



**TD BANK GROUP**  
**RBC CAPITAL MARKETS CANADIAN BANK CEO CONFERENCE**  
**JANUARY 8, 2019**

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## PARTICIPANTS

### **Bharat Masrani**

*TD Bank Group – Group President and CEO*

### **Darko Mihelic**

*RBC Capital Markets – Analyst*

## PRESENTATION

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### **Darko Mihelic – RBC Capital Markets – Analyst**

And, I've been leading off with the question de jure, which is lots of volatility in the markets as we exited 2018. How should we think about that impact on TD for 2019 and possibly beyond? I doubt it will be possibly beyond, but I'll just leave it as an open-ended question for you to start the discussion.

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### **Bharat Masrani – TD – Group President and CEO**

Well, there's somewhat of a paradox in the market Darko, as we've seen a lot of volatility. You know with that type of an environment, there could be an impact on market-based revenues within any financial institution. On the other hand, December is always an unusual month, which this time was particularly unusual because the way the holidays aligned, people were off for a couple of weeks, and there was a lack of liquidity in certain sectors. So, we'll see whether this is going to be there for the long term or not.

On the other side, that's why it's a bit of a paradox, is that fundamentals continued to be very supportive. If you look at employment numbers, when I talk to our commercial clients, folks are feeling pretty good. Job numbers out of the U.S. are very strong, there's real wage growth, and Canada is also looking pretty solid. So, the fundamentals continue to be very supportive, but this volatility on the capital market side could provide some uncertainty going forward. But overall, fundamentals matter to TD, they are a big part of our business. So, I'm still feeling good about this year, and hopefully it will sustain into 2020 as well.

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### **Darko Mihelic – RBC Capital Markets – Analyst**

And does your view change at all on interest rate increases and the possibility for beneficial impacts on net interest margin for TD as a result of what we're just seeing?

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### **Bharat Masrani – TD – Group President and CEO**

Given the way our balance sheet is configured, we are a deposit-heavy bank. So, interest rates are very helpful. But there's always a two-edged sword, right, I mean you want to make sure interest rates, when they go up, they go up in an orderly fashion, not too fast and not too high, because we are in the end a bank, and interest rates go up because the Central Bank wants to slow things down. So, there's a balance that is required here.

Generally speaking, I'd say the way we run treasury, and I think all of our investors know, for the most part, we'll see whether that sustains itself even in a flattish rate environment and if the rates don't go up as much, a lot of these tractors get reset at a higher rate than when they were five years ago. So, there could be some positive there as well. But overall, we have said, and you've heard this on quarterly calls that there continues to be in a more positive side on the NIM and on quarter-to-quarter a lot of things go into it, there could be bumpiness but overall, we're still seeing some positive view on net interest margins.

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**Darko Mihelic – RBC Capital Markets – Analyst**

So then dealing specifically with your performance last year and sort of looking into 2019, obviously recognizing the macro but last year your adjusted EPS growth was 17%, and we realized that there was some tax reform in there, but well above your objective of 7% to 10%. So maybe irrespective of tax reform, maybe you can speak to the most important element of last year's growth, and how is that shaping up for 2019?

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**Bharat Masrani – TD – Group President and CEO**

So, you talk about tax reform, that's not going to repeat. That's part of our run rate. And by the way it was terrific for the bank. And then you continue to have the macro environment as being supportive, like I said all the economic indicators were positive, interest rates went up a few times that again given our balance sheet that was positive as well. And frankly, from a performance perspective I was very impressed with how the bank delivered against organic growth strategies. What we did by loan volumes, if you look at in Canada, we've had the highest checking growth for many, many years and continue to have that.

The teams have worked very hard to produce the performance we did. To summarize for 2018, you had a great environment, higher rates, lower taxes and our strategies all came together with you know peer-leading loan deposit growth in the U.S., fantastic growth in Canada. All that resulted in the numbers you're talking about.

