Bank Financial Group
Investor Relations

TRANSCRIPT OF ED CLARK'S PRESENTATION AT 2006 SCOTIA CAPITAL FINANCIALS SUMMIT TUESDAY SEPTEMBER 12, 2006

(CHECK AGAINST DELIVERY)

DISCLAIMER

FORWARD-LOOKING INFORMATION

CORPORATE PARTICIPANTS

Ed Clark **President & CEO, TD Bank Financial Group**

PRESENTATION

Kevin Choquette, Scotia Capital Markets - Analyst

Good afternoon. Our first speaker after lunch here is Ed Clark, President and CEO of TD Financial Growth. Mr. Clark was appointed to this position December 2002. Ed held senior positions in the Federal government from 1974 to 1984. From 1984 to 1991, Ed was with Merrill Lynch in Canada and Morgan Financial. In 1991, Mr. Clark joined CT Financial, and in 1994 was appointed President and CEO of CT. Upon the merger of TD and Canada Trust in February 2000, Ed became Chairman and CEO of TD Canada Trust. He was appointed President and CEO of TD Bank Financial Growth in July of 2000. Ed?

Ed Clark ***- Toronto Dominion Bank - President, CEO***

Thank you, Kevin. It's great to be here. I'm sure you've been through quite a few [inaudible] banks, and so I'll try to go through quickly to keep this highly paced. We think of our size as basically a top 10 bank in North America that's trying to distinguish itself by being slightly better at growing our revenues by, at the same time, taking slightly less risks than other people are doing, so that's the basic message that you'll get today.

In terms of earnings mix, think about the 68% domestic retail, 12% U.S. retail, and about 20% wholesale. Over time, those amounts, the 20% wholesale, will gradually decline just because our strategy is built around growing faster in the retail space, but because it's already 80%, it's a slow decline in the relative percentages.

In terms of going to the bottom line, how we've done each year. We've set ourselves a pretty basic mission and that's to grow our EPLs faster than our competition and then ultimately to grow our total shareholder return faster than our competition. As I say, we think of ourselves as a North American bank so we compare ourselves to the other four large Canadian banks.

We don't really - we watch what's happening in the money center banks, but clearly our business strategy is dramatically different. It would be much closer to what the super regionals would be in the United States and clearly we're significantly outperforming them and the market recognizes that and so it produces great total shareholder returns. What's the basic message that we go and give to investors as we travel around the world?

The first is the message that I think all the Canadian banks would give you, is that we're positioned in a very attractive Canadian market. Secondly, as I said, fundamentally what are we? Well, we're a different bank in the sense that we've been able to consistently produce better growth without extending out the risk curve. Thirdly, that we do actually have an inherent operational growth model that's pretty phenomenal when you actually look at it. And finally that we are building out prudently our U.S. platform.

In terms of the Canadian market, I won't spend a lot of time on that. But I think there are two mythologies of investors that I see when I travel the world. One is that Canada is a slow growth economy with an oligopolistic banking industry and that you can't get great growth out of the Canadian banking system. I think we've shattered that mythology. And the second is that because it's an oligopololy, that over time one bank will not consistently outperform the other in that oligopololy, but there will just be this constant reversion to the mean. And I think if you look at our numbers you'll see that we've shattered that mythology as well.

So, what's a different kind of bank? Well, fundamentally, you know, we are highly focused on the management of risk, but, in particular, looking at every risk the bank takes and saying to ourselves, do we think the market is adequately compensating us over the cycle? Not in the short run, because there's lots of ways to extend out the risk curve and look good in the short run. Do we think that history teaches us that this is a good rate of return, and we've ended up saying, let's get a premiums earnings mix in terms of the selection of businesses that we're operating.

Within our wholesale business let's just systematically go through, understand the risk reward and to be in what we think is a sweet spot, and, of course, when you run the bank, we believe that having a very, very strong capital base puts you in the position of taking advantage of opportunities should they arise. So, earnings mix, clearly as I said, were 80% retail.

We distinguish ourselves in the market and that 80% number will gradually grow just because of the organic growth power that we have in our retail engine. Probably the area that I always say has clearly, you can say suffered, or had to endure, in my particular view, about where risk is where we were and where it hasn't been has been in the wholesale where we've done some pretty radical shifts in our wholesale strategy.

