TD BANK GROUP
Q2 2021 EARNINGS CONFERENCE CALL
MAY 27, 2021

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FORWARD-LOOKING INFORMATION

From time to time, the Bank (as defined in this document) makes written and/or oral forward-looking statements, including in this document, in other filings with Canadian regulators or the United States (U.S.) Securities and Exchange Commission (SEC), and in other communications. In addition, representatives of the Bank may make forward-looking statements orally to analysts, investors, the media and others. All such statements are made pursuant to the "safe harbour" provisions of, and are intended to be forward-looking statements under, applicable Canadian and U.S. securities legislation, including the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements include, but are not limited to, statements made in this document, in the Quarterly Report to Shareholders for the quarter ended April 30, 2021 under the heading "How We Performed", including under the sub-headings "Economic Summary and Outlook" and "The Bank's Response to COVID-19", and under the heading "Managing Risk", and statements made in the Management's Discussion and Analysis ("2020 MD&A") in the Bank's 2020 Annual Report under the headings "Economic Summary and Outlook" and "The Bank's Response to COVID-19", for the Canadian Retail, U.S. Retail, and Wholesale Banking segments under headings "Key Priorities for 2021", and for the Corporate segment, "Focus for 2021", and in other statements regarding the Bank's objectives and priorities for 2021 and beyond and strategies to achieve them, the regulatory environment in which the Bank operates, the Bank's anticipated financial performance, and the potential economic, financial and other impacts of the Coronavirus Disease 2019 (COVID-19). Forward-looking statements are typically identified by words such as "will", "would", "should", "believe", "expect", "anticipate", "intend", "estimate", "plan", "goal", "target", "may", and "could".

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Material economic assumptions underlying the forward-looking statements contained in this document are set out in the 2020 MD&A under the headings "Economic Summary and Outlook" and "The Bank's Response to COVID-19", for the Canadian Retail, U.S. Retail, and Wholesale Banking segments, "Key Priorities for 2021", and for the Corporate segment, "Focus for 2021", each as may be updated in subsequently filed quarterly reports to shareholders.

Any forward-looking statements contained in this document represent the views of management only as of the date hereof and are presented for the purpose of assisting the Bank's shareholders and analysts in understanding the Bank's financial position, objectives and priorities and anticipated financial performance as at and for the periods ended on the dates presented, and may not be appropriate for other purposes. The Bank does not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by or on its behalf, except as required under applicable securities legislation.

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PRESENTATION

Gillian Manning – TD – Head of Investor Relations

Thank you, operator. Good afternoon and welcome to TD Bank Group's second quarter 2021 investor presentation. We will begin today's presentation with remarks from Bharat Masrani, the bank's CEO, after which Riaz Ahmed, the bank's CFO, will present our second quarter operating results. Ajai Bambawale, Chief Risk Officer, will then offer comments on credit quality, after which we will invite questions from prequalified analysts and investors on the phone. Also present today to answer your questions are:

- Teri Currie, Group Head, Canadian Personal Banking;
- Greg Braca, President and CEO, TD Bank America's Most Convenient Bank; and
- Bob Dorrance, Group Head, Wholesale Banking.

Please turn to slide 2.

At this time, I would like to caution our listeners that this presentation contains forward-looking statements, that there are risks that actual results could differ materially from what is discussed and that certain material factors or assumptions are applied in making these forward-looking statements. Any forward-looking statements contained in this presentation represent the views of management and are presented for the purpose of assisting the bank's shareholders and analysts in understanding the bank's financial position, objectives and priorities and anticipated financial performance. Forward-looking statements may not be appropriate for other purposes.

I would also like to remind listeners that the bank uses non-GAAP financial measures to arrive at adjusted results to assess each of its businesses and to measure overall bank performance. The bank believes that adjusted results provide readers with a better understanding of how management views the bank's performance. Bharat will be referring to adjusted results in his remarks.

Additional information on items of note, the Bank’s reported results and factors and assumptions related to forward-looking information are all available in our Q2 2021 Report to Shareholders.

With that, let me turn the presentation over to Bharat.

Bharat Masrani – TD – Group President and CEO

Thank you, Gillian. And thank you, everyone, for joining us today.

Q2 was a strong quarter for TD, as we continued to benefit from a recovering economy and rising consumer and business confidence.

Earnings rose to $3.8 billion, and EPS to $2.04 – more than twice last year's levels, as an improving outlook led us to release a portion of the performing allowances we built last year. Our Wealth, Insurance and Wholesale businesses had another strong quarter, as clients continued to bring us more of their business. And our personal and commercial banking businesses gained momentum, as increased customer activity helped offset continued margin pressure from the low rate environment. Our CET 1 ratio ended the quarter at 14.2%, reflecting these favourable trends.

