



**TD BANK GROUP**  
**BARCLAYS GLOBAL FINANCIAL SERVICES CONFERENCE**  
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## **PARTICIPANTS**

### **Teri Currie**

*TD Bank Group – Group Head, Canadian Personal Banking*

### **John Aiken**

*Barclays Capital – Analyst*

## **FIRESIDE CHAT**

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### **John Aiken – Barclays Capital – Analyst**

Okay. Ladies and gentlemen, we're going to kick off the next session, very pleased to have with us Teri Currie, who is Group Head, Canadian Personal Banking. Teri, thank you very much for joining us.

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### **Teri Currie – TD – Group Head, Canadian Personal Banking**

Thanks for the opportunity. It's great to be here.

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### **John Aiken – Barclays Capital – Analyst**

Teri, if you wouldn't mind just giving us a quick preamble overview of your operations and where you see TD in the world, we'd appreciate that.

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### **Teri Currie – TD – Group Head, Canadian Personal Banking**

Okay. So, we're delighted with the performance that we've had so far this year. I do run the personal bank, but can answer questions across Canadian Retail and for the bank overall, particularly given the Wholesale Q1 performance. I think the bank overall as we look at year-to-date, we're feeling great.

For my business and for Canadian Retail, strong revenue growth, about where we thought we would be, great loan growth, personal non-term deposits growing well. So, the business has momentum and we're leveraging the investments we've made in the business. We are the number one digital bank in Canada. We have, I think for TD, 13 million active mobile users, in Canada 5.2 million, which does make us the biggest and we've actually surpassed now active online users with active mobile users. And we're number one across the board as rated by App Annie and comScore for engagement.

We are continuing to make investments in the business and I think importantly protecting and preserving what we really value, which is our unique and inclusive employee culture and our risk culture.

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### **John Aiken – Barclays Capital – Analyst**

Fantastic. Teri, I guess we're here in New York and one of the questions I typically get from U.S. investors is the resiliency of not just TD, but the Canadian banking system in totality. What do you attribute that resiliency to and what are you looking for in terms of reasonable growth over the next three to five years, particularly for your segment?

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**Teri Currie – TD – Group Head, Canadian Personal Banking**

Yeah. So I think for TD, we've talked about a medium term earnings outlook of 7% to 10% and over the last 15 years, I think we haven't made that about three times. Typically in a risk scenario, so Alberta oil and gas, the financial crisis, and an insurance issue.

So overall, really well-positioned business in Canada, both businesses on both sides of the border, but Canada where I can speak to a little bit more. We're number one, as I mentioned, in personal non-term deposits. We lead in acquiring new customers to the bank. We know that the reason that they choose us is our great branch locations, our strong hours advantage, but also our number one digital properties. All those things matter to our customers. We got a strong position in Direct Investing, a market leading position that we're continuing to grow.

We've recently been named by The Globe and Mail as the best Direct Investing platform "by far" I think was the quote. Our insurance business, we're the number one direct insurer. We have the strongest affinity business. We've got all that and that resiliency I think comes from that strong position, but also it comes from lots of pockets of opportunity across all of our businesses. In my business in particular, the hybrid HELOC business is something where we're fourth in market share and we've been leveraging investments in that business to provide ongoing growth opportunity and you've seen that in mid-single-digit real estate secured lending growth.

We have opportunity in unsecured personal lending to lend to customers who love us for their day-to-day banking, but have their borrowing elsewhere. In the business Bank, we have opportunity in Québec. We have opportunity in Alberta. And in Wealth Management, we have opportunity to really provide more advice to customers who deal with us.

Whenever we're sitting in one of my senior executive team planning offsites, I think what's fantastic is just the opportunities to deploy and grow in a number of different areas and really the trade-offs we make at the enterprise level are around, how much of that growth can we afford at what pace?

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**John Aiken – Barclays Capital – Analyst**

Fantastic. And I think – I mean there's still a thunder from at least some of the people in the room and ask about housing, Canadian housing.

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**Teri Currie – TD – Group Head, Canadian Personal Banking**

You think that would be on people's mind.

