RBC CAPITAL MARKETS CANADIAN BANK CEO CONFERENCE JANUARY 9, 2023

DISCLAIMER

FORWARD-LOOKING INFORMATION

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 ("2022 MD&A") in the Bank's 2022 Annual Report under the heading "Economic Summary and Outlook", under the headings "Key Priorities for 2023" 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 "2022 Accomplishments and Focus for 2023" for the Corporate segment, and in other statements regarding the Bank's objectives and priorities for 2023 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 are typically identified by words such as "will", "would", "should", "believe", "expect", "anticipate", "intend", "estimate", "plan", "goal", "target", "may", and "could".

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; the economic, financial, and other impacts of pandemics, including the COVID-19 pandemic; the ability of the Bank to execute on long-term strategies and shorter-term key strategic priorities, including the successful completion of acquisitions and dispositions, business retention plans, and strategic plans; technology and cyber security risk (including cyber-attacks, data security breaches or technology failures) on the Bank's information technology, internet, network access or other voice or data communications systems or services; model risk; fraud activity; 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-party service providers; the impact of new and changes to, or application of, current laws and regulations, including without limitation tax laws, capital guidelines and liquidity regulatory guidance; regulatory oversight and compliance risk; increased competition from incumbents and new entrants (including Fintechs and big technology competitors); shifts in consumer attitudes and disruptive technology; 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; 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; existing and potential international debt crises; environmental and social risk (including climate change); 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 2022 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 Acquisitions" or "Significant Events and Pending Acquisitions" 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 2022 MD&A under the heading "Economic Summary and Outlook", under the headings "Key Priorities for 2023" 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 "2022 Accomplishments and Focus for 2023" 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 securities legislation

PARTICIPANTS

Bharat Masrani
TD Bank Group – Group President and CEO

Darko Mihelic
RBC Capital Markets – Analyst

PRESENTATION

Darko Mihelic – RBC Capital Markets – Analyst

Thank you for joining us today.

Bharat Masrani – TD – Group President and CEO

Great to be here, Darko, as usual.

Darko Mihelic – RBC Capital Markets – Analyst

So before we begin, I'm just going to remind everybody that Bharat's comments today may include forward-looking statements. Actual results could differ materially from forecasts, projections or conclusions in these statements. Listeners can find additional details in the public filings of TD Bank Group.

Darko Mihelic – RBC Capital Markets – Analyst

The topic of the day has been capital with the changes in the DSB regime and in your situation, we have the closing of a couple of acquisitions coming up. Maybe we can talk about how that might impact your capital position and whether or not you see the need for raising equity here, or maybe potentially if the DSB is raised later on this summer.

Bharat Masrani – TD – Group President and CEO

We closed off our year at 16.2% Tier 1 capital and when we talked about post acquisitions, we said we expect to be comfortably above 11% after closing both the transactions and we feel that we have enough capital levers. Some of it is well known, things like invoking the DRIP discount. We've also talked about optimizing RWAs through our investment portfolio. We have structures out there like our Evergreen credit card ABS. The Cowen acquisition, we pre-funded it essentially through equity by selling a bit of our Schwab stake. When you look at it, those are some of the examples of capital levers that we have. We feel pretty comfortable with our capital position. Traditionally, the bank's history is prudent capital management that's been part of our brand and part of our hallmark at TD so I feel comfortable where we are on capital. We generate good excess capital, 15 to 20 basis points a quarter. If you do all the math, puts and takes here or there, I feel comfortable as to where TD is placed.

Darko Mihelic – RBC Capital Markets – Analyst

And that's irrespective of whether we go to the upper end of the DSB this summer?

Bharat Masrani – TD – Group President and CEO

DSB is interesting. DSB obviously has an influence as one of the inputs, but it is not the only input. We talked about being comfortably over 11% before DSB was moved so that's how we thought about it at the time. I think with the DSB, if things turn out to be worse than what people are forecasting, and we get into a major slowdown then the way OSFI had signaled this is that they would drop it, if that is how things turn out from an economic perspective. We'll see how things turn out. But I think overall, we feel comfortable based on our own situation on how we are forecasting the next year to play out.