For 2019, I go back to what I said earlier, you know the fundamentals continue to support. We said a month ago in our earnings call that we would expect based on what we see in the fundamentals, the strength of the economy, further rate increases perhaps not as many now given what has happened. And our own work we've been doing in the Real Estate Secured Lending in Canada, some of the digital platforms we're building in the U.S., we would expect to hit within that range. But also, there are headwinds there and if those headwinds turn out to be real and sustained then of course we'll have to change our outlook. But as of now just seeing what happened in December is probably not the way to look at the whole year.

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**Darko Mihelic – RBC Capital Markets – Analyst**

And so, one area that we certainly haven't seen any headwinds has been Commercial lending and even in Canada very high rates of growth. Lots of questions around sustainability, and I think when I look back at TD's results I've seen a lot of growth in Commercial lending and in Commercial Real Estate. So, can you touch on the growth we're seeing there, the outlook and the economic cycle maybe perhaps being late, you know should we continue to see TD power ahead and grow in Commercial at similar rates and why or why shouldn't we be concerned about said growth?

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**Bharat Masrani – TD – Group President and CEO**

As you know, we, from an underwriting perspective, have always prided ourselves in having consistent underwriting through a cycle rather than reacting to a particular event in the market or whatever the case might be. The overall economy has been again very supportive. I think TD economics is still projecting Commercial loan volumes to be up by about 8% in 2019. So that is helpful.

And then secondly, we started when the financial crisis was upon us, building out our Commercial bank very aggressively and what I mean by aggressively is by adding bankers.

We specifically talked about not wanting to become a large Commercial bank either through pricing or through risk appetite; we're simply not going to do that.

The third way to do that is to have more Commercial bankers, great training, great culture and having a consistent risk outlook that would resonate in the market and we have become predictable and that is what has happened. So, if you sort of agree that the overall market is going to go up by 8% then I feel good about it, that you know given our model we can probably sustain what you saw in 2018.

But a lot will depend on confidence. If oil prices turn out to be hugely volatile, that takes away the western provinces and more confidence. If something major were to happen in the revised NAFTA or USMCA that suddenly takes confidence away, then we'll have to reassess our view on it. But based on what we see today, we're still positive on the Commercial bank volumes.

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**Darko Mihelic – RBC Capital Markets – Analyst**

Now one of the things that we saw last year when we saw the introduction of B20, higher interest rates, and TD did something different from peers, it actually accelerated your residential secured lending throughout the year 2018. So, I think you talked about mid-single digit growth range in 2019 may be a bit slower. Are you still comfortable with that guidance that you gave in Q4? And we talked to your overall strategy going into 2019 around residential secured lending.

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**Bharat Masrani – TD – Group President and CEO**

Yeah, the mid-single digit growth, I think that's what we've been talking about. Yes, there was a time when we were losing share in that business and that was because we had some product issues et cetera, et cetera, so what have we done? We got this FlexLine product which is terrific; it has resonated in the market. We've increased our mobile mortgage sales force by quite a margin, I think it's a couple of hundred people because we were subscale for a while there. And the third thing we've done is, and I think Teri talked about it on the calls, is what we call our Homeowner's Journey. We've been investing a lot in looking at an end-to-end process that has digitization, what our branches are able to do and what our sales people are able to do, all that has come together, that has resulted in the numbers that you just cited.

I feel good about that because that's the way we wanted to do it. And frankly, a lot of the growth we had was recapturing what we had lost from the previous years and that I think continues. So, our view is that, yes, there was some sort of forward booking in Q1 of 2018, so year-over-year in Q1 there might be a bit softness because people were trying to bring forward their closings in order to qualify. But for the year, our view is that we'll continue to have the growth that we talked about earlier.

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**Darko Mihelic – RBC Capital Markets – Analyst**

And then on the credit card side, the opposite in fact, so we had generally lagging growth around 1% per year in growth and balances. But you've announced you're being the primary card issuer for Air Canada's new loyalty reward program, it launches in 2020 though. So, what is the outlook for your credit card growth here in Canada between now and then? And does it change actually, or do you think it will significantly change once the new agreement is applied?