A year after the COVID-19 pandemic took hold in North America, it continues to have a significant impact on the economy and our financial results. Unprecedented fiscal and monetary support for households and businesses has led to a significant increase in cash balances – limiting borrowing needs, driving delinquency rates to historic lows, and keeping RWA growth muted.

We have navigated this complex environment well – thanks to our diversified business model, and the adaptability and resilience of our people. As I reflect on our performance over the last year, I am most proud of them. Through this long period of upheaval, they have continued to deliver for our customers, communities and each other – and live our shared commitments.

As we look around today, we know the battle against COVID is not over. The devastation we are witnessing in India and Brazil is heart-wrenching and will have far-reaching consequences in those regions. But in North America, we see encouraging signs that the recovery is on solid ground and gathering momentum. A rapid start to vaccinations in the U.S. has permitted an easing of restrictions across much of our footprint – and broadening vaccine availability in Canada should support similar trends here.

TD will continue to play a key role in driving forward that recovery. As a purpose-driven organization, we know the Bank thrives when our customers, colleagues and communities thrive. Our recoveries must go hand in hand. That was a core message of our 2020 ESG and TCFD reports, which we released this quarter. I invite you to read them, and learn more about what we are doing to build a more inclusive and sustainable future:

- That includes our approach to achieving the goals of our Climate Action Plan, as the first Canadian bank to set a net-zero target by 2050. We are accelerating our efforts, have mobilized leaders and experts across the Bank, and are working closely with clients in multiple sectors to support their transition plans and create positive change.
- We also discuss our progress on inclusion and diversity. Over the past year, we have seen what inequality looks like across our communities in stark terms – in the Black, Asian, Indigenous and other communities. TD will never rest on our past success. We will work to increase our own representation and contribute to the fight against bias, discrimination and racism.
- And, because we know that what gets measured gets done, our ESG report provides expanded and detailed reporting, so all stakeholders can track our progress.

As I wrote in my CEO Message, TD will meet the biggest challenges of our generation with determination and purpose. We will continue to invest in what matters and leverage our resources – and the talent of our 90,000 colleagues around the world – to help build the Better Bank.

That Better Bank is powered by our proven business model – and sustained and strengthened by the investments we continue to make in our businesses and operations.

In this year of accelerated digital take-up and changing customer needs, the capabilities and infrastructure we've put in place have enabled us to support a dramatic increase in adoption and engagement.

- We are winning with customers by delivering innovative solutions, customized to their needs – this quarter, crossing the 10 million mark for mobile users across our North American footprint.
- Our Canadian banking app was honoured by the Business Intelligence Group for AI-powered insights developed by Layer 6, our in-house AI team.
- In the U.S., we were recognized by Celent for our partnership on a Virtual Assistant that provided advice and support to customers digitally at the height of the lockdown.
- And we continue to maintain a strong pace of innovation – as the #1 Financial Institution Patent Filer in Canada.

These accomplishments have been matched by continued growth and strong customer acquisition in each of our businesses.

Our Canadian Retail segment earned $2.2 billion this quarter, reflecting lower PCL, lower insurance claims and higher volumes and fee income. Activity accelerated in our banking businesses, with

continued strength in mortgage volumes and a pickup in credit card spend. We also extended our lead in personal deposits and continued to lead in payments, ranking #1 in Interac Flash and e- Transfer. We delivered record wealth earnings on strong trading volumes and net asset growth – and impressive insurance earnings, including substantial customer premium relief.
We also achieved several milestones in the quarter:

- In the Business Bank, TD Auto Finance ranked highest in dealer satisfaction among non-captive retail lenders by JD Power, for the fourth year in a row – following TDAF U.S.'s JD Power win last quarter. And just after quarter end, we closed the acquisition of Wells Fargo's Canadian direct equipment finance business.
- In our Wealth business, we launched the TD Wealth Family Office, a multi-disciplinary group that will leverage our One TD model to deliver bespoke advice and solutions for ultra-high net worth families and entrepreneurs.
- And TD Insurance continued to take market share, rising to the #3 position for home and auto general insurance.

Our U.S. Retail Bank delivered $US853 million in net income this quarter, with another strong sequential recovery in earnings, mainly on lower PCL.

- We recorded peer-leading consumer deposit volume growth, as customers entrusted us with more of their savings.
- We saw a further increase in customer transaction activity, with a return to near-record levels of debit card spend and rising credit card transactions. We're also seeing good early take-up of our new Double Up Credit Card – one of the best cash back offerings on the market.
- We continued to support small business customers with PPP financing – ranking in the top ten nationally as we originated some 45,000 PPP loans, and helped customers access over US$1 billion in forgiveness under the program.

Together with a US$194MM contribution from our ownership stake in Schwab, U.S. Retail segment earnings exceeded US$1 billion.