Last quarter end, I talked about where we feel earnings will come out for the current fiscal year if you add the two acquisitions, the profitability from those, if you look at interest rate tailwind and you annualize some of the rate increases as to what it does to TD given the type of businesses we are in, and you look at some of the volume growth, particularly in areas such as credit cards, where we are geared more towards luxury and travel, which has come back quite smartly post the pandemic. Now things could change quite dramatically. If things go sideways in the economy, then of course, it might be more difficult. But with all those things working out, we feel comfortable that we could be well within our earnings target growth of 7% to 10%, and there's a chance we might exceed it. If you add all those numbers up, and you say, well where does the DSB go? Well, wherever it goes, it will go, but we think we have a lot of levers to manage around it.

Darko Mihelic – RBC Capital Markets – Analyst

You mentioned the DRIP, your organic capital. You didn't mention the Basel reforms or Basel IV. How is that going to affect the year for TD? Is that a factor we should think about as well?

Bharat Masrani – TD – Group President and CEO

I'll say the headline on Basel IV is a manageable situation for us, but there are various moving parts on that. Operational risk under Basel III and now Basel IV, that's going to probably be a negative item for us because retail revenues would be viewed similarly to other types of revenues, and we have a large retail base. There will be a positive on the credit risk side because a lot of the advanced approaches would apply. Probably slightly negative on the market risk side depending on the fundamental review of trading books as to how exactly and when that gets invoked. But on the other hand, there might be a positive on our Schwab stake. And then the somewhat unknown, and we are doing a lot of modeling on this, is the variability that will come from First Horizon. But the reason I give you all those headlines is, it tells you how many moving parts there are and as to how that would work out. But overall, we've done a lot of work on this. We think it's a very manageable situation for us.

Darko Mihelic – RBC Capital Markets – Analyst

So in the end, it doesn't sound like much has changed, sort of business as usual over at TD. And managing capital going forward now with a wide DSB range, does it necessarily say to us that from an acquisition point of view, future acquisitions are facing a higher hurdle rate now with a higher capital requirement? Does it change your appetite for what you would look at given that you're getting Cowen? Would you, for example, say, we don't need to acquire any more in capital markets because of the capital constraint or so on and so forth? Just trying to dig into whether or not this sort of change in regime, so to speak, on the capital front changes anything for your capital deployment going forward.

Bharat Masrani – TD – Group President and CEO

I think, of course, regime matters, but it is important for us, and I think I've been saying this for a few years, is we think of capital deployment in a particular way, which has been consistent, and I don't think changes. It starts with, do we have enough capital to support our organic strategy? It's critically important to us. And the answer is yes. Do we have any capability gaps that we may have to use capital either to invest or to buy because we want to fill that capability gap out? Do we have enough capital from an opportunistic perspective should a compelling opportunity come up? I think Aeroplan is a good example in our history here where there was a bit of a surprise. It came up and we were there because we had not only the capability, but the capital to take advantage of that. It's turned out to be a terrific situation for TD given where we've come along in that business.

We go through that framework and say at the end, do we have any major acquisition aspirations in the market because we might have to grow certain sectors or not? And if all those turn out to be and there's no opportunity, we would buy back our shares. That's how we've been thinking about it. Has that changed in a dramatic fashion? Of course, I don't want to underestimate the capital regime, the economy and the state of the environment, there's a lot of influence in each of those components. So yes, the capital environment has an influence. But generally, we've been talking about how we manage the bank through any cycle and capital discipline and capital prudency has been a core part of how we think of the bank and that has not changed.

Now regarding future acquisitions, both the acquisitions that we announced and I said it when we announced them, they met our four criteria we look at. Number one, was it strategically compelling? Both in First Horizon and Cowen, I can say yes. Was it financially attractive? Both these transactions were financially attractive. Were they within our risk appetite? I think time has shown that, yes, they were within our risk appetite, and they have continued to be within our risk appetite. And #4, critically important to us, are they culturally aligned? So Darko, even with all the clouds regarding the economy and capital regime, if another situation were to come up that hit all those four criteria, of course we would look at it seriously because those don't happen very frequently that you meet all your criteria. Unlikely we do anything until we close these transactions and feel comfortable, but never is a long time.