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**Bharat Masrani – TD – Group President and CEO**

So firstly, talking about TD's growth and we've been more muted than perhaps the competition has been growing their credit card book. But I think it is important to get some detail there. Our own proprietary cards,

or travel cards, cash-back cards et cetera, as you know we launched a new suite last year that has turned out to be very successful. Where we have seen runoff is in areas that we actually intended to runoff.

We sold off some of our private label businesses that didn't make sense for us from a relationship perspective. In the MBNA portfolio, we pulled back on promo loans, because that's not conducive to the TD brand as much. We thought that was a prudent thing to do also from a risk and a return perspective. When we acquired MBNA, we acquired the CUETS business which was issuing cards, or providing card services to some of the credit unions out there. We sold off portions of that portfolio.

When you take all those and look at the growth in our proprietary cards, the net is 1%, that's how to look at it. I feel good as to where we are growing and to talk about the Air Canada agreement, very, very happy. I think this is terrific for our customers, for TD and there's going to be, when it's launched in 2020, a premier offering and it provides certainty to folks who are now Aeroplan members as well, because the program will continue. Now, it requires shareholder approval at Aimia, but hopefully that will be in the offing relatively quickly. So, very excited as to what's happening in the current space, I mean we are Canada's largest credit card company and I expect that to continue.

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**Darko Mihelic – RBC Capital Markets – Analyst**

It's hard for us on the outside looking in when we see the cost of it, right, and knowing that you're going to have some expenses coming as a result. It's hard for us to understand. So, the hope is that with this new relationship, this new program, that we see significant growth, are we getting ahead of ourselves?

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**Bharat Masrani – TD – Group President and CEO**

Well, Darko, I think as a bank, we are prudent investors of our shareholders' monies. Generally, we've shown that whenever we do that, we do it thoughtfully and provide more than adequate returns and I'd expect that to continue.

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**Darko Mihelic – RBC Capital Markets – Analyst**

Fair enough. Switching gears to the U.S. where it was an interesting year, interesting volatility, lots of rate changes. We've always viewed TD as a very strong deposit franchise in the U.S., but the U.S. loan growth decelerated a little bit recently in the U.S. And it was actually slower for both consumer and commercial lending, so maybe you can talk about your outlook for loan growth in the U.S. and we'll touch on deposits I'm sure, but for now I think a key question for us as we try and model out your bank for 2019 and 2020 is the loan growth side.

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**Bharat Masrani – TD – Group President and CEO**

When loan growth slows down, that is obviously concerning as to what's happening in the wider economy. But we haven't seen overall loan growth slowdown in the U.S., what has happened is that capital markets and other sources of loan funding have become very large and very good. And hence, it's a question of share against those types of players and not the fundamental growth in the marketplace. I think that's important to note because if there is an overall slowdown then you would expect, oh my god we are into a different cycle now and companies are not investing. That's not what we're experiencing.

We're seeing some pressure on loan growth because the competition is so intense, it's not as if you know people don't want loans anymore; the level of business investment going on in the U.S. is still impressive, at

an impressive rate. As I mentioned earlier, I go and talk with our clients at market visits very frequently and I feel good, the level of confidence, the employment levels and what our customers are now projecting are all quite strong. So, I feel good from that perspective, of course, there'll be intense competition, there always is. But I expect us to have good loan growth on the Commercial side.

On the Retail side, we have a few pockets as you know, in our business. We have the Real Estate Secured Lending on the mortgage front, we are introducing new capabilities in our platforms in the U.S. which I think will help some of the higher end mortgages, I think would be a good thing as well. Our credit card book with our partners is good. Our own proprietary credit card, it's a small base, but it's growing quite smartly, so happy with that.

