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Peter Routledge *National Bank Financial Group - Analyst*

PRESENTATION

Peter Routledge ***- National Bank Financial Group - Analyst***

So with that out of the way, I would like to introduce you to our first speaker, Tim Hockey. Tim, thanks for joining.

Tim's primary responsibility is leadership of TD'S Canadian banking segment, more commonly known as TD Canada Trust. Tim is also responsible for leading TDs to North American business, TD Auto Finance, and the Bank's credit card business. He's been with TD for over 28 years.

Tim also serves on the Board of Directors for the Sick Kids Foundation, the largest non-governmental granting agency in children's health in Canada, and is Chair of the Hospital for Sick Children's Research and Learning Tower campaign.

So, Tim, thanks for joining us.

Tim Hockey ***- Toronto Dominion Bank - Group Head, Canadian Banking Auto Finance and Credit Cards,TD Bank Group, President & CEO,TD Canada Trust***

Thanks for having me.

QUESTION AND ANSWER

Peter Routledge ***- National Bank Financial Group - Analyst***

So, just to kick off, what are your key messages for investors today?

Tim Hockey ***- Toronto Dominion Bank - Group Head, Canadian Banking Auto Finance and Credit Cards,TD Bank Group, President & CEO,TD Canada Trust***

Well, I think most people know the TD story. Obviously, I'll primarily cover the -- my own responsibility. But we've had a great year in 2011, and we've had a great kickoff to 2012 in our first quarter.

The story of the businesses that I run is fairly simple. We try to compete on service and convenience, and we are winning on both fronts, I would say. We had an interesting year from an activity point of view on M&A, with -- over the last, call it 15 months, with the acquisition of MBNA Canada now, and just busy integrating and digesting that, as well as Chrysler Financial and -- to create our North American business.

So it's been a great year, and it's been an interesting year at the same time. So, happy to answer any questions you have.

Peter Routledge ***- National Bank Financial Group - Analyst***

Okay. So, if I think back to where TD was about ten years ago, and to where it is today, we'd find quite a transformation. So, the next question that comes to mind is, how will TD transform itself, or, will TD transform itself as profoundly over the next ten years, and how might that play out?

Tim Hockey ***- Toronto Dominion Bank - Group Head, Canadian Banking Auto Finance and Credit Cards,TD Bank Group, President & CEO,TD Canada Trust***

Yes. Well, if you go back to 2002, and then contrast that from where we are today, we were much more capital markets intensive. We were domestic only, really. And so, the decision and the guide-path we've been on is to become a true North American player. And so we've now established that as our -- both our goal, and actually achieved that, to the point where we're now arguably number six, number seven in the North American space.

If you said, fast forward another ten years, will we be as changed from that position? I don't believe so. There is an enormous opportunity in front of us in North America at large. We see that as being a great opportunity for us. So if you -- I don't think, if I was back at this conference looking back, I don't think we would have had as dramatic a change, and we would have solidified that position as a large player in North America. That would be my guess.

Peter Routledge ***- National Bank Financial Group - Analyst***

Yes. Where is TD most ambitious about building its business?

Tim Hockey ***- Toronto Dominion Bank - Group Head, Canadian Banking Auto Finance and Credit Cards,TD Bank Group, President & CEO,TD Canada Trust***

Again, North America. No question. And we believe that the US is an opportunity for us. We continue to look at other opportunities globally, but we're big believers in leadership and focus, and we find that if we get the leadership in place, and we get the combined focus on any particular area, we're better off marshaling our efforts and really taking those markets.

I think, again, simple strategies, well executed over a long period of time, we think is where the value is created, versus a more diverse approach and trying to lay bets here, and here, and here. We try to concentrate our energies on the winners.

Peter Routledge ***- National Bank Financial Group - Analyst***

So, you mentioned the US. I don't want to get into names or specifics, but broadly, there's two ways to go about building our US business. You can continue to do de novo, complemented by the odd bolt-on acquisition, or probably over the next couple of years, there will be some transformational acquisition opportunities.

How do you look at them? And how you deliberate, in terms of whether to make a bigger, perhaps more risky acquisition?

Tim Hockey ***- Toronto Dominion Bank - Group Head, Canadian Banking Auto Finance and Credit Cards,TD Bank Group, President & CEO,TD Canada Trust***

Yes. Given the dominance we now have in the chosen market cap, East Coast, so we have -- I think everybody knows, we have 1,300 stores now, from Maine all the way down to Florida. The only state along the coast that essentially we don't have a presence in is Georgia. And so, that has been -- and that's essentially a third of the market in the US. And I'm often reminded at how powerful each one of those individual states -- the GDP of any one of those states would be equivalent to a European country.