I started with a set of biases. I don't think you should be in businesses unless you can explain in simple terms to me why you have a competitive edge. Why, if in fact, you are going head-to-head with a competitor, why I believe that you'll win 55% of the time, and they'll lose 45% of the time. And I think, when I see people go into businesses and they say, well, I'm just going to hire somebody from my competitor, pay him a little bit more, give him a little bit more capital and hope that he can perform better for me than he was for them. I find that is not very plausible strategy to develop a business case on.

That led us to get out of the overseas lending business, where I thought the bank was essentially an [n/a] for the money center banks that were making the money, and I was in a sense holding the risk. It also meant that recently we got out of the structured product area, which I think is a significant long tail risk business where you're front end of profits, you pay your people out of those front end profits, and then you leave the structure in place hoping to God that the models turn out to be right, and you make no money on them for the next 10 years, but you don't lose money for the next 10 years.

We didn't think that was a very good business to be in, and so we radically restructured the [dealer], dramatically reduce the amount of capital. But at the same time, didn't turn out to dramatically reduce the amount of earnings because, in fact, we were able to replace those earnings with good earnings and fundamental franchise businesses, and in proprietary trading businesses in transparent markets where we actually can see the risk and know we can mark to market. And know that we in fact, at the end of the day, we want out of a position, they don't come back and tell me, well it's a nice thought but as it turns out there are only three or four other people that hold this position and they don't want to buy our position.

We don't like that kind of trading positions. We like positions that have great liquidity. In fact, we've been working hard. You can see the kind of ROEs that we've been working hard to gradually over time, build ourselves a franchise play in Canada as a domestic dealer. TD's history is that it didn't buy a wholesale dealer, and so we're behind in that sense. And we have made significant progress.

Some of it has been masked by the restructuring that has gone on, so you haven't been able to see the earnings potential, but gradually that earnings potential is being realized. And we recently stepped up the range of earnings that we expect. We have about $2.5 billion of capital. Historically we say that we can earn about 500 to 550 million. We've moved that number to 525 to 625, and we see this as basically a kind of 5% growth business with very good control over the risks.

As I mentioned earlier, it's important to have a strong capital base. This capital base is slightly exaggerated, I would say, in the way the numbers currently are computed under Basel I. There is some risk under Basel II that the treatment of Basel I treatment of our capital position and our ownership position, and TD AMERITRADE will not get as favorable treatment under Basel II. and so we've told the streets that we've moved our target up by about a point to a point and a half. We actually don't run --we tend to look at total common tangible common equity to risk weighted assets.

Historically our measure has been 6%. We've moved that up to 7 and 7.5% but even with that movement up, we obviously have quite a strong capital base. And we have a strong capital base because of two factors. One is we grow our earnings very fast and secondly, we earn a great rate of return for every dollar of risk we take. And that ultimately is the machine that generates excess capital. And so we're significantly better at finding those businesses that are high rate of return businesses. And we understate the power of the franchise in this, because in the denominator we put all of our risk weighted assets and that's 100% of Banknorth first rate assets, but we credit ourselves only with 56% of the earnings.

So in fact, if you prorated it and took 56% of the assets, we'd actually have the gap between us and the competitors would be even larger. Now, I think the key to this is that we have -- we are managers. That's fundamentally [technical difficulty] to understand our culture, we are operating managers. We know how to run businesses. We know how to build values steadily over time. And the way we do that is pretty simple. And I know it's probably not en vogue to be simple, but the reality is when you run large organizations, if you don't have simple strategies that can be simply executed in the end, they don't work very well.

And so, we build around very simple business models. We put a huge emphasis on growing for the future, investing. We say to people, when you bring us your business plans, there are things that you can't not do. We grew 21 branches last year, more than the next four banks combined in Canada. We're growing 30 branches this year. We've always historically been branch growers. We believe firmly in that model. We're retailers fundamentally in our mentality, and we just keep on adding to your distribution. Going where the customers are moving is a critical component. We invest in IT systems to constantly improve the efficiency of our operation.

Secondly, as I said earlier, you have to be able to explain what your competitive advantage is, and you have to be able to leverage that competitive advantage. And so we find spots in the organization that we think were underleveraged, and because we run a very integrative culture, we can actually leverage those spots. And third, as I said, we're operators. We reward people who are operators who are skilled at actually doing rather than talking, and we put enormous focus on that in our culture, and that result always is focused on growth.