And on the HELOC side, we've been able to actually get some momentum as well. So, those are the products, the key products on the Retail side we are in. We are not into student loan lending; auto finance is another one that is a big line for us. And if you look at auto sales, 17.5 million autos were sold in the U.S. and people keep on looking for the slowdown, but they don't seem to find one. So at least through 2019, we think loan growth in the U.S. overall should be okay, we're not worried or panicking in any respect.

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**Darko Mihelic – RBC Capital Markets – Analyst**

That said, should we expect to see deposit growth still outpace loan growth given the strength in your deposit franchise, and given your relationship with the Ameritrade?

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**Bharat Masrani – TD – Group President and CEO**

Yeah. Certainly, sometimes we talk on percentage growth of deposits and percentage of growth of loans but if you start with a big deposit book, even a small percentage is a lot of dollars, and we find that. But in this current rate cycle I wouldn't overly worry about it, it's quite okay you know to have deposits as well.

And I think it's a strength of TD that we are such a prolific deposit gatherer. And particularly on both sides of the border as to our cost of deposit gathering, we are a checking bank and I don't have to do the math for folks as to what the cost of deposits is. We are among the lowest cost deposit banks in the U.S. and I think that's great for the bank and we want to continue attracting those deposits.

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**Darko Mihelic – RBC Capital Markets – Analyst**

Yeah, I guess it's just always a question that we want to see you deploy the deposits on the loan side right.

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**Bharat Masrani – TD – Group President and CEO**

Yeah, of course we do too, but in the meantime, things are all right as well.

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**Darko Mihelic – RBC Capital Markets – Analyst**

Now, one of the things in the U.S. business that occurred was a big efficiency improvement, I think 170 basis points following 290 in 2017. So how much room is left for further efficiency gains in the U.S., and should we start to expect perhaps a ramp up of expenses or some investments in the U.S.? Can you just talk to the overall expense side of the equations in the U.S. for us?

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**Bharat Masrani – TD – Group President and CEO**

You shouldn't take efficiency gains in the U.S. to mean that we are pulling back on investments, that should not be read in that manner. I think what is happening is the investments we've been making all these years is now resulting in higher revenue growth, and hence we've seen good efficiency gains. And I'd expect that to continue, I think we've talked about in the quarterly calls that the expense growth in the U.S. should be similar as you saw previously. What we are always targeting for is positive operating leverage, and if you get positive operating leverage, your efficiency is going to improve by definition. It doesn't matter what those levels are of expense growth.

But I do want to reiterate that we continue to invest in our platforms and modernizing our platforms. If you look at the total digital revamp of our U.S. business from a client perspective, all of Retail now is on the new platform that allows us to introduce new capabilities in a matter of days or weeks rather than months or years. We're doing the same thing on the small business side. I think in February or March, we are converting all of our small business clients onto this new platform as well, that allows us more capabilities on that side as well.

I'm feeling good as to what this does to our franchise, to our brand, to our depth of relationship and the experience, the client experience we are providing which should all result in a positive operating leverage that's been the recipe for TD over the years and that continues to be the case.

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**Darko Mihelic – RBC Capital Markets – Analyst**

And so that leads me down to the path to we've had very good returns recently, in the U.S. tax reform is fantastic. It's great that we have now a higher level of earnings power and ROE in the U.S. So, the longer-term vision, do you keep plowing capital into the U.S.? Or do you just drive forward on the organic button as hard as you can for the foreseeable future?

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**Bharat Masrani – TD – Group President and CEO**

The answer is both.

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**Darko Mihelic – RBC Capital Markets – Analyst**

Okay. But how much on the capital side?

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**Bharat Masrani – TD – Group President and CEO**

On the capital side, I think we've been pretty clear. We do have an interest in acquiring the right type of entities in the Southeast of the U.S., nothing has changed. We feel the Florida market is very attractive to TD. It aligns well with our Northeast franchise, where we're very strong in New York, Boston, Philadelphia, Washington D.C. And frankly what we have on the west coast of Florida, we opened a few locations just catering to Canadians, and that's worked remarkably well.

