringent client onboarding assessments and independently set client limits, which are embedded in trading systems. Most transactions settle on a DVP basis, with FoP settlements requiring senior management pre-approval. Regular reporting monitors client limit utilisation and pre-settled exposures. The firm is not materially exposed to credit risks from concentration or credit quality deterioration due to these mitigants.
Market Risk	Trading Market Risk The risk of loss in financial instruments held in trading portfolios due to adverse movements in market factors. These market factors include interest rates, foreign exchange rates, equity prices, commodity prices, credit spreads and their respective volatilities.	TDESL's market risk exposures are tightly governed by the TD Cowen Markets, Market Risk Policy, with UK facilitation limits clearly defined and monitored. The firm does not operate a proprietary risk book, focusing instead on matched principal or agency trading. Risk and P&L reporting systems are in place, and trading authority is restricted to designated employees. Settlement typically occurs in the original currency, with any out-of-currency transactions fully hedged. Overall, TDESL's overnight and FX exposures remain very small, and interest rate risk is limited to overnight funding.
Operational Risk	The risk of loss resulting from inadequate or failed internal processes people and systems or from external events and includes losses related to legal risk events and regulatory fines.	A comprehensive set of key mitigants are in place to reduce and manage TDESL operational risks associated with process, people, insiders and third-parties. TD Technology standards are being applied within TDESL. Mitigants such as access controls, system audits, and robust enterprise data management policies are in place, with independent monitoring and reporting. TDESL benefits from these established technology standards and protocols for operational resilience, business continuity, disaster recovery, and incident management.

Model Risk	The potential for adverse consequences arising from decisions based on incorrect or misused models and their outputs. It can lead to financial loss, reputational risk, or incorrect business and strategic decisions.	TDESL manages its model risk inventory through quarterly attestations, regular reporting, and monitoring, with increasing maturity over time. Model risks, including conceptual design, usage, data, and implementation, are mitigated via validation, comprehensive documentation, change controls, and adherence to TD Group policies and standards. Annual reviews of algorithmic systems are conducted, and no principal risk is taken in products requiring models. Controls such as independent validation and robust data management policies further enhance risk mitigation.
Liquidity Risk	The risk of having insufficient cash or collateral to meet financial obligations and an inability to, in a timely manner, raise funding or monetize assets at a non-distressed price. Financial obligations can arise from deposit withdrawals, debt maturities, commitments to provide credit or liquidity support or the need to pledge additional collateral.	The Firm ensures it has adequate financial resources by maintaining funds in highly liquid assets with reputable multinational banks and holding cash in the entity's functional currency. The Group not only monitors these resources but also has an escalation process in place through intercompany service agreements to provide interim support to TDESL if necessary, ensuring effective oversight and financial stability.
Capital Adequacy Risk	The risk of insufficient level and composition of capital being available in relation to the amount of capital required to carry out the Bank's strategy and/or satisfy regulatory and internal capital adequacy requirements under normal and stress conditions.	The firm upholds a robust capital adequacy framework by maintaining a healthy capital ratio and buffer, which is closely monitored and enforced daily. A significant capital surplus is regularly discussed in monthly management meetings, with clear escalation procedures in place for threshold breaches via red and amber alerts. Comprehensive ICARA documentation confirms that surplus capital is maintained over a three-year horizon, even under stress scenarios, supported by ongoing stress and reverse stress testing for TDESL.
Legal and Regulatory Compliance (including Financial Crime) Risk	The risk associated with the Bank's failure to comply with applicable laws, rules, regulations, prescribed practices (including those required to deter financial crime), contractual obligations, TD's Code of Conduct and Ethics, or standards of fair business conduct or market conduct, which can lead to fines, sanctions, liabilities, or reputational harm that could be material to the Bank.	TDESL actively manages legal and regulatory risks through its RCM Programme, ensuring prompt identification and implementation of new requirements. Market integrity and consumer risks are addressed via robust surveillance measures. Financial crime risks, such as money laundering and bribery, are mitigated through comprehensive FCRM training, policies, annual risk assessments, and client screening. Legal risks are managed by engaging external counsel when needed and conducting thorough internal reviews of legal documentation, with the firm not offering legal advice to clients.