So, these are all massive growth opportunities that we're only just starting to penetrate. And if I -- I think the stats -- I mean, New York City has more deposits just in New York City than all of Canada. So you really get the sense of the opportunity, just to deeper penetrate the markets that we are already in.

So, now that we've got that foothold, and our footprint is where we wanted it to be, the question is, what comes along that would help you on that front? Would you consider jumping over to the other coast, for example? We've had those conversations multiple times. Opportunities do come up. But that would be very much akin to a decision like we had when we first entered the United States. You're literally going with no synergies, the opposite side of, again, a very different approach.

So, we look at an acquisition very differently than we would have done four, five years ago. We no longer feel like we have to establish a strategic foothold, or even solidify and cement that foothold. We feel quite comfortable with our position now. Now, it's through a different lens. Financial attractiveness, we obviously have the synergies available to us that we wouldn't have, on a number of acquisitions. And so, we can afford to be, quite frankly, a little bit more -- much reserved, cautious, and choosy about the opportunities to take from here. And so that's the approach we would take, going forward.

Peter Routledge ***- National Bank Financial Group - Analyst***

Okay. The other -- TD, by its very model, generates excess capital. I think it's fair to say, if you look at what TD earns in relation to risk-weighted assets, it's pretty high -- it's the highest in Canada. An outgrowth, A, of your weighting towards retail banking and commercial banking, and B, you have a big, profitable efficient franchise that generates a lot of earnings.

So, with that excess capital, if you look back over the last ten years, TD's reinvested in building its platform in the United States, and has maintained a lower target payout rate, dividend payout range, and has bought back less shares than peers.

How will the Board think about that, going forward? Will there be more of a intentional shift to return more capital to shareholders, or are you still of the view that our priority is growth through investment?

Tim Hockey ***- Toronto Dominion Bank - Group Head, Canadian Banking Auto Finance and Credit Cards,TD Bank Group, President & CEO,TD Canada Trust***

And we do discuss it, and obviously, the Board has multiple conversations in terms of what our approach is. Let me start with the premise that we are, and continue to be, a growth company. And so, our payout range of [35 to 45], we are smack dab in the middle of that, and we remain commanded to that range.

If at any time we believe our growth will slow down, that would warrant a change in that. That would be a discussion that the Board would have. But we start with that premise that says, we will grow our dividends commensurate with our growth and our earnings rate, and that's what we've done through the mass -- whatever number of years, and that's still our trajectory going forward.

Peter Routledge ***- National Bank Financial Group - Analyst***

And your priority is to reinvest in your business (multiple speakers) --

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Tim Hockey ***- Toronto Dominion Bank - Group Head, Canadian Banking Auto Finance and Credit Cards,TD Bank Group, President & CEO,TD Canada Trust***

Absolutely. You asked the question earlier, about whether -- well, how do we feel, de novo organic versus acquisition. You have to remember, at the same time as doing acquisitions, whether it be Chrysler or MBNA or South Financial Group, we've also been growing on a de novo basis. Branches in the US, 35 to 35 new stores, in Canada, 20 to 25 new stores. I think the stat is, one out of every three new branches opened up in Canada over the last five years were TD. And here in Quebec, we see very much an opportunity. We've gone from just over 80 branches to -- you know, 100, I think we're at 110, something like that, in Montreal in particular, because we see this as just an enormous opportunity for us to grow.

And again, I've never felt capital constrained, because each one of those operations does very well. In fact, our new branches opened here in Quebec tend to grow faster than new branches opened up in suburbs of Toronto.

So, we have multiple growth strategies, and it's probably fueled by that dividend.

Peter Routledge *- National Bank Financial Group - Analyst*

Since we're on Quebec, we'll switch to your business, retail banking, or Canadian banking. And stick with the Quebec strategy. The conventional wisdom is, you have two players with roughly 70% of deposits in the province. And that that is a material barrier to entry for other players, notwithstanding the actions TD has made. And there are other banks that have articulated a Quebec growth strategy, to try and take share from the incumbents.

What will make TD succeed where maybe some of -- some other players have failed? How do you go and steal a share from an incumbency that has 70% of the market?