Florida is an attractive market for us. And as I've said over last few years that if a compelling opportunity were to present itself, we'll look at it very seriously, now what does compelling mean? Of course, it's going

to make strategic sense to us and it's got to make financial sense to us. And as importantly and probably more importantly from a risk and culture perspective is why this is going to work. To-date, we have not found one, since we did our last transaction there.

We talked about deposits, would a credit card portfolio look attractive on the asset side to us? We look at it very seriously. So, nothing has changed there. The thing that has changed since I was in the U.S. a few years ago is that we not compelled to do anything. We are not strategically challenged. We've got the scale. We've got the brand. We've got the profile from Maine to Florida. We are the seventh largest domestic bank in the United States and on the Eastern Seaboard. So, we don't have a gap from that perspective. But if opportunity would present itself, which accelerates our organic plans, of course we look at it very seriously. We do have the flexibility and we have a proven model to deliver those acquisitions.

So that would be more opportunistic, if the right things were to present themselves, we look at it very seriously. That doesn't mean we're going to give up on organic growth. That is a core part of our strategy. That's what we've been delivering over the past few years.

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**Darko Mihelic – RBC Capital Markets – Analyst**

Well, I can identify one... It's got a great cultural fit, you already own 42% of it and we just went through a period of massive market volatility, and I have no idea what that means for that business in the short-term, but thoughts on TD Ameritrade?

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**Bharat Masrani – TD – Group President and CEO**

Well, it's a great entity. TD has been in this space in Canada since the 1980s, late 1970s, and we've been in the U.S. since 1996 as well. So, it's been a terrific business, very happy with it. Our ownership allows us to do anything that makes sense for both organizations and we've been doing that, TD Ameritrade thought that acquisition of Scottrade made a lot of sense, and we said of course it does. We said we'll take over the bank, you take over the broker. It has worked out remarkably well. So very happy with how that has turned out.

It's a core part of what TD is all about. It's part of our wealth offering through our stores in the United States. Any client needing a wealth type of capability up to \$750,000, that's a TD Ameritrade offering that we provide. In fact, recently, in any of our stores if the clients wanting or would make sense for them to have a robo type of an offering, we quickly refer that to TD Ameritrade as well, to their essential portfolios offering. So strategically it makes sense, financially it has made terrific sense, and so what's not to like? We're happy with where we are.

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**Darko Mihelic – RBC Capital Markets – Analyst**

Oh, I'm just thinking that you can own more.

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**Bharat Masrani – TD – Group President and CEO**

Yeah, but we get what we want now, then you'll tell me why did you use capital there and you could have done something there. It makes sense the way we are at right now, it is TD Ameritrade and it provides us with all this great strategic advantage in the U.S.



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**Darko Mihelic – RBC Capital Markets – Analyst**

And the Scottrade transaction was favorable. So presumably you'd also be there with the TD Ameritrade in the future should something come up with that?

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**Bharat Masrani – TD – Group President and CEO**

That's something that made sense for both organizations, of course we'll look at it.

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**Darko Mihelic – RBC Capital Markets – Analyst**

Yeah. Okay. Switching over from there maybe it's a good segue into capital more generally, we've had the buffer go up from OSFI. Most banks have said this changes nothing, I'd like to hear your thoughts on whether or not – I don't think 25 basis points change, but I'm not going to put words in your mouth, but at what point would a change or could it change the way you operate the bank, should OSFI decide to raise the buffer any further?

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**Bharat Masrani – TD – Group President and CEO**

So firstly, I'll be consistent, it doesn't change anything. Regulatory requirements are one aspect of how we look at capital and what we need. That's not the sole sort of driver of how much capital you should expect out of TD.

So – and I mean this, nothing changes, and I think people have asked me, how do we think of capital? Well, we have a framework and our priorities to make sure we have more than adequate capital to support our strategies. If we want to be the largest credit card company, well that's going to require a risk-weighted asset growth and that is going to require capital. We just can't have that, and say, we are not going to give you capital. So, we want to do that.