We have a great franchise to leverage off of. As you know, we have really very, very strong market share. We tend to be stronger west of the Ottawa River, so we're basically tied in the personal space, but we would be more than tied once you move west of the Ottawa River, because we're weaker in Quebec and Atlanta, Canada. We have clearly the best brand. We keep winning. The external surveys and all our internal material reinforce that we are seen as the customer friendly, great customer service brand.

We have great branch locations. We have a great e-bank, so that in fact, even despite our huge focus on building out our branch system and having great branch service, we also have the best Internet bank in Canada. And we have some very strong positions in branch management, but, combined with that, we also have certain areas that we can have opportunities for growth.

Now, what is all this translated? Well, in the end, we just outgrow our competition in revenue growth. You'll see lots and lots of statistics that people will give you about market share, oh, we're gaining market share, or losing market share. We're a very shareholder-driven firm. This is the table that actually matters to you as investors. What happens quarter in, quarter out. Who manages to grow their revenue faster? Because that's what all of this market share growth that doesn't produce any revenue for the shareholders might be worth great news at a conference, but it doesn't actually help the investors.

So at the end of the day, this is actually a remarkable graph. As I say, we've shattered the mythology that one bank in an oligopoly can't consistently gain revenue market share on its four other competitors. It's coming from really two fundamental forces, and that's what I want to talk about. One is, this basic business model. And we plead guilty to the fact that what I tell people to do internally on the retail space, is the same thing I told them to do 15 years ago. We haven't changed our strategy. We don't constantly rotate through new ideas.

We think this is a basic business. Build out great distribution systems. Service customers fantastically. Lose fewer customers. Sign up more customers. That's all this business is about. And so we have a basic core model that works, and over time, by layering that on, you start to differentiate yourself. And then secondly, as I've said to many of you before, people forget our weaknesses. And we have certain areas where historically we're under penetrated, and I'll just fly through some of those.

But they -- from our point of view, those weaknesses are great opportunities, because in fact you can take advantage of your huge strength if you run an integrated culture, and this very simple selling strategy, just move your market share up. Together they produce a graph that looks like this, which is a phenomenal growth graph of how we're outperforming. Now the next thing is you have to manage whether or not you're investing. And we have a philosophy that says, when you get a lead in revenue, then take that lead, translate it into more investment, and constantly drive future revenue growths. And you keep widening that revenue difference between you and your competitors.

But you have to have the discipline of saying, I'm always going to run my expenses less quickly than my revenue. And so when we had 2% revenue growth, then we had minus 1 in expenses, but if you can get 11% revenue growth, then pour those dollars into widening the gap between you and your competitors. And, frankly, stay on top of that to make sure then you can crank that expense engine back, because the world teaches you -- at least in our view, we continue to hold this old style view that there are still business cycles. Things can still go wrong. So prepare yourself to know how you are going to, in fact, if the revenue curve slows down, crank your expenses down.

Now this is -- I'll go quickly through these, there are a number of areas where we're under penetrated, and had great market ability to move up. Insurance is obviously one. Wealth management is another. Credit cards, small business commercial, full service broker, all areas where we don't have, in our view, is a natural market share. So, what have we been about? We've been about, in fact, growing in those areas, whether it's Visa, whether it's small business. Tremendous investment that we've undertaken in the wealth management area to add both financial planners and investment advisors.

Again, a philosophy, don't get up every year and try to decide what your business strategy is. We said we were going to do 130 net new advisors every year, and you start off with that and that's just a cost of opening up your shop every year. You've got to add 130 in order to close that gap. But over time, that accumulates tremendous growth, and you can see what that did in terms of wealth management. You can see what it's doing in terms of our mutual fund share. It is also driven, frankly because we are clearly best in class in moving money around between our systems, because everyone works for the same person which is the shareholder.

Now, with that expense discipline and with that kind of revenue growth, you then produce miraculous changes in your efficiency ratio, and they're relentless. You just drive that number down every single year, because you say everybody in the organization has to run their organization where their expenses grow less quickly than their revenue. And the only payoff that matters to you guys is this one; that in fact, you can then end up generating for the shareholders a massive difference in the profit growth, not for one quarter, not for one year, but for every year, year in and year out.

Each year, we see a different competitor who does something to try to see whether they can close that gap. But every year we're there, at the top of the league, outgrowing our competitors. And that's why I say, we have smashed the mythology that you can't have phenomenal profit growth in Canada, and you can in an oligopoly industry distinguish yourself from yourself from your competitors.