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**John Aiken – Barclays Capital – Analyst**

Well, if not, I'm just going to preemptively take you out of this, but there's been obviously a lot of policy moves by the government trying to stem the overheated market. What are you seeing on the ground in terms of demand for mortgages, for the HELOC products and how sustainable is this? Are you, as head of Personal Banking, actually concerned about housing?

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**Teri Currie – TD – Group Head, Canadian Personal Banking**

So, I'll start with the end. I'm not concerned about housing, that's probably the most important statement to take away. If I go back when I took this job on in January of 2016, we were actually, prior to some of the

moves that the governments and regulators took, we were actually looking at some of our own lending policies and in particular, we tweaked some policies around personal borrowers who were financing multiple rental units and we actually took the step to reduce our exposures or our policies around that kind of lending and that did cost us at that point in time in 2016 some growth on a relative basis versus peers, particularly in Vancouver.

As I fast forward and think through the last almost four years, for certain, we've seen some tightening of policies, some provincial policies around non-resident in particular. We've seen the B-20 changes obviously. Through the piece, that is meant in a variety of geographies at different times. There has been either a slowing of growth or in some cases quite accelerated growth, Montreal being an example and I look at our business and I say we, in the last probably three years, have been growing consistently in the mid-single-digit growth rate and that's something that I feel very comfortable with and we've made purposeful investments. The HELOC hybrid product that you talked about and that I mentioned earlier, we had not adjusted that product post the 2012 B-20 changes to be able to fix the 80% portion and that took us – if you looked at our share at that point in time, we lost quite a bit of share, took us out of the market for a period of time.

Coming back with a competitive product, we've been able to outgrow in that particular area, but it's 90% to customers who bank with TD and who have their borrowing elsewhere. So it's a risk that we're very comfortable with. And so, that growth being a little bit stronger, we're quite comfortable with.

We've invested in mobile mortgage specialists on the ground. We've invested in our operations and adjudications area, including using innovative automation and auto adjudication more purposefully. And we've invested in our branch staff. And so I'd say comfortable with the growth. Clearly, we think the measures have led to a soft landing, which is what everybody had hoped for, that's what it looks like is happening, but I think we still have the opportunity to grow at a pace that's reasonable and within our risk appetite.

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**John Aiken – Barclays Capital – Analyst**

Yeah. I think that one of the most astounding things from this is, is that when the policy shift started, everyone expected unintended consequences and cracks start forming. We haven't seen that. And so, I take it that with no concern on the housing market, what are the expectations for volume growth going forward, do we see it maintaining, do we see decelerating, do we see an inflection and actually accelerating?

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**Teri Currie – TD – Group Head, Canadian Personal Banking**

Yeah. I think we continue to feel pretty good about the pace of growth. So I think that mid-single digit is a good target for us for certain for this year. And we'll reset our guidance as we go forward. But given the investments we've made in the business and how well those things are paying off, I would suspect we've got good embedded growth going forward as well.

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**John Aiken – Barclays Capital – Analyst**

Fantastic. And Teri, before I open it up to the audience for questions, we're going to start with the first polling question if we can.

What's the most undervalued segment of TD's operations? The domestic retail operations – please don't let what operation she is running skew your answers, the U.S. Retail banking exposure, Wealth Management,

including the interest in TD Ameritrade, relatively low capital markets exposure or lower risk profile relative to the broader group.

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**Teri Currie – TD – Group Head, Canadian Personal Banking**

Feel like there should be some music or something...

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**John Aiken – Barclays Capital – Analyst**

We couldn't get the rights to Jeopardy...

You didn't get a vote of confidence, but a little bit around the wealth management, the low Capital Markets exposure. Now I know it's not your area, but do you mind touching on the Wealth Management strategy as well as the philosophy behind the relative lack of capital market exposure?

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**Teri Currie – TD – Group Head, Canadian Personal Banking**

I'll go with the lower Capital Markets exposure first.