Tim Hockey *- Toronto Dominion Bank - Group Head, Canadian Banking Auto Finance and Credit Cards,TD Bank Group, President & CEO,TD Canada Trust*

Well, when we first embarked on a higher growth strategy in Quebec a number of years ago, we examined all of those premises. In fact, was there some sort of natural barrier, given the incumbents here?

And what we found is, is that our offering -- and our offering is dead simple, as I said. We win on service and convenience. So literally, our stores are open, our branches here in Canada are open over 50% more hours than the competition, on average. 50%. Not 1-5, 5-0. That hours advantage, that convenience advantage, is actually higher in Quebec than it is in the rest of the country. The indigenous players here, the incumbents, actually provide less convenience to Quebec residents than you could get in Ontario. So our advantage is even greater. That's the first thing.

Service levels, same thing. Our service provision across the country is where we compete. We find the same thing here is an advantage. And it turns out that the average consumer in Quebec is saying pretty much the same as the average consumer of financial services in the rest of the country, or in North America, for that matter. They love better service and better convenience.

So that's our basic premise. It works. And as I said, we find, if we put a branch down at a new corner, a couple years later, it will come back, and we've got our -- at least our natural share of that particular market.

And so, when we look back over the last number of years at the branches that we have opened, and we compare them to our new branch openings in other parts of the country, they actually have a higher trajectory. So we see that as being ratification of our strategy that says, you plunk a branch down here, and you've got great opportunities for growth. So that would be sort of just open new branches, and your presence gets larger, and you grow commensurate with that. That's one strategy.

The second is, that we've established much more of a -- what we call a key Quebec approach, that we've combined all of the various different businesses, whether it be our TD Securities business, our wealth management business, our branch system, our commercial bank, and we've taken all those teams and said, now, your job is to win Quebec. What does it take to work collectively to make sure we are winning those new client relationships, winning local markets, pooling our sponsorship and our marketing dollars together, because we are still a relatively small player. And the numbers, again, over the last five years, would say that -- that it is working, it is winning.

Peter Routledge *- National Bank Financial Group - Analyst*

Okay. A lot of talk -- and we have a speaker today about this, on the state of the Canadian household, and how today's current levels of debt might play out, say, over the next three to five years. I'd like to get your thoughts on that. But maybe, I'd just talk about the most vulnerable households in TD's lending portfolio, say, households that have a total debt service ratio in excess of 35%. How material is that exposure within your book of business?

Tim Hockey *- Toronto Dominion Bank - Group Head, Canadian Banking Auto Finance and Credit Cards,TD Bank Group, President & CEO,TD Canada Trust*

Yes. Well, the first answer is, it's not material, and like every other financial institution in the world over the last few years, stress testing has become quite a -- it's almost a cottage industry in financial services. So we stress our portfolio multiple different ways.

If I back up to your primary question, which is, what's the overall state of the consumer in Canada, and where are we worried and where are we not, the way we look at it is, for a number of years now, we've become increasingly concerned about the ever-increasing levels of consumer debt in Canada. And it's less from a point of view of when we stress our scenario -- our portfolio, we are worried about our own book, because the nature of where the growth is coming from, notably real estate secured lending, and the portfolio insurance that we have, the consumer-bought insurance that we have, would say that even in a very severe stress test scenario, and I'm talking 30% plus declines in home prices, 14% unemployment rate, and a 4% spike in interest rates, in that sort of scenario, combined over a couple of years, TD continues to do very well, including that segment that is upper -- higher debt service ratio. And that's not just in real estate secured lending. That's in our credit card book, and our other unsecured lending as well.

So, we look at that and say, well, that would be a pretty tough situation. It looked a lot like what happened in the US, but frankly, we continue to make money. We don't burn into our capital reserves at all, in that scenario.

So that makes us -- it's not a fun situation, of course, but it makes us much more sanguine about the overall risk.

Our approach is much more on a -- call it public policy, social policy. It's not good for the country to go through that particular scenario, and we believe what's good for the country is good for TD, and vice versa.

So, the last couple of years, we've been saying, how do we work with the industry association, the CBA, with government, with the Finance Minister, with our regulator, and say, what's the right way to curtail consumer debt growth here in Canada? So what's happened?

Very much, the Finance Minister has been quite prudent in, over the last three or four years, introducing additional steps to curb, notably, real estate secured lending. You've seen the growth in unsecured debt basically stop, credit card and unsecured lines of credit has essentially stopped growing. The growth continues to be in real estate secured lending.