If there is a capability gap of any kind in the bank, will we use our capital if we find the right entity? Absolutely, we would. Layer 6 is a great example of that, and recently Greystone is a terrific example of that. We just talked about acquisition opportunities in the U.S., and frankly even in Canada, and would we want to have the capital flexibility should one of those events take place? Of course we would.

We go through that very systematically, and in the end we will also – if we exhaust all those opportunities, also look at buybacks, and then we've not been shy in doing that. In fact, last month we announced an extension of the buyback we already had. That's how we look at capital. And so, regulatory requirements are one aspect, but our own framework is as important in it.

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**Darko Mihelic – RBC Capital Markets – Analyst**

But you're at 12%, which is the highest in the group, so the question becomes, and I think what's the 10 basis points to 20 basis points of capital you can generate per quarter or let's say on average or...

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**Bharat Masrani – TD – Group President and CEO**

Yes, in the first quarter you'll see there are some regulatory changes in securitization, our Greystone acquisition closed this quarter, so there's some usage there. We'll see how the Air Canada thing works out,

if that gets approved, and maybe there'll be some usage there as well. You'll see some bumpiness in the number.

But as TD traditionally, I'd say we've been patient and prudent in capital. When I said earlier, if you're at the mature stage of this economic cycle, it's probably not a bad thing to have a little more capital than you might have otherwise, that's been TD's brand as well. And frankly as an investor, I'd say, well it's not as if we are not giving you great returns on the capital that we have in the bank. I think we are comfortable as to where we are.

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**Darko Mihelic – RBC Capital Markets – Analyst**

You mentioned Layer 6 in your commentary there. We actually had them in yesterday...

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**Bharat Masrani – TD – Group President and CEO**

How was that?

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**Darko Mihelic – RBC Capital Markets – Analyst**

It was pretty interesting. I noticed today you've got some stuff going on as well...

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**Bharat Masrani – TD – Group President and CEO**

TD Clari, yes.

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**Darko Mihelic – RBC Capital Markets – Analyst**

Yes. So, maybe you can just touch on that, because it was interesting to see. I mean I think it was last year at this time, you made the acquisition of Layer 6, a year later you're here giving us a demonstration. So for those of you who weren't here, it was pretty neat. So maybe you can touch on your technology investments, and specifically what we're just seeing today?

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**Bharat Masrani – TD – Group President and CEO**

I'd say that overall very happy with Layer 6. In general, I think the progress we've been making on modernizing our platforms, digitizing our bank, and you got the most popular and award-winning mobile app in the market, with the highest number of users in Canada. We are Canada's largest digital bank as well. A lot of the capabilities we've been introducing, which is providing this personalized connected experience which is important to us and an omni sort of experience through our branches and our digital properties and our phone centers and our ATMs, that is critically important.

And so, you see what we've been doing there. Now what you're talking about which I think the demo did yesterday and I think we announced today, which is in the market now, is TD Clari, which is an AI-powered chat bot which is part of our mobile app. Now what does all that mean? Well, it's creating that engagement with our clients. So hopefully many of you are TD customers and use our mobile app and you'll see properties such as TD MySpend which tracks in real-time your spending, and so if you're overspending sometimes, Darko it'll tell you that you shouldn't be doing that. And TD for Me which is a geo-location app, so if you walk into Union Station in Toronto, it'll give you an alert that your train is late. Providing those

engagement experiences, this is where Layer 6 has been important as well in making sure that we are approaching the right customers with the services and offerings that TD has. And again Layer 6 has been critically important there.

So, very happy as to the progress we are making on the technology front, on the digital front, how Layer 6 has been fully utilized within the bank. And I should add, and I'm sure Tomi would have talked about it yesterday, is that with Layer 6, one of the important components of that is how do they play part of our community focus within the banks? We have the Ready Commitment, and I know many of you know about it. Layer 6 has been chosen, for example, to look at the health records in Ontario. Ontario has been prolific in storing millions of health records and how can artificial intelligence and what Layer 6 is doing be used to help in understanding some of the diseases that are out there. I think diabetes is one they're looking at as well.