I think we've been – and Bharat in particular has taken an approach to purposefully, working with Bob and his teams globally, build that business out. Again generally speaking, for either niche capabilities that we can extend to other geographies or franchise TD North American customers in other geographies and we've certainly, with the big TD Bank, America's Most Convenient Bank footprint and customer base, been looking to build out the U.S. strategy.

I think the difficulty is when you look at a growing Canadian business, ongoing growth there, changing the proportion of the business that is Capital Markets, it's a pretty daunting task if you're Bob Dorrance. But I would say we've just recently had a Greenwich win and number one in fixed income. I think that I'm very comfortable with our ability to continue to play a bigger role, particularly for U.S. customers going forward.

In Wealth Management, we have the fastest growing private bank in Canada and obviously we have the number one discount broker in Canada and growing. I would say our opportunity continues to be providing more advice to TD customers more generally and that's the same in the U.S. and in Canada.

In Canada, we have a more built-out product suite and a set of advisors to help with that. In the U.S., that's still an opportunity for us and we do leverage TD Ameritrade for that. We run a One TD approach in our organization. And what we mean by that is five years ago, that would have been teams in the various regions, the Business Bank, Wealth Management, Insurance to some extent and the Personal Bank, working together for the face in the community, it would have been a little bit more 'Parties R Us' kind of thing. What that has evolved to over the last five years is a very disciplined, right down to branches in some cases, or very small market areas, those deal teams working together to understand the pipeline, the customers, the relationships and the opportunities.

And I get a report every single week of how we are doing across the regions in terms of some of those most important wins. And it works well because we oftentimes have a house of TD locations where people are co-located. But also, it works because we have a disciplined, leader-led, all the way through the organization approach around ensuring we get TD customers to the business that best fits for them and to the providers that best fit.

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**John Aiken – Barclays Capital – Analyst**

Well, then to encourage the behavior, how are the people on the ground incentivized to transfer the business to another area?

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**Teri Currie – TD – Group Head, Canadian Personal Banking**

It varies a bit by business. In the Personal bank, we pay attention in our, call it, our life category of our scorecard to referrals that go mostly to Wealth Management. And that is a small component of their overall incentive, but it's an important message that this is something that we pride ourselves in TD as competing against the competitors, not each other and I think we do a really effective job at that.

For Wealth and Commercial referrals, it's not so much an incentive piece, it's much more around just advisors and relationships and co-location. A great example where there is a real opportunity is business succession. As people are thinking about selling their business, we have wealth advisors that can come in and help with that, and that's a kind of long pipeline type sale and so, those relationships on the ground and understanding the customers that we can have in common.

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**John Aiken – Barclays Capital – Analyst**

Are there any questions in the audience for Teri at this stage?

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**Unidentified Audience Member**

Thanks. So, I'll apologize in advance, a bit of a novice question. But when John asked you about growth, you talked about some market share gains you guys have with cross-selling products and good products and initiatives.

But I guess if you take a longer-term view over the last decade plus, the Canadian consumer has leveraged up, which has been a rational response to lower rates and starting pretty de-levered. And if you look over the next decade, not the next quarter, do you just see growth rates slowing down a little bit? And I'm not so much concerned about an asset quality problem, more a growth problem in your business.

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**Teri Currie – TD – Group Head, Canadian Personal Banking**

I think that the way we think about it across our businesses really is around where are those opportunities, where we can either add capability and talent and then compete in a space that we haven't competed in before. If I go back a few years in the business bank, floor plan lending for dealer finance would have been something that we wouldn't have had the capability around, we wouldn't have had the relationship managers in the field, we wouldn't have had the focus around it, but it's within our risk appetite, our risk policies and our capabilities. And so that's an example where notwithstanding the pie might not have been getting bigger, our opportunity was great and so there's those kinds of opportunities all across our portfolio.

Business credit card would be another one where relative to, in particular, our small business customer base, the share of those carrying the card is an opportunity. Personal credit card notwithstanding, we are the number one market share and there's still opportunity in our own base. There are certain provinces in the business bank, Alberta and Quebec would be examples where we have opportunity to grow.