We were advocating, up until recently, for a couple of more changes for CMHC and the Finance Minister to make, notably, move to 25 year amortizations. And commensurate with that, establish a floor qualifying rate for all consumers that would be higher than what they can get currently. So, obviously, everybody knows the lowest rates you can get on the market now for a 4, 5 year mortgage is 2.99%. If everybody qualified for, call it 5%, 5.5%, then the most at risk consumer, first time homebuyer, would be protected on the upside from -- if their payments were to jump when interest rates inevitably rise. Those were the two that we were advocating for.

What's happened, literally, as recently as last week, is that OSFI has come out with its guidelines for comment. We have about a month, as an industry, to review those guidelines. And as we -- our early path assessment is that they are actually -- they will have much the same effect in terms of dampening real estate secured lending as most guidelines. So we're saying, okay, that's good. That will take the air out of the balloon a little bit. Let's watch to see what happens. Let's get clarity on what those rules mean. They'll look to imply them, and then they'll have an effect over a period of time, and then you will see what, if any, additional measures are.

So, if you asked me two weeks ago how I felt about the ever-increasing consumer debt loads, I would have been more anxious than I am today, because I've now seen what OSFI is willing to do, and we're trying to work out the ramifications. I believe that will have a further dampening effect on growth in that particular segment, so that's good for the country.

Now the commensurate effect is, that that will also mean, from a revenue growth rate, the revenue growth in banking, I believe, over the next few years in Canada will continue to be slow. So now I've got to manage that from a day job point of view as well.

Peter Routledge ***- National Bank Financial Group - Analyst***

So, you just slow down an issue spend, or is there other -- maybe a larger rationalization program potentially in your future?

Tim Hockey ***- Toronto Dominion Bank - Group Head, Canadian Banking Auto Finance and Credit Cards,TD Bank Group, President & CEO,TD Canada Trust***

The way we look at it is, we've had the advantage, back to your earlier question, of being a growth company both in the US and as well, as in Canada. Our target rate for earnings growth has always been about 7% to 10%, but in Canada, in particular, over the last decade, we've been able to achieve 14%, something like that. And the way we've done that is by having revenue growth rates a couple of points higher than the industry, and expense growth rates, as a result of that, a couple of points higher.

So that's done two things. It's generated higher earnings overall, but it's also built up quite an investment portfolio of projects that we have on the go inside TD that -- I'm not sure that my competitors have quite as large a portfolio, because of that sort of long-term compound annual growth rate and expenses.

So I see that both as an opportunity to -- you know, as those projects get implemented, they continue to drive revenue growth, but they're also an opportunity for us to slim back that investment portfolio to take advantage of some cost savings that I'm not sure the competitors have quite the same opportunity. So that would be one way we would approach it.

But we also believe that a lower for longer interest rate environment and a slower revenue growth environment isn't a one year phenomenon. It [does not] feel like this is a number of years out. And we are approaching this as if this is a multi-year phenomenon, which then forces you to say, okay, what would you do differently in your delivery mechanisms? Are there, as you say, larger rationalization opportunities? And so, we're exploring all of those.

But our strategy has not in any way changed. We went on service and convenience, and our financial model is, all of our businesses know that you can only grow your expenses inside your growth rate in revenues. So we've had the benefit of huge growth rates in revenues, but as those growth rates come down, so does your expense growth rate.

Peter Routledge ***- National Bank Financial Group - Analyst***

Okay. Another part of your business that's new is the MBNA credit card business. I think now you're the number two credit card provider in Canada?

Tim Hockey ***- Toronto Dominion Bank - Group Head, Canadian Banking Auto Finance and Credit Cards,TD Bank Group, President & CEO,TD Canada Trust***

Number two, number one -- we'll see when the numbers come out.

Peter Routledge ***- National Bank Financial Group - Analyst***

Yes, okay, fair enough. (laughter) So how much revenue cushion does that give? Because -- I mean, that is a much higher spread product. Does that give you some more flexibility, and what's your broader question, what's your overall strategy for credit cards?

Tim Hockey ***- Toronto Dominion Bank - Group Head, Canadian Banking Auto Finance and Credit Cards,TD Bank Group, President & CEO,TD Canada Trust***

Yes. So, the short answer is, it does certainly give us some revenue cushion, and you'll see our year over year numbers for this year obviously will be -- obviously, augmented as a result of the MBNA acquisition. So we're a couple months in, and what are we finding so far?