Finally, we face the dilemma, as all Canadian banks do, is where to go outside of Canada, should we have a strategy outside of Canada, and we have taken the view that the prudent thing to do is to have a measured growth outside of Canada,. But you have to find spots where we do think we can have competitive advantage outside of Canada. So we've chosen the United States as our place to grow, and we've chosen two platforms, one a banking platform, and the second one, a wealth management platform.

So in the case of banking, what we've said is, [inaudible] can't be a national player in banking, so let's pick a region. Let's find a management team that we like, and let's gradually expand in that region where -- given our experience as retailers, can we own a region in the sense? Can we be in the top five players in a specific set of geographical places? And that's what we've been gradually doing with Banknorth, is finding niche acquisitions to complement the core franchise that we took an ownership position in.

We also decided quite consciously not to bet the ranch, so we bought 51% of TD Banknorth and said we'd rather use our capital to grow them than to waste all our capital just getting control of them and buying 100% of them. That's been a very successful decision to have made. With TD Banknorth, we're very pleased with what we've got, the capabilities we've got. And I think it's not to be underestimated how unique they are in their ability to actually do acquisitions. We recently did the acquisition of Hudson United, converted them, and it was a flawless execution.

Just a spectacular job, in fact, taking somebody and actually delivering on what they said they were capable of doing. They're very strong commercial lenders. We like the credit culture that they have, that they in fact, instinctively, there's quite a big difference in the credit culture in the United States than in Canada. You have to recognize that. But within that difference, in fact, we like, instinctively like what we got there. I think TD brings things to Banknorth, in addition to obviously the ability to fund further acquisitions, I think we bring a set of intellectual capital in two areas in particular.

I think obviously, in terms of financial management and treasury management, we are a performance-driven culture. We understand not only the product, but the customer profitability at a very fine level. And I think that's a set of capital that once you bring it, transforms to help people run their businesses. But also we obviously are very successful retailers. And there's a whole set of retailing, I think intellectual capital, whether it's branch location, how to do tiered pricing, how to do marketing, where you'll see over time the impact of what we can bring.

And the great news about Banknorth is it's filled with people who do not let their pride get in the way of stealing someone's great ideas. And so the response has been that in fact, come up and embrace everything that they think is useful in the local operating environment to steal that idea from us, and that from our point of view, is wonderful. You would have heard today that Banknorth did give an earnings warning, and indicated that the earnings for the upcoming quarter for them, their third quarter, was not going to be where analysts' estimate was, that it was at $0.58 and that they're down at $0.51 to $0.54.

That's not material to us from an earnings point of view. Last quarter we earned about $68 million from our stake in Banknorth. It probably means it's not easy for us to exactly predict at this stage, because there are restructuring charges. There are charges that they don't treat in their numbers that are in our number, but I would say in the low 60s is the kind of number that will probably translate into us.

I do think the bigger issue is that we obviously have significant capital in Banknorth, and investors are concerned about well, what does this mean? Does it mean that our strategy is flawed, or does it mean that there are problems in Banknorth, and what are we going to do in the future? I would say that my own feeling on this is, we're not unhappy with what we have in Banknorth, so it's not Banknorth. But clearly this is a disappointing business environment for banks. If you only look across the whole spectrum of banks from $20 million market cap on down, they are facing a very rough environment, and undoubtedly rougher than we had originally anticipated. And so, what do you do in response to facing that environment?

I think you do two things. As operators, our reaction is you've got to roll up your sleeves, you've got to get in and figure out, how can you operate better in this environment. So how can you do all the things that you have done? You've got to do them even more and you've got to do them faster because obviously you have to prove out that you can run a company like that, and make money, but more importantly, grow earnings over time if you're going to be successful in the United States.

And secondly, it undoubtedly means that if you're looking at acquisitions, that you are a little more on the prudent side, as [to] the size of the acquisition that you're prepared to look at. We have basically been looking at doing the [Pac-Man in-filler], the interchange, the $400 million deal and I think that will continue for the moment to be our focus rather than larger deals because the reality is that, as I indicated on my analyst call, that I don't see earnings per share growth in Banknorth for some time in this environment.