And so not trying to give you a naïve answer that if the markets were to turn that that won't have some impact on growth, but we still have across our businesses a number of places where we can continue. Fourth in the HELOC hybrid that I talked about, a mortgage product, but unsecured personal lending we're fourth as well. So, we've got these places where we've got customers who like us, who we know well enough to be able to make offers to them that are comfortable for us to grow our business.

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**John Aiken – Barclays Capital – Analyst**

Teri, you touched on one – it's a little bit further down on my list, but in terms of the credit cards, very broad offering as well, there's a new strategic alliance coming down the pipeline. Can you talk about what the expectations are with the plan is, with Aeroplan and also how that will fit into all your other credit card offerings as well?

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**Teri Currie – TD – Group Head, Canadian Personal Banking**

So, delighted that we were able to get to that place to extend the direct agreement with Air Canada going forward to be their primary issuer. What was amazing through that period of ambiguity was how well balances and engagement with that card held up for the core customers of that card. And since we've been able to announce the new deal going forward, even though the value proposition hasn't yet been communicated, both new card sales have increased, as well as we've continued to see the good spend on those cards. It's a great partnership for us. Obviously, this is a premier loyalty program in Canada. And what we've noticed working together across the teams is that it's an entrée for other partnerships for us going forward. So, I think more to come in terms of being able to leverage the relationship and the customer base.

The other thing I would say is that we're very excited to very soon be out with this value proposition, the opportunity to deal directly with the airline allows us the flexibility to do things that I think are going to delight our customers going forward.

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**John Aiken – Barclays Capital – Analyst**

Fantastic. Any questions?

I guess I'll carry on then in terms of – you've mentioned a couple of times in terms of being the number one digital bank in Canada. Was wondering if you could expand upon that in terms of what is TD doing to achieve this status and where – what's the direction – where do you go from there?

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**Teri Currie – TD – Group Head, Canadian Personal Banking**

So, it's something I'm quite passionate about. Before I came back into this role, leading branch banking. I had digital reporting to me as well as technology and all the non-branch, non-store channels and so, I was involved at the inception of the strategy that we're seeing play out. And we took a very different approach as TD. When we started our digital journey, we built a North American function to support all of our businesses. Kind of a horizontal structure. We thought what that would do is give us much better talent and capability to support our businesses going forward. It would allow us to invest where individual businesses might not make that decision, particularly four, five years ago on a decentralized basis. It allowed us to build once and leverage many times and so there's lots of examples of how that's benefited us.

We went down a strategy, if you think about the timing of this kind of 2012, 2013 mobile wallets were the phase, and Fintech was going to be the thing that disrupted the banks. And Fintech partnerships have really

been the evolution and we were very early in some of those partnerships. Moven for TD MySpend, Flybits with TD for Me and we purposely went after being engaged with our customers on a day to day basis, so an engagement strategy versus sales first.

It also allowed us to build through actually launching mobile wallets early days, build customer experience capability in our digital team that I think is second to none. So we have very not typical bank employees, psychologists in that group, design experts, et cetera so that we run a consistent customer experience approach in how we design our properties, both our own properties and our partner properties, to direct the experience back to a TD experience. That's resulted in that number one engagement that I talked about and the number one active mobile users.

What it meant was that we were a little bit later in building our digital sales capabilities and there were a couple of years, about two or three years ago where, as I was in these kinds of forums, people were saying you're lagging in digital sales. What we did was rather than build point-to-point solutions for each of the things that our customers might want to buy from us digitally, we built a platform. In Canada, that platform is EasyApply and our digital sales for credit cards, checking, savings and unsecured lending happened with that same platform with an experience that is consistent and it allows for a customer-centric approach going forward to bundling product sales.

Many of our competitors went point-to-point and so they have a very different experience for customers product-by-product. We are now at a place where that EasyApply platform and our digital credit card sales are just on a J-curve and feeling very good about where we are and the way we prioritized, first ensuring we didn't lose engagement with our customers, that it was a customer-centric experience which we have been known for, for 164 years and that it was deployed in a way that's leverageable. That same platform powers WebBroker, our number one direct investing platform in Canada. That same platform is being deployed by Paul Douglas in the small business space, for small business digital sales and it can be leveraged in the U.S. as well. I would say very thoughtful, very much a personalized omni-channel approach, North American and I think we've benefited from a talent and outcome perspective.