To tell that story, I should probably back up to why we love this deal. And it's because, if you go all the way back to, again, ten years ago, when TD bought Canada Trust, at the time, if you remember duality in Canada, which is, the issuing of both MasterCard and VISA was illegal, and so TD was forced to sell off the Canada Trust MasterCard portfolio.

So rather than having the 20% plus of this sort of basic bank account business and the mortgage business, we had about a 6% share of the credit card business. Well, we were number five player, when we were arguably number one and number two in everything else on personal financial services.

So, over that last decade, organically, we've been looking to cross-sell our existing customer base, and we've moved our share from, say, 6% to 9%. What that has meant is that the MBNA model of acquiring X-branches is not something that we've had to become good at. We were very good at cross-selling our existing customers through our branch channel.

MBNA has a completely different set of skills, and they have a portfolio akin to ours. So when the opportunity to buy MBNA came up, we see it as an incredible strategic fit, lots of skills that they have that we can learn from, completely finely tuned distribution model that, frankly, we've never had to develop, affinity relationships that are very, very aligned with our TD Meloche Money Affinity Insurance business, so a whole bunch of synergies there.

And when we look at the portfolio itself, there are certain portions of the portfolio, notably the teaser rate business that we're not comfortable with, so that's why we'll run that portfolio down a little bit. But the economics of that business, we very much like, and now that we've acquired it and closed on the deal, we're quite thrilled about what we have and the performance to date.

So, we got it for very cheap, a little over 1% premium, so we like the strategy. We certainly like the price we paid, and we very much like the platform for growth.

Peter Routledge ***- National Bank Financial Group - Analyst***

Do you have opportunities to take that platform to the US?

Tim Hockey ***- Toronto Dominion Bank - Group Head, Canadian Banking Auto Finance and Credit Cards,TD Bank Group, President & CEO,TD Canada Trust***

We think so. That's why we created a North American credit card business. That's relatively recent. We just did that commensurate with the purchase of MBNA, because our -- the banks that we had acquired in the US didn't have a credit card manufacturing business. It was notably a distribution retail storefront, and they had prior relationships with card providers, manufacturers, if you will, that they sold and got a fee for. Never penetrated very much the store system there.

So, it doesn't make a whole lot of sense to create a brand new credit card company and have one in Canada and one in the US. We've created one North American business, and the way we think of it is, the team here that manages and creates, if you will, the strategies and the cards themselves for Canada, also does that on behalf of [Barrett's] team, and his team is responsible for distribution and sales. We have a -- we just have an enormous opportunity to penetrate our US stores with credit cards.

Peter Routledge ***- National Bank Financial Group - Analyst***

The other big North American business is TD Auto Finance. Maybe -- you closed the acquisition last year, began the restart, really, of the Chrysler platform. Maybe give an update on where that business stands, how many dealers do you have, how many are now transacting fairly regularly with the Bank?

Tim Hockey ***- Toronto Dominion Bank - Group Head, Canadian Banking Auto Finance and Credit Cards,TD Bank Group, President & CEO,TD Canada Trust***

Yes, so we're now almost a year anniversary in. If you remember, at the time, we said -- again, made a lot of strategic sense for us, because we had become quite comfortable with auto lending here in Canada, both in the prime end and non-prime space, and grown quite significantly since our purchase of VFC back in '05, '06.

In buying Chrysler Financial in the US, we bought a -- what was a captive platform that was, frankly, dormant. It didn't have the funding, the deposits to lend. And so, we went from a standing start of essentially zero in March of last year originations, to now doing around -- say, call it [700 a month, million in a month], in originations.

We also said at that time that we aspired to have maybe 5,000 dealers at maturity. And we're now at 7,700 and counting.

So, what we found is that we're able to ramp up quickly, but clearly, we're able to deploy the low cost deposits we have so much excess of in the US, and that it's a proposition and an offering that is -- that dealers like.

What we've also found, however, though, is that we're not the only smart bank out there, I think, in the US. They've all realized that, wow, auto lending is a growth opportunity. The auto sales, of course, are rebounding off their huge crash levels. And so, they're entering the market. And in the prime space in particular, margins are narrowed pretty dramatically.

So, we currently, from a risk appetite point of view, as we continue to convert what was a captive into an independent player, and a bank owned and bank regulated independent player, that there's a whole bunch of remediation efforts that we just need to do, and so, we've said, we're going to be pretty pristine in going into prime only.