Our Wholesale Bank earned $383 million – a good result, with lower PCL helping offset a normalization in trading activity from last year's elevated levels.

- This quarter, we continued to build our U.S. franchise with the announcement of our agreement to acquire Headlands Tech Global Markets, expected to close in the second half of calendar 2021. The transaction will expand our capabilities in fixed income electronic trading and accelerate TD Securities' innovation and technology strategy.
- We were also proud to act as joint lead for the International Finance Facility for Immunisation Company's US$750 million, 5-year Vaccine Bonds, which will provide Gavi, the Vaccine Alliance, with immediately available funding to support routine immunisation in lower-income countries – reaching nearly half the world's children.

At the midpoint of fiscal 2021, TD Bank remains strong, and our businesses well-positioned for the future. While the COVID-related impacts we saw last year – including margin pressure from low rates, high savings rates delaying loan growth, and PCL – will continue to affect year-over-year comparisons, we will maintain our disciplined approach to investing for the long-term. It served us well through the pandemic.

And as the recovery progresses, it will support our continued readiness to meet changing needs, adapt to shifting dynamics, and build for growth.

We are also supported by a very robust CET 1 ratio, which affords us strategic flexibility – to invest in our competitive position, to grow organically, to pursue acquisitions that add capabilities and to build our franchise, and return capital to shareholders when that becomes possible. As always, we will use our capital responsibly and be thoughtful about making the right investments for the long-term.

Our investments also support how we operate the Bank. As we plan for a future when more of us can return to TD premises, we know that flexibility will remain critical, and that our people need the capabilities and infrastructure to continue to serve customers.

Backed by a clear strategy and strong balance sheet, we look ahead with confidence. Our Bank has proven resilient, our brand is among the strongest in the industry, and our unique and inclusive culture remains a distinct competitive advantage. Our people bring that culture to life, and I will finish by thanking them for their continued hard work and dedication.

With that, I'll turn it over to Riaz.

Riaz Ahmed – TD – Group Head and CFO

Thank you, Bharat. Good afternoon everyone. Please turn to slide 8.

- This quarter, the Bank reported earnings of $3.7 billion and EPS of $1.99. Adjusted earnings were $3.8 billion, and adjusted EPS was $2.04.
- Revenue decreased 3%. We saw strong volume growth and higher fee income in our retail segments, which more than offset lower margins. The remaining downward pressure came from premium rebates for insurance customers, lower Wholesale revenue and the impact of foreign currency translation.
- Provision for credit losses was a recovery of $377 million, lower by $690 million sequentially, reflecting a recovery in performing PCL and lower impaired PCL.
- Expenses increased 12% year-over-year, mainly reflecting an increase in the retailer program partners' share of the net profit from the U.S. strategic card portfolio, primarily on lower PCL. Absent the partners' share, expenses increased 1%, as higher employee-related expenses and U.S. store optimization costs were largely offset by foreign currency translation and lower legal provisions.
- Because of the large year-over-year change in PCL this quarter, the accounting for the U.S. Strategic Card Portfolio program had a significant impact on expenses, as well as total bank pre-tax, pre-provision earnings and operating leverage. Slides 21-22 of the presentation show how we calculate PTPP and Operating Leverage at the total Bank level by removing this impact, along with the impact of foreign currency translation, which was also significant this quarter. They show that total bank PTPP and operating leverage each declined approximately 3% year-over-year. This was mostly a reflection of lower revenue and higher expenses in Wholesale.

Please turn to slide 9.

- Canadian Retail net income was $2.2 billion, up 86%, or $1 billion year over year. On an adjusted basis, net income increased 82% year over year.
- Revenue increased 1%. Higher transaction and fee-based revenue in the banking and wealth businesses and higher volumes were largely offset by lower margins and premium rebates for insurance customers, reflecting reduced driving activity.
- Average loan volumes rose 5% reflecting growth in business and personal volumes. Average deposits rose 20%, reflecting double-digit growth in personal, business and wealth volumes. Wealth assets increased 21%, reflecting market appreciation and new asset growth.
- Margin was 2.61%, a decrease of 4 bps from the prior quarter, reflecting changes in asset mix and the ongoing impact of the low interest rate environment.
- Total PCL was a recovery of $37 million, lower by $179 million sequentially, mainly reflecting a recovery in performing PCL. Total PCL as an annualized percentage of credit volume was (0.03%), a decline of 15 basis points quarter over quarter.
- Insurance claims decreased 34%, primarily reflecting lower current year claims, a decrease in the fair value of investments supporting claims liabilities, and more favourable prior years' claims development.
- Reported expenses increased 4%, reflecting higher volume-driven and employee-related expenses, partially offset by prior year charges related to Greystone. Adjusted expenses increased 5%.

Please turn to slide 10.