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### **John Aiken – Barclays Capital – Analyst**

And how do you benchmark yourself against competitors? Do you use external consultants or is there something that you can do internally and is this just an ongoing wheel that you're going to have to continually improve and innovate against? Is it important that you're first out of the gates on everything?

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### **Teri Currie – TD – Group Head, Canadian Personal Banking**

We don't believe it's important to be first to market with every new whiz-bang thing. And in fact, when we prioritize how we judge whether we are winning, it is around engagement with our customers, ratings in the app stores, being number one across the board in App Annie, comScore which measures customer engagement, and we've continued to lead in that metric. Actually, people using our capabilities is more important to us than whether we have a proliferation of capabilities and again, we design from the customer out. And so when you look at something like TD MySpend, our day-to-day financial management capability, Moven – they are our partner, they were in the U.S. market as an attacker bank, if you will, eight years ago and amassed some tens of thousands of customers. We have well over 1.5 million customers who are TD MySpend day-to-day users and that's giving them a day-to-day advice advantage. They actually spend more with us on their credit cards and they've actually saved more than a control group of customers. So, we're delivering value with those digital capabilities.

Rizwan Khalfan, our Chief Digital Officer, will look every day at the App Store in Google and Apple and see whether we're number one and most days we are number one. That's important, but I think what's more important is whether our customers are actually taking up our capabilities.



And then I do think it's important to talk about digital in the omni experience. I spend time in focus groups with customers and I can tell you across demographics even with the focus groups I've done in the last couple of months, the digital, for sure has a place in research. It has a place in sort of less complex product sales typically. We have an end-to-end digital mortgage application that is helping to bring people to TD. But as people get to complex problems as they get to advice, as they get to moments where they are uncertain, that experience needs to be an omni-channel experience that allows them to get face to face with our advisors with their context following them.

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**John Aiken – Barclays Capital – Analyst**

Want you to have a sip of water – can we have the second polling question please?

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**Unidentified Audience Member**

Relative to peers, what's your outlook for TD's valuation over the next 12 months? Significantly outperform, modestly outperform, in line, modestly underperform, significantly underperform.

Hopefully you don't get too offended by the answer. Now definitely skewed more to the positive, that's a good thing.

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**John Aiken – Barclays Capital – Analyst**

I guess in terms of going forward, part one of the issues that I have in terms of forecasting, not just TD, but the banking group is really the macro environment. And what's your personal outlook for the Canadian economy and I guess consumer sentiment because of course that's going to drill down into a lot of the products that you are offering?

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**Teri Currie – TD – Group Head, Canadian Personal Banking**

Yeah. So, it's interesting no matter what this had come out as, I would definitely say we planned for the long term and we don't manage quarter-to-quarter, so this is great.

If you look at the Canadian economy, we just came off of a pretty strong GDP print. There were a few "yeah, buts" that came out after the fact, but a pretty strong print.

As you mentioned, housing is starting to see some good momentum there across many markets. I would say obviously with the questions that people are tending to ask today and the trade uncertainty and some of the geopolitical impacts, they're putting more downward pressure on our outlook than we might have been talking about earlier this year. But I'm pretty bullish on our opportunity. TD has prided itself on really being able to adapt to the circumstances that we find ourselves in. In fact, as we've gone into periods of disruption, coming in strong where people do believe we'll modestly outperform is a great place to be in terms of looking for opportunities in that disruption.

I would say if I look at the business, absent real dislocation or really sort of unforeseen events, we are feeling good about our medium-term outlook for growth. And in a period of disruption, we have a downturn readiness plan that we work across the organization with our risk partners, our collections partners, our business partners on an ongoing basis. And we have playbooks and I feel comfortable that we know how we would respond. And what I love about TD, I mean I'm a 32-plus-year TD employee.

Many of my peers also have a significant amount of experience. When we look at the potential of a credit cycle, a lot of colleagues around the table who've sat in business or risk or credit chairs during those cycles and we've actually been out to talk to some of our retirees about how they might come to bear if we find ourselves in a situation where we need more experience.