And so, we're waiting, literally, as I said, it's almost a year for those first cohorts to essentially mature, and we're saying, have we validated our risk models? Because we will not look to expand our [buy box] of credit in that space, especially in markets outside our footprint, because we're a national auto lender, but we're not a national bank. So we'll have dealers in California and Texas, etc.

So because we don't have the benefit of the learning inside our bank, we want to mature those cohorts and say, are we getting the risk and the write-off rates that we expected when we originally put them on? So that sort of learning is all coming through between now and sort of the summer months, and then we'll say, all right, how comfortable do you feel about becoming a more full spectrum lender? You know, inside our risk appetite.

But we see it's a great opportunity for growth over the next few years. But it's a -- it's going to be a process to fix it up.

Peter Routledge ***- National Bank Financial Group - Analyst***

Okay. Just a -- maybe just one final question, and it's on --

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Tim Hockey ***- Toronto Dominion Bank - Group Head, Canadian Banking Auto Finance and Credit Cards,TD Bank Group, President & CEO,TD Canada Trust***

(multiple speakers) one in the back. Somebody's got their hand up.

Peter Routledge ***- National Bank Financial Group - Analyst***

Oh, yes, let's go out to the audience. I beg your pardon.

Unidentified Participant

Thank you. My question concerns the synergy between the Chrysler, the credit card business, and your branches. Could you comment? You touched upon it a bit before. And the second question is, I understand about 45% or 50% of TD revenue comes from the United States. How have you provided oversight for the acquisitions in the United States? Because (multiple speakers) Toronto.

Tim Hockey ***- Toronto Dominion Bank - Group Head, Canadian Banking Auto Finance and Credit Cards,TD Bank Group, President & CEO,TD Canada Trust***

Sure. So, from a synergies between the stores, the way we think of it is, the credit card business is -- to expand in the US, it's very much dependent on our store strategy. So we are not looking to issue credit cards -- we don't have the capabilities to issue a credit card to a customer in Arizona. We could -

- we don't have the risk appetite, nor, as I said earlier, ex-learning and being comfortable with what MBNA does by direct distribution in Canada, we're quite a ways away to saying we're comfortable doing that in the US. So our distribution strategy is very much through our stores.

But to give you the upside here that we see, just as an example, I was sharing, in Canada, branch based distribution of banks generally, and TD in particular, I think is very good. And because of that strategy that I said, which was to cross-sell our credit card, our existing customers a credit card through our TD Canada Trust branches, we sell, on average, 30 credit cards per month per branch in Canada.

In the US, even though we've got a lineup of cards, TD brand, it's a good value proposition, the cross-sell, if you will, culture, is still relatively dormant. And so, the number last year was one. So -- pause there for a second. Thirty in Canada, one in the in the US. This year, that number is double -- two.

So I see that as nothing but enormous upside over a year, but it takes a long time. By quarter -- you have to put all of the systems in place. The reward and recognition, the cross-selling culture, the incentives at the salesperson level.

So, we have 1,300 stores from Maine to Florida. We only have 1,150 in Canada. If we can get even close to that type of cross-sell penetration of the customer base in the US -- and I don't actually aspire in the short term to get to 30. But if we got to 5, 10, 15, that's incredible upside and synergies for the credit card business.

The auto business, less so, because the auto business, our North American business, is pretty much an indirect offering. It's through the dealer. It's when you buy a car, and you sit in the F&I manager's, and you say, I need financing. So that's very much an indirect play. There is some synergies in our footprint with our wholesale floor plan lending, and our retail loan offering. But that is only on the East Coast.

Your second question, around governance of these acquisitions and revenues, we have a US Board, we have a Canadian Board. And the regulators on both sides of the border very much see their responsibilities around governance. And in fact, you'll find the earnings of our US operations, notably the Chrysler Finance acquisition is mostly in the US, the US regulator has oversight. I operationally manage it, but you find from a segment, when we report out segments, the earnings segment are reported (technical difficulty) -- earnings in that segment are reported (technical difficulty). The earnings in that segment are actually reported in the US bank's earnings.

So, but -- we've got -- I don't think we lack for governance, short answer.

Peter Routledge ***- National Bank Financial Group - Analyst***

Is there any more questions? Okay, well, with that, I'll thank you for joining us, and wish you all the best for the year. Take care. Thanks, Tim.