Darko Mihelic – RBC Capital Markets – Analyst

Okay. Fair enough. You mentioned it, so we're all curious, closing. Is there any update you can give us on Cowen or First Horizon, on your expectations on closing? Or any other update you can provide given the environment that we're in?

Bharat Masrani – TD – Group President and CEO

On First Horizon, there were certain aspects that needed to be done. The First Horizon shareholders had to vote on the transaction. That did take place and folks who decided to vote, 99% of them decided to vote in favor and that was great. There was a public meeting organized by the regulators and that went pretty well. I think there was a lot of support among the community groups with TD's application as to how

TD is viewed in the markets in which we operate in the United States so that was very good. Another aspect in the U.S. that has become pretty common is agreeing on a community benefit agreement and we are negotiating with the various groups that are stakeholders and that part of our arrangements is going pretty well. We haven't signed one yet, but it's going pretty well, and I expect us to get there. And the final one is the regulatory approvals by the major agencies in the United States. Now that is an unknown, in the U.S., the latest deals seem to take longer than what they used to. One deal that was approved took 14 or 15 months. Another deal was announced approximately 2 to 3 months before our deal got announced and we are about 9 or 10 months into ours, end of February is when we announced First Horizon, but the deal that was announced 2 or 3 months before ours has not yet been approved. Given all that, last quarter, I said that instead of our original expectation of closing within the first fiscal quarter of this year, it will be the first fiscal half, which seems to be appropriate given all the other stuff that's been going on. That's our expectation on when that gets done.

On Cowen, again, the shareholder approval -- Cowen shareholders approved it, and again, it was 99% of people who voted. A couple of approvals are already in hand and so what we are expecting is the first calendar quarter of this year to close.

And so that's our expectation on both these transactions.

Darko Mihelic – RBC Capital Markets – Analyst

That's helpful. Maybe switching gears a little bit, talking about Canada's situation with housing, price declines, large increases in mortgage payments for a cohort. You have a large mortgage book in Canada. Maybe you can walk us through how you view the vulnerability in the sense, how much of your book faces increased trigger payments? How many of them will be facing a significantly higher payment this year and next and are we worried as in how big of a part of your mortgage book is facing what I would consider a difficult situation of 30% or higher increase in mortgage payment?

Bharat Masrani – TD – Group President and CEO

I know there's lots of discussion on this. I think the few people before me talked about this as well. It's a common theme, and to be expected given the environment we are in. We've not seen rates go up at this pace and by this much over the recent past and so obviously, it's the right topic to be focused on. But I think it's important to keep it in perspective. When you look back many, many years as to what's been the experience on Canadian mortgages through very difficult periods and you look back -- at least from a TD perspective, if you look at our historical situation on Canadian mortgages, I'm not even talking of losses, I'm talking about impaired formations, it's been in the low single-digit basis points. Historically, if I'm looking at multiple years here, and you say, why is that? Why does this asset class behave so well?

This year, I think everybody saw that nearly 0.5 million new immigrants entered Canada. In Canada, we build new homes to the tune of 200,000 to 250,000 a year, so every year, there's a chronic supply problem that gets worse. Even if magically, we flick a switch and all of a sudden, supply of new homes goes up to 0.5 million, think of the backlog that has to be cleared. You start with the premise as to what are the fundamentals of this business and then from a TD perspective, we are a huge scale player, but a vanilla player. We are not an alternative mortgage player. We don't play on the margins. We are not a subprime mortgage provider. Less than 1% of TD's mortgages are uninsured, have a bureau score of less than 650, and where loan-to-value is over 75%. So that's from a basic quality perspective of the book.