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**John Aiken – Barclays Capital – Analyst**

Okay. You opened up that can of worms.

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**Teri Currie – TD – Group Head, Canadian Personal Banking**

Yeah, I'm very old...

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**John Aiken – Barclays Capital – Analyst**

No, no, no, but you said credit. So, it's been absolutely astounding to me coming out of the financial crisis how strong the Canadian consumer credit has been. Are we seeing anything on the margins that might lead to some concern on personal credit or are we just steady state and happy that nothing, there's no bump on the road?

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**Teri Currie – TD – Group Head, Canadian Personal Banking**

It was interesting, I think about preparing for this and when I was in my past role, collections reported to me and we were doing a downturn readiness exercise in 2015. So, I feel like we've been planning and adjusting our plans and testing our playbook. In this exercise, again, we're meeting every couple of weeks, we are not right now seeing indicators that cause us concern. And to echo what Ajai would have said, we are seeing some normalization. If you look back over the last five years, the ranges that he's talked about for PCLs, the 40-45 basis points at the Bank level, being at the higher end of that range, are well within a normal credit period outcome and I think right now, that's what we're seeing. But again, I think ready to act if we felt like we needed to.

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**John Aiken – Barclays Capital – Analyst**

Let's see if there are any questions at this stage. We have one.

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**Unidentified Audience Member**

Okay. I think you're perhaps unique among the Canadian banks in the scope of your U.S. retail operations and also its very different heritage, not in terms of customer service, but in terms of being an upstart rather than a traditional player. What's been your experience in terms of both technology and other operations, how much, if any, synergy can you develop working between the two markets or are they effectively different businesses, both of which need to be run well?

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**Teri Currie – TD – Group Head, Canadian Personal Banking**

So, when I had the technology portfolio going back about five or six years ago, we undertook an exercise in precisely this thing to figure out what were the core capabilities that the businesses across the bank, all businesses both sides of the border needed. And therefore, as we looked at our pending investments,

how would we actually build that infrastructure in a much more North American way. I ended up meeting sessions of across 40 businesses with the most senior leaders of all of those businesses and the things that came out that definitely were shared infrastructure requirements, integrated data and sophisticated analytics; so having the ability to understand our customers across the bank, digitization and automation, so things that allow straight through processing, workflow tools, e-signature, abilities to ingest documents, those kinds of things, scanning capabilities. Omni-channel, so the platform I talked about earlier, EasyApply was an outcome of that exercise. No matter what business leader you were talking to, when they thought about this time five years ago, they knew that they would need to be able to seamlessly help customers across channels.

And then finally Mobile for Everyone, an ability for BYOD if you're a colleague of our bank, but also the ability for customers to interact with us on their own device and potentially to translate that experience in an assisted channel even on their own device. And so those things we built and invested in as an enterprise over the last number of years. Data would be a great example, Akora, our data lake, the data governance, the ingestion of that data, the analytic capability that we've built, how data is managed for security, privacy and for business leverage across the organization, all came out of that exercise and those things we run on an enterprise basis and we leverage talent in particular.

Our purchase of Layer 6 in Canada at the end of last year, an industry-, a global leader in machine learning and artificial intelligence is a leverageable capability across the bank and because we made those investments in data ingestion, data governance, data management, we're much better positioned to use their great capabilities to predict our customers' potential needs and also to now think about how we manage risk collections and the balance sheet going forward. Cyber would be another area, information security where we build at the center and we leverage across our business.

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**John Aiken – Barclays Capital – Analyst**

I guess in terms of the discussion about all of the initiatives that you have in place is about paying for it. How do you manage the push/pull in terms of the necessary investments and how easy is it to throttle back your plans in case we had a recessionary environment where revenues are just not as strong as you may expect?