- U.S. Retail segment reported net income was approximately US$1 billion, up US$786 million.
- U.S. Retail Bank net income was US$853 million, up US$766 million, primarily reflecting lower PCL.
- Revenue increased 2%, reflecting volume growth, higher valuation of certain investments and fee income growth, partially offset by lower deposit margins.
- Average loan volumes increased 1% year over year. Deposit volumes excluding sweep deposits were up 28%, including 37% growth in core consumer checking. Sweep deposits were up 18%.
- Net interest margin was 2.15%, down 9 basis points sequentially, reflecting balance sheet mix.
- Total PCL, including only the Bank's share of PCL's for the strategic cards portfolio, was a recovery of US$173 million, lower by US$276 million compared with the prior quarter, reflecting lower impaired PCL and a recovery in performing PCL.
- The U.S. Retail net PCL ratio was (0.41%), down 66 basis points from last quarter.
- Expenses increased 4%, primarily reflecting US$49 million in store optimization costs and higher employee-related expenses, partially offset by lower legal provisions.
- The contribution from TD's investment in Schwab was US$194 million compared with a contribution of US$174 million from TD Ameritrade a year ago. As a reminder, amortization of acquired intangibles and acquisition and integration-related charges associated with Schwab's acquisition of TD Ameritrade are reported in the Corporate segment. See slide 27 for details.

Please turn to slide 11.

- Wholesale net income was $383 million, an increase of 83%, reflecting lower PCL, partially offset by lower revenue and higher expenses.

- Revenue was $1.2 billion, down 8%, primarily reflecting lower trading-related revenue and lower debt underwriting, partially offset by higher advisory fees.
- PCL was lower by $83 million sequentially, primarily reflecting a recovery in performing PCL.
- Expenses were up 14%, primarily reflecting higher variable compensation.

Please turn to slide 12.

- The Corporate segment reported a net loss of $186 million in the quarter, compared with a net loss of $202 million in the second quarter last year.
- The year-over-year decrease reflects a higher contribution from treasury and balance sheet management activities, and lower net corporate expenses, partially offset by acquisition and integration charges related to the Schwab transaction.
- Adjusted net loss for the quarter was $106 million, compared with an adjusted net loss of $143 million in the second quarter last year.

Please turn to slide 13.

- The Common Equity Tier 1 ratio ended the quarter at 14.2%, up 63 basis points from Q1.
- We had strong organic capital generation this quarter, which added 47 basis points to CET 1 capital. Actuarial gains on employee benefit plans added another 17 basis points.
- Risk-weighted assets decreased by 3%, or approximately $12 billion dollars in the quarter on lower Credit Risk RWA and stable Market and Operational Risk RWA.
- The decrease in Credit Risk RWA reflects lower retail and commercial balances in U.S. Retail on reduced line usage and paydowns. Approximately three quarters of the decline in Credit Risk RWA was attributable to FX, which the bank hedges. The impact of FX on our CET1 ratio was therefore muted.
- OSFI's transitional adjustment for ECL provisioning reduced our CET 1 ratio by 7 bps this quarter.
- The leverage ratio was 4.6 percent this quarter, and the LCR ratio was 128 percent, both well above regulatory minimums.

I will now turn the call over to Ajai.

Ajai Bambawale – TD – Group Head and Chief Risk Officer

Thank you, Riaz and good afternoon everyone. Please turn to slide 14.

- Gross impaired loan formations were 14 basis points, remaining at cyclically low levels, reflecting:
  - The impact of support programs,
  - Customer resilience, and
  - The continued economic recovery.

Please turn to slide 15.

- Gross impaired loans were $2.8 billion, decreasing $254 million quarter-over-quarter, primarily related to:

    - Resolutions outpacing formations in the Canadian and U.S. consumer lending portfolios; and
    - The impact of foreign exchange.

Please turn to slide 16.

- Recall that our presentation reports PCL ratios both gross and net of the partners' share of the U.S. strategic card PCLs. We remind you that PCLs recorded in the Corporate segment are fully absorbed by our partners and do not impact the Bank's net income.

- This quarter, the Bank recorded a gross PCL recovery of $373 million, reflecting:
    - A performing allowance release;
    - Partially offset by cyclically low impaired provisions.

Please turn to slide 17.

- The Bank's Impaired PCL was $385 million, continuing at low levels, and decreasing $84 million quarter-over-quarter. The decrease was primarily reflected in:
    - The U.S. consumer lending portfolios.

- Performing PCL was a recovery of $758 million, lower by $605 million quarter-over-quarter, largely due to:
    - Allowance releases, across all segments.

Please turn to slide 18.

- The Allowance for Credit Losses decreased $968 million to $8.0 billion quarter-over-quarter, reflecting:
    - A performing allowance release, largely related to:
        - Improvement in our economic outlook and consumer credit attributes, and
    - A $289MM impact of foreign exchange.