So apart from what is great for the bank is great for the communities and for the wider Canadians and North Americans, I think is a terrific thing for us to be involved. And so, very happy as to the progress we are making, and we are not done yet, there's a lot more coming and all good. I think you will find TD is in the forefront as we move into this new digitized world.

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**Darko Mihelic – RBC Capital Markets – Analyst**

Okay. I think at this time we're going to flip over and ask some of the questions that are being asked...

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**Bharat Masrani – TD – Group President and CEO**

Sure. I see them flipping here.

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**Darko Mihelic – RBC Capital Markets – Analyst**

Yeah. They're voting them up and down...

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**Bharat Masrani – TD – Group President and CEO**

They're using AI for this as well?

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**Darko Mihelic – RBC Capital Markets – Analyst**

Not really AI, just a simple app. If we were using AI, I'd be a little nervous. On Air Canada, what's the benefit of being the primary card issuer and how will your offerings be more attractive to the market versus your competitors?

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**Bharat Masrani – TD – Group President and CEO**

So, being the primary card issuer means, in the credit card space, advertising how you make the offer available on your digital properties, how is it positioned in your branches and what can you do from a travel category, all those become critically important. And as you've seen, in the Aeroplan program, we were already the primary issuer and you saw what that did for the bank. I mean, it made us into Canada's largest credit card company. So, I'd expect that to continue and in fact I'm sure you hear a lot from TD and from Air Canada

when we get to 2020 as to how great the new program that Air Canada will be launching as part of this introduction. I'm very excited as to what that means and primary means we are the main provider of that card and happy to be in that position.

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**Darko Mihelic – RBC Capital Markets – Analyst**

So, the next question, we may have already touched on is, why not own a majority stake in Ameritrade, would you deal with E\*Trade? I'm not sure that you can comment on other companies, so maybe we'll just go to the next question which is: TD has outperformed peers significantly in HELOC growth. Will that slow with less home price appreciation in Greater Vancouver and GTA?

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**Bharat Masrani – TD – Group President and CEO**

Perhaps. But the outperformance, I'd like to tell Teri Currie, is bringing TD customers back home. We were losing share, there were as I mentioned earlier, certain issues in our product offering and we had certain issues in distribution as well and we fixed all that. And hence, we're just bringing that business back into TD and those customers back into TD. Of course, if there is a major slowdown, then it's going to have an impact. But to date, we are not seeing that. And I think the product offerings we have, we are seeing healthy growth there and I expect that to continue.

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**Darko Mihelic – RBC Capital Markets – Analyst**

Okay. We're running out of time, so I'm going to turn it back over to you and ask you for – we've had lot of discussion on wide ranging topics, what is the key message that you'd like to leave today with the investors and shareholders?

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**Bharat Masrani – TD – Group President and CEO**

Normally when we get to this stage, we talk about how great 17% EPS growth is, et cetera, terrific, all that is great. But I think part of that to make it different this time is, what is TD all about? Strategically, how do you think of the bank? And I leave you with three points. We are a proven business model. If you look at our businesses, the diversification we have, and a proven business model with a very clear articulated risk appetite. What that does is, it gives us a consistent predictable earnings growth cycle.

If you look at the second big component for us, we are a purpose driven organization; highly customer centric, big investment in our people and our inclusive culture which is a key competitive advantage. We feel very community oriented. I just talked about what Layer 6 is doing. That becomes very important.

And then, we are future focused. What are we doing to enhance this personalized connected experience for our clients, how are we modernizing our platforms to meet today's demands and needs in the environment? And are we bringing real value with investments such as Layer 6, and Greystone and the like?

When you look at it, that is our strategy and simplistically I feel great that our teams are executing exactly what to expect when you lay those three points out. We feel great about the bank. I know all of you are investors in the bank, and really, really appreciate your confidence. Thank you.