Then you say from a macro perspective, our estimate is through this rate cycle and probably more to come, that approximately there has been an increase in mortgage payments of $200 to $600 per month if you look at it from a modeling perspective. Against that you have these excess savings that have been built up through the pandemic to the tune of 30% of excess deposits still compared to pre-pandemic levels. So you're looking at a long period before all those things get exhausted until when you say, oh my God, there might be a big problem. And even when you get there, you'd have to think that somebody has lost their job and loan-to-value is over 100% before you start seeing major problems. So you say, all right, what scenario can you see where loan-to-value is over 100% for a bank like TD that is not in the subprime mortgage business or alternative mortgage business, where somebody has lost their job and excess deposits have been run off and they don't have other levers to pull back on expenses. There are a lot of scenarios at play, I'm just trying to give you a perspective as to how I'm thinking about this business.

Can there be a bump? Of course, we are in that business and we manage that. And that's why every quarter, you ask Ajai and he says, yes, of course, Darko, I am building this, and as he should. But historically, this is how this asset class has behaved and so do I see a dramatic shift in the behavior? I don't. Do I see a bump? Of course, I do. I shouldn't be paid what I'm paid if we can't manage through bumps. That's how we are looking at it. It's a great business to be in. It's a great asset class. And final point is that, in our case, we've taken lots of questions from a lot of our analysts, including you, Darko. I think it was 6 or 8 months ago, you had asked how come we are not growing as much as the others? Well, we are consistent underwriters through the cycle. That's how we manage this business, and that's been the historical record for us in that business and so we feel comfortable with the quality of our mortgage book, how the asset class has behaved historically, how we see the future playing out, and the support that is there against this asset with excess savings.

Darko Mihelic – RBC Capital Markets – Analyst

The mortgage asset class, we've covered that. The next segue this takes me is, when I look at what you guys use for your forward-looking indicators, it doesn't look that bad. Your unemployment rate base case scenario goes up a little bit in 2023. And yet what I'm hearing is mortgage payments have risen and that they might dip into their excess deposits. It sounds like there could be a drag in the economy. So, we won't have any defaults in mortgages, but we'll have a drag on the economy. How do I think about your forward-looking indicators not necessarily showing a recession or not necessarily showing any sort of bumps or bruises? How do I think then about your reserves that are on balance sheet relative to what I view as relatively okay forward-looking indicators and many people in this crowd think there's a recession coming?

Bharat Masrani – TD – Group President and CEO

I'm not suggesting there's a 100% chance there's no recession. When rates go up so much, is there a slowdown to be expected? Yes. But on the other hand, the job market has been remarkably strong and continues to be strong and I think one aspect that I'm sure history will write a lot of books on, is the impact on the economy post pandemic. With such an event and with the level of fiscal stimulus and monetary easing that took place, how long does it take for that to play out? I think time will tell. Am I saying for sure that this is going to be just a benign environment? No, absolutely not. And that's why everybody is looking at what happens. But the part to watch is employment and if you want to look at losses, that's the indicator as to what's going to go on.

Now each of these asset classes have nuances and I talked about supply of housing. Even if we don't get into a recession, much slower growth is going to feel like a recession. I'm sure there are a lot of sectors right now, I talk to a lot of clients, where they are feeling they're already in a recession, so I don't want to undermine the environment here but is it going to be a deep recession like what we had post the global financial crisis for a while? Around the world, I'm talking, perhaps in Canada we do not feel it as much. It'd be more of an interest rate caused recession and if you want to look at what modeling is out there and ask, would there be a slowdown? Of course, there's going to be a slowdown and all of us are prepared for that and managing through it and frankly, our modeling is showing that that's how we will manage the bank through it. But are we seeing a depression here? We don't see that.

Darko Mihelic – RBC Capital Markets – Analyst

One of the tailwinds you've had at your bank has been net interest margin expansion and fairly strong NII growth. In fact, when I look at consensus estimates, it looks like you've got very high growth expectations for this year in a year where PCLs are normalizing, in other words, rising so in that environment, are we getting carried away with net interest income growth for TD? What's your view on that? Is that going to be the big swing factor on EPS this year? Are NIMs peaking? How should I think about your net interest income growth? And I'm going to say, excluding the acquisitions.