- Now, to summarize the quarter:
- Bank-led deferral and ongoing government support programs have had the desired effect of helping our customers, and reducing initial expectations for credit losses, as reflected in:
    - Our allowance release this quarter, as well as
    - Cyclically low
        - Gross impaired loan formations, and
        - Gross impaired loans.
- Credit results may continue to vary by quarter as there is a wide range of possible outcomes.
- The uncertainty associated with the ultimate credit impact remains elevated, but has reduced over time.
    - As a result, PCLs may continue to be relatively low through the remainder of 2021.

- To conclude, we remain well positioned to manage through the balance of the pandemic, given:
    - We are adequately provisioned,
    - We have a strong capital position, and

- We have a business that is broadly diversified across products and geographies.

With that, operator, we are now ready to begin the Q&A session.

QUESTION AND ANSWER

Operator

Thank you. We will now take questions from the telephone lines. [Operator Instructions] And the first question is from Ebrahim Poonawala from BofA Securities. Please go ahead.

Ebrahim Poonawala – BofA Securities – Analyst

Good afternoon. I guess, maybe just to start out, Riaz, maybe at the consolidated level, just talk to us in terms of when you see NII stabilizing or actually growing or have you already hit that point where you think NII bottomed out this quarter, and what's your outlook barring obviously rate hikes for the margin both in Canada and the U.S.?

Riaz Ahmed – TD – Group Head and CFO

Thank you, Ebrahim. Look, I think that when you look at the whole question of margins and the quarter-over-quarter comparison, I think where it feels like we still have some moderated downward pressure from liquidity premiums being particularly tight because of the amount of cash that is overall in the system.

However, the level of interest rates is definitely starting to show some upward momentum. So, in addition to that, I think asset mix is an important factor. I mean, obviously, as our deposit growth continues and more customers are trusting us with their deposits, we're still at all-time low interest rates. And, therefore, that is also a headline impact on net interest margin and card balances have been coming down, as you know. But we're very encouraged to see our card spending starting to return very smartly.

And as liquidity in the system wanes, we expect to see some of the card balances as well as loan growth remaining. So, we remain quite optimistic that as the economy is starting to open here and economic activities are taking on momentum that we're very well-geared to upward interest rates.

As you know, we've disclosed our NII sensitivity in the MD&A. But I should also tell you that 25 basis points increase in short-term rates would mean C$275 million to NII as well as US$220 million in the U.S. segment.

Ebrahim Poonawala – BofA Securities – Analyst

Got it. And just on a very separate note, in terms of capital obviously, you have a monster capital build over 14% CET1. Bharat, just talk to us, if you could elaborate on the comments you made at the AGM around your openness towards M&A. We've talked a lot about M&A over the last few years. Try and give us a sense of what is it that you're going after in terms of as far as inorganic capital deployment is concerned either in terms of the type of asset that you're looking, or are there new markets or new geographies that you could consider in the US relative to your existing footprint?

Bharat Masrani – TD – Group President and CEO

The story has not changed, Ebrahim. It has been a consistent story. From a capital deployment perspective, acquisitions is an important part of that. And we've said that we will not be shy to do a bank deal, it could be in the Southeast of the US or any part of our footprint. We've said that we would look for assets generating type of businesses as well. We like certain spaces and we've talked about it.

And so, we continue to monitor the situation. The U.S. is very fluid. There are some deals that have gotten done. But for us, our approach has been consistent. We've said any potential deals has to make strategic sense, it has to make financial sense, it has to make sense with respect to our risk appetite and cultural. And so, as long as we can meet those thresholds, then, of course, we would look at anything very seriously. We do have the flexibility. But we are not forced to do anything that is out there because we are not strategically challenged. We have a scale business in the U.S. that continues to grow. And as Riaz mentioned and I said in my remarks earlier on, we have a growing franchise. We are taking share in the markets that we are in.

But should a compelling opportunity present itself, we do have the flexibility to look at it very seriously. And if it makes sense for us, then obviously we would go ahead with the transaction. Nothing has changed, Ebrahim, but you should expect us to be consistent with our approach going forward.

Meny Grauman – Scotia Capital – Analyst

Hi, good afternoon. Bharat, given your interest in M&A, does that mean that you will carry more excess capital going forward even through a recovery than you would normally? How do you think about excess capital in relation to your M&A aspirations?

Bharat Masrani – TD – Group President and CEO

Well, we have always maintained good capital levels. That's been a tradition at TD. If you look at historical levels, we've always had good capital levels. And I think the part that gets underestimated with respect to our diversified business mix, proven business model is that, we do generate capital on a regular basis as well. So I don't think you should take my comments or the circumstances we are in as a departure from what our normal capital deployment framework is.