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**Teri Currie – TD – Group Head, Canadian Personal Banking**

So, we have quite an integrated enterprise planning capability. We do start with a target of positive operating leverage for the bank and for each of our segments and there will be bumpiness in quarters or in periods, but overall that is the frame that we use. If I think about what's happened this year, we came into 2019 with an expectation of more rate increases. If you think about the planning paradigm that we would have entered this year with and it became apparent pretty early in the calendar year that it was possible that would not be what we would experience. And so in the spring of this year, we did start to take actions in each of our businesses to think through what were the levers we could pull whilst still investing and growing our business and meeting the plans that we had set. If you think about some of the ways we invest, so first and foremost, anything that's regulatory, anything that's cyber that is 'protect the bank' is prioritized for sure. And if that ended up driving negative operating leverage, we'd live with that, those are prioritized for sure.

Then you get to kind of the business required elements in my case and in the Canadian Retail space, adding client-facing advisors, very important as we continue to involve the advice model and deal with those underleveraged opportunities. And so that would kind of be the next bucket. And then finally you'd have the things that we want to do to continue to evolve our business, but they might be able to happen on a longer time horizon.

If you think about that prioritization, some of the levers that we have or that we've used would be in the technology space, when we're ramping up investment like we did last year, where the beginning of the

year revenue was strong and so we took advantage of that to invest more in building capability. We have TD-badged technologists and we have contract technologists and so that is a flexible sort of up and down workforce that we can manage. Timing and pacing and sequencing of projects is another way that we can manage our expenses across the overall enterprise portfolio. Digital marketing is one that we can flex up and flex down. And in fact if my business team, half the year, we're talking about how can we pace out and sequence things to spend a little bit more slowly and then we get into this past quarter and I'm saying how can we do more digital marketing because we spend a little more quickly because that's the spend that I actually have programs, I can pull off the shelf, I know that they will be accretive, but they don't cost me for two years. They cost me for the period of time I'm making that investment. So that's sort of how we think about it. And when I took on this business, it was a period where we invested more heavily in the personal bank. And when we make those decisions at the senior executive team, that sometimes means a business gets more investment than another business and we make those decisions together.

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**John Aiken – Barclays Capital – Analyst**

Fantastic. And then I'm going close off with one final question that we've seen over several years the evolution of the branch and the footprint. Can you let us know where TD is in terms of the stage of the game that we're at and what we may see in the future in terms of ongoing evolution, what we may see, is it more towards an Apple Store style, is that going to be every branch and what exactly are your plans for the future?

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**Teri Currie – TD – Group Head, Canadian Personal Banking**

So I mentioned customer focus groups. So I had done these when I first took on the role in 2016 and have just repeated them across the country, in different demographics. The only thing I would say as the difference is people's expectations continue to be higher when they take the time to slow down and go to meet people face to face. But their desire to have complex conversations to get a problem solved, to deal with something they're uncomfortable with face-to-face has not changed; that continues to be an important component.

They want digital capabilities through research. They want to buy simple sales products and they want to be able to do self-service transactions and those things are important. But omni-channel is definitely what customers are looking for. Our branch network is about 1,100 branches in Canada. I expect it to grow slightly as we move forward. If I go back to 2013, we would have been in new branch openings, relocations and mergers, we'd be about second in terms of the amount of activity across each of those categories, which in aggregate means we've been the most active across optimizing our network.

We've taken out about 400,000 square feet of space. We've gone to more modular type of branches in some case. I can tell you what customers do not like, unprompted in every focus group, they say why would you have a branch that doesn't have cash? Why would a bank do that? So fortunately, we don't have very many of those, like less than one hand number of those, but they definitely have an expectation of wanting it all. Service transactions have come down. About 90% of what people do, financial transactions, happen self-serve. So we've been able to take service staff down 3,000 or 4,000 people over that period of time. But we've been reinvesting back with advisors. I'd say going forward, we're going to continue to have houses of One TD that span all of our businesses in our big billboard locations for TD, we're going to have some smaller help and advice centers that have cash available for our customers, and probably about 1,100 branches.

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**John Aiken – Barclays Capital – Analyst**

It's a very good story. Thank you very much for joining us.

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**Teri Currie – TD – Group Head, Canadian Personal Banking**

Thank you. I appreciate your time.