Bharat Masrani – TD – Group President and CEO

Firstly, folks might feel that we position the bank to be interest rate sensitive, that that is the core objective of the strategy. I think the important thing to note is we are interest rate sensitive as an outcome of the strategy we run at the bank. We are a huge, what I'd call, noninterest-rate-sensitive deposit gatherer. What does that mean? Huge checking bank, huge transactions, and huge accounts bank. The outcome of that, it makes us on the deposit side more interest rate sensitive because those are non-rate-sensitive deposits and when rates go up, beta on that is zero, and therefore, your margins expand and that's the outcome of the strategy that we run, and I think it is important to clarify that. This is not, 'let's position the bank because Bharat has a view as to what rates are going to be', at four o'clock in the morning lightning bolt hits, and here we are. This is how the strategy is designed and how the bank is configured. Rates go up, we benefit because of this strategy, you've seen what that’s done for NII and NIM in the bank and as rates increase even more, who knows, nobody knows exactly what will happen, but margins will benefit from it.

We also have a tailwind on annualizing some of the rate increases from last year so that's a benefit. But you pointed out, what are the offsets against it? Well, the offsets are there might be a slowdown in the economy so volumes might suffer. Mortgages are already slowing down so that is to be expected and, to some extent, welcomed given where we are in the cycle. I don't want to talk about consensus. That's what you folks do for a living. But we feel and I was quite clear with the guidance on earnings growth, given where rates are, annualization of those rates, the acquisitions, you said to ignore acquisitions but assuming that they happen, we're looking at earnings growth of more than our medium-term target. This is forward-looking, so there's no guarantee it's going to happen. Could things turn out to be different? Timing of acquisitions could be different. The economy could turn out to be much more difficult than what we are forecasting. The geopolitical situation might turn out to be uglier than what it already is. A lot of moving parts here but overall, given the strategy we run, we feel that's a core part of our business model, more consistency and predictability on our earnings, and that's the reason I said what I did in December.

Darko Mihelic – RBC Capital Markets – Analyst

The question is, what if rates fall? But I guess that's a back half question.

Bharat Masrani – TD – Group President and CEO

It's a great question and it's interesting because it's not as if our margins go through the floor when rates were zero. It wasn't too long ago, and we were doing quite well then too. It's not as if we don't have experience as to how to manage the bank in a lower rate environment. We've been doing that for the past 12 years. And why is that? Simplistically, the asset sensitivity on rates, again, I'm simplifying, and I want to qualify that. You would think that all the banks are similar in that side like how much fixed rate loans we have versus others. The main difference comes on the deposit side as to what happens on non-rate-sensitive deposit growth versus rate-sensitive deposit growth. So non-rate-sensitive deposit growth, as you know, and Darko, we've talked about it in our earnings call and one-on-one meetings, that we tractor those deposits. When rates fall, by the time they work through our P&L, there's time. It's not an instant thing that you drop away. Whereas when rates go up, it helps you very quickly because not only are the old tractors repriced higher, but your new deposits are priced at a higher level because you're tractoring at a higher level. On your rate-sensitive deposits, your beta works immediately. If rates drop, your deposit rates drop immediately. The pressure on our deposit margins would work through over a few years, whereas on the rate sensitive, it is not a small part of our business, that's an immediate impact, but that's no different than any other bank. It's a long way to describe how the TD deposit book actually works because sometimes it's not well understood, and it's important to clarify that. But I feel that we've shown in a low-rate environment that we are able to manage the bank with consistency and within expectations.

Darko Mihelic – RBC Capital Markets – Analyst

We're running down a little bit on the time. I'm going to ask another question from the audience. But before we do, I have an opportunity here because you're up here and you've got a large credit card book, you talked about Aeroplan, but it's much bigger than that. One of the things that I wanted to ask with you being here, is there's some work on lowering the interchange fee here in Canada and not only is there supposed to be an industry-led solution, the government is suggesting, if they don't like that solution, they'll come up with their own solution. Is there any update you can give us on this process, and can you give us your perspective on a bad outcome, let's say, if interchange fees are dropped significantly, how do you react? What does TD do?