And I'll remind you that we always want to make sure that we have adequate capital to invest in the strategies that we've laid out. We always want to make sure that we have flexibility around capability builds either organically or inorganically. We always look at from an M&A perspective if something compelling is going to be emerging in the markets in which we operate that we want to have some flexibility. And then, we've also been consistent saying if we exhaust all those requirements and if we still have excess capital, we will not be shy to return that to our shareholders. Nothing has changed through this to suggest that we will change our framework in any way.

Paul Holden – CIBC World Markets – Analyst

Thanks. Good afternoon. So first I wanted to ask a point of clarification on the additional interest rate sensitivity you provided to C$275 million in Canada plus US$225 million in the U.S., so ~$500 million total. Is that something you'd expect to accrue in a very short order or is that something that would accrue over multiple quarters or multiple years as that 25 basis points works its way into margins?

Riaz Ahmed – TD – Group Head and CFO

Those particular numbers are on the basis of an immediate 25 basis points rise in the central bank rates and therefore would accrue almost immediately. And then, the NII sensitivity table that is in the MD&A that talks to 100 basis points, that would take into account the data considerations as well as tractoring considerations over time. But this amount C$540-odd-million would be immediate.

Paul Holden – CIBC World Markets – Analyst

Got it. Thank you. Thanks for that. And then, the one additional question I had is with respect to US auto loan growth and, I guess, particular to this quarter, I was expecting a little bit more given the volume of car sales as well as some of the auto loan growth we saw from US comps. So, wondering why it wasn't better in the quarter, and sort of maybe also an updated outlook tied to that loan segment as well

Greg Braca – TD – President and CEO, TD Bank America's Most Convenient Bank

Paul, so it's Greg, and thanks for the question. I would just say that this is a business that we're pretty mature in and we've been managing this for a number of years. And we've said that it's not just about the growth of the business for us. It's also about the margin of the business and it's about the quality of the growth.

And as you can imagine over the last year, we've wanted to be obviously particularly careful during the pandemic about how we were going to grow it and we were going to grow it smartly. And obviously with also not just with an eye on margins but with an eye on credit quality. As things are firming up, including used car prices, stability in the in the consumer market from a credit and a liquidity standpoint, obviously, this is a space, and a lot of consumer asset classes that are quite favorable.

But we've also seen that margins have been holding up quite strong as well. And if this level of new car but also used car sales continue, we could see a little bit more moderation of increased growth. But the other thing I juxtapose that against is, we're also seeing record pay-downs across all consumer categories.

So even though these are term loan facilities over anywhere from 48 to 72 months, we're seeing some of these schedules paid down quicker than normal given the excess cash that's in the market. So I think there's a number of factors going on including excess consumer liquidity they're applying to debt. And certainly, our mix of the business between prime, super prime and some near prime that we do, and quite frankly we like the margins for the volume that we're taking on right now.

Scott Chan – Canaccord Genuity Corp – Analyst

Good afternoon. Maybe just sticking on the U.S. side with housing, and I noticed some residential mortgages and HELOCs were down quarter-over-quarter. And we all know the story in Canada, where it was up sequentially for TD as well. Maybe give an update on maybe the housing market in the US, if it's slowing a little bit more than Canada and how that is affecting kind of those two TD buckets?

Greg Braca – TD – President and CEO, TD Bank America's Most Convenient Bank

Scott, it's Greg, and thanks for the question. First, I'd start with home equity. You've seen this trend going back over the last really year-and-a-half, two years, about pressure on home equity balances, given the ultra-low rates that we've been in for a while now. And quite frankly even though we're down, which we don't like to see on a quarter-over-quarter or year-over-year basis, we're actually down a lot less than a lot of our U.S. peers if you look at their home equity numbers. We continue to originate home equity and this is a space depending on where interest rates and market demand lies. We will be interesting in continuing to first stabilize and then grow it.

But I would just say that across the entire industry people have been retiring home equity in favor of refinanced out the fixed mortgages and fixed term for extended period of time, given where rates are.

On the mortgage front, what I would say is, yeah, over the last couple of quarters there's been very, very strong growth, although had let up a bit as you got into the second half of Q2, because it was just running so hard from a refinance standpoint really since 2020 and rates going so low. So we're seeing a lot of the volume now on the purchase side and we're still seeing refinances getting done. But it's really moved to more of a purchase market and that's split between conforming and jumbo mortgages.

So a little bit of a cooling on the refinance side as this has gone on for quite a while since last year. But again, year-over-year up 4%. This also I should note includes us increasingly engaging in the conforming and for-sale business. And you're seeing that in our fee income lines as well as we're originating more than we have historically in the conforming, for-sale business.

So a little bit of a shift in our mix as well as not just a jumbo for our own balance sheet, but also conforming business that we would sell off to Fannie and Freddie.