And I think that frankly, with the U.S. environment evolving as it is and the possibility of a slow down in the U.S. economy, it could be worse yet than not. And so that causes you to say, well, you should be cautious about the size of acquisitions you're prepared to make until it's obvious that this environment is producing better opportunities. So far, the prices of the target assets have not reflected, in my view, where the U.S. banking market is going, and so that causes you to be cautious. It does cause me, though, to come to the view that it's the wrong strategy, not fundamentally.

I'm pleased to be where I am. I have a great management team in the U.S. I think eventually the market will start to reflect the realities of the economics of U.S. banking, and we're now in a good position to look at those prudently, and say how do we take advantage of that, given that we already have a platform there, we've been working on how to run that platform better and obviously we have economies of scale when we make acquisitions.

Now let me just now talk briefly about TD Waterhouse, and its merger with TD AMERITRADE to produce one of the top four players in the United States in this space. There's a space where we can't, as a Canadian, have a position in an agent that is strategically very strongly placed. And, as it turns out, as I've indicated before, it's great to be able to do deals that get you that kind of position, and also have them financially extremely successful. That industry right now, I'd say, is in a little bit of the doldrums. So that I think the summer numbers you're seeing out of the dealers are a little bit worse than just the normal summer downturn, and that reflects the wall of worry that you as investors have about the U.S. economy and the world geopolitical scene.

On the other hand, we like what we got and what we have in TD AMERITRADE is a best in class platform, a tremendous technology platform, far and away the lowest cost producers. Margin is dramatically higher than everyone else, and now it's attached to a growth engine. By getting Waterhouse, it has an ability to gather assets. And what Joe Moglia has said is that he wants to use the period in the next two or three years where earnings per share are automatically, not automatically, but pretty well driven to grow, because of the realization of the cost synergies to take this period of time and make sure that he's investing, and turning TD AMERITRADE into an organic growth engine on the assets side. We think it's an exciting vision on are thrilled by it.

So when we look at our businesses, what do we have? Well, obviously, in the domestic, the 68%, we have a phenomenal growth engine that's incredibly well positioned. And because we've been investing in the past, we've built in growth for the future into that engine already. And so we continue to see, even though, if you'd said something to me two or three years ago, could I have produced those numbers, I would have said "not in my lifetime," but, the fact is, we have been able to produce it. We have an unbelievably strong domestic management team that have been there, done that all of their lives and we continue to believe it's a double digit earnings growth.

Similarly, as I said, because TD AMERITRADE is sitting on cost synergies yet to be realized, it has significant growth potential for us. In the case of TD Banknorth, we put single digits here. I guess what I'm saying to you is, I think it's a very good chance that they're going to have flat earnings per share growth for some time, given the reality of the U. S. environment. And we are shaping our strategy to reflect that reality by emphasizing what we have to do organically, but that's a long term solution, and then making sure that our acquisition strategy reflects the prudence of our outlook.

And finally, in the case of TD Securities, we're [inaudible] the changes in TD Securities, we have a business that I actually like, that I'm comfortable with. We've actually been growing that business. You haven't seen the growth as much, because it gets covered up a bit by the transformational things that we're doing, but it is a solid growth player, but it is a single digit 5% kind of earnings growth earning a great rate of return. So that's the story. I think we are one of the top North American financial institutions. I think we are a different bank. We can have growth without extending the risk curve. We've got a proven track record of our performance and we have a good base in which to build a U.S. platform.

Thank you, very much.

QUESTION AND ANSWER

Unidentified Speaker

We'll open the floor for questions.

Unidentified Audience Member

[inaudible question - microphone inaccessible]

Unidentified Speaker

What are the competitive advantages of TD Banknorth?

Unidentified Audience Member

[inaudible question - microphone inaccessible]

Unidentified Speaker

What are [also the] advantages in terms of TD Banknorth?

Ed Clark ***- Toronto Dominion Bank - President, CEO***

Well, I think the reality is, that when you do acquisitions in the United States, you pay to the seller in the banking space 100% of the cost synergies. And so I think if people say, well, I have the advantage that I can do these acquisitions and get you cost synergies, so far the market's not pricing the selling at that price. And so I think you truly have to believe that you can take what you get, and do something more with it, and if you don't you shouldn't go there.