Key Harms and Risks identified within MIFIDPRU 5 Concentration Risk

Concentration risk is a level 2 category of risk under Credit Risk and Strategic Risk. Credit concentration risk is associated with the firm's exposure to a single name, industry sector, geographic segment, or product. Strategic concentration involves TDESL's strategies having a concentrated exposure to any business, product or third party. TDESL acknowledges that there is a risk of concentration of client revenues, brokers, or other counterparties, however this risk is factored into the respective risk appetite statement, including Credit and Settlement, Business Strategy and Market risks.

Own Funds

3.1. Own Funds

TDESL's available capital resources are valued for the purposes of meeting minimum capital requirements, according to the IFRS balance sheet value of reserves, and according to the criteria set out in MIFIDPRU 3.

TDESL only holds Common Equity Tier 1 items which incorporate share capital and retained earnings. The firm does not have Additional Tier 1 or Tier 2 instruments.

Further detail of the Common Equity Tier 1 items can be observed in Table 1 below, reconciliation to the balance sheet in Table 2, and the main features in Table 3.

Table 1: Composition of regulatory own funds

Composition of regulatory own funds		
Item	Amount (GBP thousands)	Source based on reference numbers/letters of the balance sheet in the audited financial statements
1 OWN FUNDS	33,501	Page 17
2 TIER 1 CAPITAL	33,501	Page 17
3 COMMON EQUITY TIER 1 CAPITAL	33,501	Page 17
4 Fully paid-up capital instruments	7,650	Page 17 and Note 12
5 Share premium	-	
6 Retained earnings	9,698	Page 18
7 Accumulated other comprehensive income	-	
8 Other reserves	18,166	Page 18 and Note 12
9 Adjustments to CET1 due to prudential filters	-	
10 Other funds	-	
11 (-)TOTAL DEDUCTIONS FROM COMMON EQUITY TIER ¹	(2,013)	Note 6 and Note 12
19 CET1: Other capital elements, deductions and adjustments	-	
20 ADDITIONAL TIER 1 CAPITAL	-	
25 TIER 2 CAPITAL	-	

Other reserves, as disclosed in line 8, comprise of an equity contribution from the Parent Company, totalling GBP 17.3 million (2024: GBP 17.3 million). The total deductions from CET1, noted in line 11, primarily relate to the deduction associated with the deferred tax asset recorded on the balance sheet.

Table 2: Reconciliation of regulatory own funds to the balance sheet

Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statements			
	A	B	C
	Balance sheet as in published/ audited financial statements	Under regulatory scope of consolidation	Cross reference to Table 1 - Own Funds
	As at 31st October 2025	As at 31st October 2025	
Assets - Breakdown by asset classes according to the balance sheet in the audited financial statements			
1 Fixed Assets:			
2 Tangible assets	968		
3 Prepayments and accrued income	121		
4 Intangible assets	-		
5 Current Assets:			
6 Debtors	8,054		
7 Loans and other assets	-		
8 Investments	-		
9 Cash and cash equivalents	45,868		
Total Assets*	55,011		
Liabilities - Breakdown by liability classes according to the balance sheet in the audited financial statements			
10 Creditors	19,497		
Total Liabilities	19,497		
Shareholders' Equity			
12 Called up share capital	7,650	7,650	4
13 Other reserves	18,166	18,166	8
14 Accumulated retained earnings	9,698	9,698	6
15 Less deductions	-	(2,013)	11
Total Shareholders' equity	35,514	33,501	1

Table 3: Features of own instruments

Own funds: main features of own instruments issued by the firm	
Item referenced in the Audited Financial statements	Feature of Own Fund Instrument
Share Capital	
Amount recognised in regulatory capital:	£ 7,650,000
Instrument Type:	Ordinary shares
Nominal amount of instrument:	£ 7,375,000
Issue price:	£ 0.50
Accounting classification:	Ordinary Share capital
Instrument Type:	Class A shares
Nominal amount of instrument:	£ 275,000
Issue price:	£1.00
Accounting classification:	Ordinary share capital

Own Funds Requirement

4.1. Own Funds Requirement

In accordance with MIFIDPRU 4.3.2, the firm is required to maintain own funds that are always at least equal to its Own Funds Requirement.