Sohrab Movahedi – BMO Capital Markets – Analyst

Thank you. Just wanted to go to Teri very quickly. Within the Canadian Personal and Commercial banking segment, Teri, I think you provide disclosure that Wealth earnings were about C$490 million this quarter. Can you tell me how much of that was discount brokerage, please?

Teri Currie – TD – Group Head, Canadian Personal Banking

We don't provide that level of detail. But as you noted, we do disclose the discount the DI results in the Wealth results. What I would just point out since you've given the platform is, it was a very strong quarter for wealth overall with record trade volumes, record account openings, strong market levels and strong net asset growth. And also the work across our businesses through One TD, despite lockdowns, we're seeing the activity in terms of referrals across our businesses back to pre-pandemic levels, so some really strong momentum to build upon as we go forward.

Sohrab Movahedi – BMO Capital Markets – Analyst

But no disclosure on the dollar value associated with discount brokerage?

Teri Currie – TD – Group Head, Canadian Personal Banking

Not as part of the Wealth business, no.

Nigel D'Souza – Veritas Investment Research – Analyst

Thank you. Good afternoon. I wanted to touch on deposits. From my understanding, carrying excess deposits on your balance sheet weighs on your margins. But when I look at it on a quarter-over-quarter basis at the bank level, it looks like deposits actually declined. So I was wondering if you could provide an update on your outlook for the deposit runoff. Do you expect to retain a lot of the excess deposits you're currently carrying or have you seen a runoff or withdrawals of those deposits pick up as the economy reopens?

Teri Currie – TD – Group Head, Canadian Personal Banking

Thanks for the question, Nigel. In terms of the overall deposit growth in Canada, obviously, both sequentially and year-over-year, we continued to grow our lead in deposits in Canada. We continue also to lead in money movements both in Interac, e-Transfer and Flash, as Bharat mentioned in his remarks, as well as leading in global transfer remittance type payment capability.

We're also seeing Visa debit volumes grow significantly through the pandemic. We're feeling very comfortable on across our businesses in Canadian Retail that the core deposit growth and customer acquisition continues to be an important factor for us moving forward.

On your question around retention of balances, I think, so just knowing what we know today, we wouldn't see a large runoff in 2021 as we project forward. And, in fact, we're having great success in putting those deposits at work for our customers. Our mutual funds net sales results in the quarter were the strongest we've seen since 2017 as an example. And so, having really good success in terms of helping our customers who may be a segment of stay-at-home savers who hadn't anticipated having the liquidity that they have today is now getting the advice they need from us to help make that investments or go planning for themselves for the longer term. So that's how we think about it in Canada.

Greg Braca – TD – President and CEO, TD Bank America's Most Convenient Bank

Yeah, Nigel, thanks for the question. Maybe I would just first clarify that if you back out sweeps deposits for a minute and just look at the core business of consumer and business deposits, if you look at a year-over-year basis, consumer deposits are up 23% on a very large base year-over-year, quite strong. Business deposits are up 33% year-over-year, quite strong. If you look at a quarter-over-quarter sequentially, personal deposits are still up from Q1 to Q2, up over 6%, another $7 billion came in from Q1 to Q2 and business deposits up nearly 3% at around $2.8 billion Q1-over-Q2. So still quite strong growth.

And my comment would be on this is that, yeah, we would have expected some smoothing out given the strong pace of growth over this past year. But between government stimulus on PPP or the paycheck protection program on the business side, continue to fund more accounts, customers were still raising cash, and you saw a quite robust balance sheets on the business side. On the consumer side, obviously, you had the $1.9 trillion stimulus on top of the $900 million stimulus at the end of 2020. So accounts continue to be flush on the consumer side.

We would expect some normalization at some point depending on the shape of any additional government or support programs out there. But what I would say is that as the economy begins to open up and some of this gets to be spent, as we're seeing real time, we're also seeing a record or near record volumes in terms of debit and credit card and interchange and things like that beginning to ramp up over the last couple of months.

Eventually, this will turn into additional fees for the bank and lending opportunities as cash balances get spent down. But for right now, we're actually quite happy because we continue to open accounts, attract new households, and certainly if the quality of the deposits that matter too, it's not like we're paying up or these are coming into high rate accounts. I mean, these are coming into very low rate or no rate accounts. And their core checking accounts for new households or added balances to existing checking households. So just to give you a little color on that.

Bharat Masrani – TD – Group President and CEO

Nigel, this is Bharat. Just to add, I mean, TD has traditionally been strong in the deposit business, particularly checking, you should expect us to continue having that strength through any cycle. And we consider that business to be core to our model in a sense that it provides us with the key relationship from which we can deepen that relationship.