And when I look at banking in the U.S., with all due respect to the banks in the U.S., I would say from the $20 million market cap banks now, what you're dealing with are fundamentally commercial banks that are in the retail banking business to provide deposits to fund their loan growth. That's the culture and the nature of the institution is that. And you can see why they're struggling in this environment of thinning commercial spreads, and no growth or negative growth in the deposit [bank] that strategy, and in their case, they also get interest rate gapping, and in all those banks in the sense, their growth engines disappeared on them.

We are a universal bank. We're much more akin to Wells Fargo, Bank of America, Wachovia. I can get into debate with my friend from Wells Fargo, who's the better retail bank, or who's the best retail bank in North America. But I said that's what Canadian banks are. All of my competitors would be excellent retail banks. And we've seen lots of opportunities, I think, to in fact blame the intellectual capital, but you have to have a strong local management, and as I said, a culture willing to absorb that intellectual capital. We can bring that, and we think there's lots of opportunities, to improve dramatically the kind of revenue growth that you get when you acquire those franchises.

Unidentified Speaker

Other questions?

Unidentified Audience Member

The opportunities aren't there in the U.S. markets, and yet you're generating 1.5 billion annually from reinvestment, where do you see that money being deployed in the next year or two?

Ed Clark ***- Toronto Dominion Bank - President, CEO***

Well, I think that's again -- that's a tough question for us because I would say we've already got a pretty strong capital base. And if the U.S. environment stays the way it currently is, I'm not sure that we can successfully redeploy more capital than we already have, a strong capital base. And so, if we move to a strategy of making sure that we're just focused on smaller acquisitions, and by that, Interchange would be an example, $400 million, we may end of having to look at our capital program and whether or not we should return capital to the shareholders, because we won't be able to successfully redeploy.

And that's something we'll have to look at over the next six months, as we watch the U.S. environment and see which way it's turned. If the prices crack and they give us opportunities, then we'd obviously take advantage of it, but if we don't, then we'd obviously change strategies here, but in the end, we're pragmatists. We're not ideologics. We're running businesses and we're trying to build shareholder returns, and so we'll watch where the U.S. market goes.

Unidentified Audience Member

[inaudible question - microphone inaccessible]

Ed Clark ***- Toronto Dominion Bank - President, CEO***

Too many people buying? Yes, I mean, every time we've walked away from a number of transactions and you look at them and you say, "I can't pay that price," and then there's always someone who says "But I will" but I need to do that. And so, we've turned down a lot of deals in the last [inaudible]. [Inaudible] for 18 months, as far as putting it in context. We set out - we have a three to five-year plan. We'd like to get about a billion dollars of income out of our U.S. entity and we want to have a top five position in each of the markets in which we operate.

We have pretty modest ambitions of what I think in total what we can do, and so we have three to five years to do it, but you hate walking way if you think, "Well, this fits nicely." You hate walking away from those, but on the other hand, I would even hate more overpaying for them. So that's the dilemma that you have. And so far, someone's always been willing to go and step up and buy those things, and we've ended up passing [whereas] we obviously didn't pass on something like Interchange and we didn't pass on [Hudson].

And so we said, well, that [inaudible] and we'd rather do that small Pac-Man strategy for the moment until we see where the U.S. goes, because I think there is a risk that the U.S. slowdown will be worse rather than better, and so eventually that's got to take its toll.

Unidentified Audience Member

Looking at your competitors for these assets, do you deem yourself to be in a better stronger capital position than these?

Ed Clark ***- Toronto Dominion Bank - President, CEO***

Do I see myself --?

Unidentified Audience Member

Do you see yourself in a superior capital position to the competitors for these--?

Ed Clark ***- Toronto Dominion Bank - President, CEO***

Yes, I think about [inaudible]. I think the first thing I guess would say is, that we've proven now that we can grow our EPS, and our total shareholder return better than our competitors, and [inaudible] to our U.S. strategy. So we will do that. We will outgrow our competitors and do our U.S. strategy. And because we have such a superior rate of return on risk-related assets, we're not a -- our growth isn't coming by redeploying large amounts of capital. We don't have to do that to get this kind of earnings growth, because we're not in capital [intensive] businesses. So, I think that means that we can keep on regenerating our capital and having a better capital position, and being poised if there was something bigger that we wanted to do, that we'd be in a strong position to do it, but for the moment, I think that we're into the Pac-Man world.

Kevin Choquette, Scotia Capital Markets - Analyst

I'd like to thank Ed very much for his presentation and best wishes.

Ed Clark ***- Toronto Dominion Bank - President, CEO***

Thank you.