The Own Funds Requirement is the greater of:

Table 4: Own Funds Requirement

As at 31 October 2025		
1. Permanent Minimum Requirement ("PMR")		GBP 0.75 MM
2. Fixed Overhead Requirement ("FOR")		GBP 9.8 MM
3. K-Factor requirement		GBP 1.2 MM
Sum of	<i>K-AUM, K-CMH and K-ASA</i>	<i>GBP 0</i>
Sum of	<i>K-COH and K-DTF</i>	<i>GBP 519k</i>
Sum of	<i>K-NPR, K-CMG, K-TCD and K-CON</i>	<i>GBP 683k</i>
Own Funds Requirement		GBP 9.8 MM

TDESL had a significant surplus of Own Funds over Own Funds Requirement throughout the year with a surplus of circa. GBP 21 MM. As at the financial year-end date of 31 October 2025, with the inclusion of the FY 2025 audited profit and new Fixed Overhead Requirement (as presented Table 4), the surplus elevated to GBP 24 MM.

4.2. Adequacy of Own Funds

In accordance to the Overall Financial Adequacy Rule ("OFAR"), the firm must at all times, hold own funds and liquid assets which are adequate, both as to their amount and their quality, to ensure that:

- the firm is able to remain financially viable throughout the economic cycle, with the ability to address any material potential harm that may result from its ongoing activities; and
- the firm's business can be wound down in an orderly manner, minimising harm to consumers or to other market participants.

An assessment is carried out as part of the Internal Capital Adequacy and Risk Assessment ("ICARA"). The firm calculates its own internal risk assessment of ongoing activities by identifying all risks and considering their materiality, including those that are not captured under the defined K-Factor requirements. The higher of the internal risk assessment and the funds required for an orderly winddown is used as the Own Funds Threshold Requirement and Liquid Assets Threshold Requirement which the firm is required to hold at any point in time to comply with the OFAR.

The ICARA assessment is produced annually or more frequently, if a there has been a material change to the business model.

The internal risk assessment, once approved, is monitored monthly as an integral part of the Risk Management Framework. The Executive Risk Committee considers all risks that could change through the financial year.

Governance

The firm's Board and Senior Management believes that the existing departmental structure ensures effective and prudent management of the firm, including the segregation of duties, and the prevention of conflicts of interest, and in a manner that promotes the integrity of the market and the interests of the firm's clients. The governance structure is deemed proportionate to the firm's size, complexity and activities.

The firm's Board defines, oversees and is accountable for the implementation of governance arrangements that ensure the effective and prudent management of the firm, including the segregation of duties in the organisation and the prevention of conflicts of interest, and in a manner that promotes the integrity of the market and the interests of the Firm's clients (in terms of SYSC4.3).

This includes:

- Approving and overseeing implementation of the firm's strategic objectives, risk strategy, and internal governance;
- Ensuring the integrity of the firm's accounting and financial reporting systems, including financial and operational controls and compliance with regulatory requirements.
- Oversight of disclosures and communications; and
- Oversight of senior management.

The below table sets out the directorships held by Board members outside of TD Bank Group:

Director	Number of executive directorships	Number of non-executive directorships
Lucy Izzard	0	1
Joe Banks	1	0
Michael Page	0	0
Stephen Souchon	0	0
Carl Hayes	1	0
Saiyeh Jawanmardi	0	0

The firm's Diversity and Inclusion Policy sets out a commitment to creating an environment that ensures that everyone is treated with fairness, dignity, and respect. Gender pay is also an important metric for the firm. The firm continues to work to improve the associated monitoring, developing real-time metrics and a more robust grading structure to improve these metrics. The TDESL Board approved the Board Diversity Policy in September 2025 which included a measurable objective that there is at least 40% representation of women on the Board, which continues to be worked towards. The Board shall take opportunities to balance the number of male and female Board Directors where that is consistent with other skills and diversity requirements. Another measurable target set by the Board is that at least one of the executive board director positions shall be a woman.

These activities, supported by the Board and Senior Management, ensure that inclusion is being considered and discussed in decision making and as part of ongoing business processes. The firm continues to build on the foundations of everyday inclusion through further training, development of policies and practices, in conjunction with further embedding of an inclusive culture for all employees.

The firm has established an Audit and Risk Committee which complies with the requirements of MIFIDPRU 7.3.1. The members are Stephen Souchon, Independent Non-Executive Chair, and Lucy Izzard, Director. The purpose of the Committee is to assist the Board in fulfilling its governance and oversight responsibilities in relation to internal and external audit functions, financial reporting, the internal control framework, legal matters having a material impact on the financial statements and the management of risk within TDESL, and, on any other matters as directed by the Board.