Bharat Masrani – TD – Group President and CEO

Think of the credit card business, there's a business model attached to it, right? The convenience, the credit availability, the fraud management around it, all those aspects create a value proposition for the holder of a credit card. And the rewards, critically important as to what value you're providing to your customer. Attached to that value proposition is a series of costs and revenues. And so, of course, if any component changes here, that value proposition has to change so we'll see how it plays out.

Unfortunately, credit cards have been in the headlines for many years. It's not a new phenomenon. A lot of stakeholders that have a desire for certain costs to go down, but not the benefits to go down. But I think banks generally have managed well on how to adjust their value proposition. We had a change in interchange a few years ago, about 3 years ago or something like that. And people thought, oh my God, the whole situation might change quite dramatically. It didn't because the value proposition adjusted to the new reality. My hope is that we do come up with a sensible solution here. I think some of the objectives laid out make sense for the small businesses. We also want to make sure that our small businesses are addressed in a particular manner and relative to some of the big retailers that might be out there. We'll see how all these things play out but overall, it's a business. Business has cost and revenues attached to it. And if one of those components change, something has to change because that's how the business is run and managed. So I'd expect that to continue.

Darko Mihelic – RBC Capital Markets – Analyst

I guess the concern would be that it would be a rapid drop in the interchange, and therefore, there would be a big change in the business model rather than the previous interchange drops, which were minor. I don't know if you can comment on anything like what they're talking about in terms of the degree of the drop.

Bharat Masrani – TD – Group President and CEO

Hard to talk about specific discussions with various stakeholders here. And let's not forget, this is not just TD or the big banks. You got the networks that are in the middle of it. You've got various other stakeholders, various merchants, different sizes of those merchants that are at play here. You've got the government having a say in it. It's a multiparty situation that is ongoing so time will tell exactly where we end up. But I have confidence that we will come up with a sensible solution here with the definitive view that if you pull one side, something else is going to get impacted, it is not like only one side happens. If it happens, the speed at which something happens, that something else is going to happen at speed as well to offset it. That's how this works. It is a business and businesses work on ensuring that the cost revenue ratios remain within sensible ranges.

Darko Mihelic – RBC Capital Markets – Analyst

I guess I might be able to kiss my points goodbye. Hopefully, I would not have to pay for fraud.

Bharat Masrani – TD – Group President and CEO

Do you have a TD card? Let's see what card you're carrying.

Darko Mihelic – RBC Capital Markets – Analyst

I actually carry a number of cards. We won't reveal which ones.

Bharat Masrani – TD – Group President and CEO

That's a good answer.

Darko Mihelic – RBC Capital Markets – Analyst

So maybe with that, we can finish off the session, Bharat, with handing it over to you and maybe you can provide us with your key messages for investors and shareholders for 2023.

Bharat Masrani – TD – Group President and CEO

Firstly, great to be here, Darko, thanks for asking me. Notwithstanding the unpredictability of the environment, the volatility, high rates, high inflation, risk of a recession, I feel pretty good about TD going forward. If we look at our balance sheet, the size of our business, the scale, the market share we have, the market positioning we have in various markets, I feel great. Notwithstanding our size in Canada, we see huge opportunities for growth in our wealth business, in our credit card business. With the acquisition of Cowen, it helps our Canadian business as well to a great deal on the capital market side. The U.S., what can I say? We are a very young franchise, and the First Horizon acquisition is highly complementary. They bring huge capabilities, First Horizon on middle-market banking, on commercial banking, TD prolific on what I'd call very traditional products on the retail side, and we'll bring these banks together. We've become the sixth largest domestic bank in the U.S. without looking at the rest of TD and so I feel great about how we are positioned. We've shown that we can manage the bank very effectively and very profitably in various scenarios, and our conservative risk culture and capital management bodes well given the uncertainty in this environment, so I feel very excited. And again, thank you, folks, for your confidence in TD.

Darko Mihelic – RBC Capital Markets – Analyst

Okay. With that we'll wrap up this session. Thank you very much, Bharat.

Bharat Masrani – TD – Group President and CEO

Thanks, Darko. Thanks very much.