So the numbers can go up and down, as you heard from Teri and Greg, that they do go up and down and there's puts and takes. Fee income goes up and deposits go down a bit. So that, given our diversified model, you should see that strength ongoing. But just want to leave you a message that this is a core strength of the bank. We like our strength in this area. And you should expect us to continue having that strength going forward.

Nigel D'Souza – Veritas Investment Research – Analyst

That's a very detailed and helpful response. And if I could just quickly touch on the expense side. It looks like your expenses are running a bit elevated. And I was wondering if there's any factors you could point to for that. You mentioned real estate optimization in the past and it looks like your other expenses are running a little bit elevated. But is there anything specific that's causing your expenses to run a little higher than you anticipated, and do you see expenses trending lower, or what's your outlook on the expense side?

Riaz Ahmed – TD – Group Head and CFO

Nigel, the main thing on expenses I called out in my remarks would have to do around the share of the retailers net profits in the strategic card portfolio which makes expenses look particularly elevated. And then, other than that, at the top of the house, expenses would have grown 1%. And I would say to you that there are not any particular trends to call out there other than to just say that this year we continue to see higher employee-related expenses and of course, the foreign currency translation has an impact as well.

But if you look at the non-interest expense lines that are set up in the supp-pack, you'll see that there are some fluctuations from quarter-to-quarter, but overall trends seem to be fairly stable. And we're making the investments that we need to make to continue to grow the business.

Gabriel Dechaine – National Bank Financial – Analyst

Hey, good afternoon. I just want to ask about the Canadian banking segment. I look at it on a P&C basis there from your appendix and it's easier to compare. Pre-tax, pre-prevision and profit growth has been down on a year-over-year basis. However, it looks like we're entering the back half where the comps are looking pretty easy. I'm just wondering what your view is on that, whether we can resume a positive growth in that segment in Q3 and Q4 on that PTPP basis?

Teri Currie – TD – Group Head, Canadian Personal Banking

Hey, Gabe, it's Teri. I think I'll take the question. Thank you. I think, so, as you've mentioned, we would have had actually positive PTPP if you take out the insurance, customer remediation at the Canadian Retail level this quarter year-over-year. And then, at the P&C segment level, I think that the conversation we've been having, certainly the notwithstanding strong volume growth and increases that we have seen and anticipating customer activity, we do think there'll be margin pressures through the balance of 2021 as assets re-price kind the conversation Riaz had earlier.

Having said that, if I look out further and think about economies reopening and how we're positioned and some of the factors we've been talking about, there is the potential for the interest rate increases and that sensitivity that has been mentioned earlier, we will over time potentially see the on/off rates of the tractor re-pricing start to become more favorable.

We're well-positioned. We've seen the credit card spend and retail sales in Canada in Q2 actually above Q2 of 2019. And that's in an environment where travel spend is down 80% in the industry and recreation and entertainment was down 40%. So with our breadth of credit card offerings, I feel very comfortable that we're well-positioned as that activity comes forward.

We've continued to show strength in real estate secured lending at three best origination quarters back to back ever. And the One TD strength that we've talked about and the mutual fund sales that I mentioned earlier where we're seeing the cash being activated to help customers invest for the long-term. So if I put all that together, I feel like we're very well-positioned for our customers to meet their needs going forward. And over time that should improve the trend to PTPP.

Gabriel Dechaine – National Bank Financial – Analyst

So like timing-wise – I mean, there's a lot of moving pieces in there, and it sounded like the margin pressures are still going to be weighing down on – in Q3 to Q4 sufficiently enough that we're still going to have negative growth?

Teri Currie – TD – Group Head, Canadian Personal Banking

I think there are a lot of moving parts, and so it's very hard to call, which is why I tried to give you the color. I do think that we will see the margin compression for the balance of 2021 as assets re-price, all other things being equal.

Gabriel Dechaine – National Bank Financial – Analyst

Okay. And then – and just a capital question for Bharat. I know – I mean, I'm not – the M&A question, whatever the answer is there, it's been a consistent one. So I don't want to go down that path again. But I do want to ask about the options that are at your disposal, if and when OSFI removes the distribution restrictions, is an acquisition mutually exclusive from stuff like an accelerated buyback program or a big dividend increase and that's kind of the expectation some other banks are setting that once those restrictions are removed, maybe more so on the dividend front, we could see bigger than normal – larger than normal increases, because if I sort of cap the payout ratio, I'm just wondering how your – that you foresee things shaping up?

Bharat Masrani – TD – Group President and CEO

Gabe, it's hard to give you precise answers on something that may or may not happen in the near-term or whatever. But the way I've laid out the framework that we've used and that has been there for many, many years, does not change. If we don't have use for that capital, as I laid out earlier, then we are not shy in returning capital to our shareholders. And we've done it previously and we will do it again, if circumstances warrant.

There are – yes, the levels are, as you said, pretty lofty. And so, all those vehicles are available to us, and then we would look at what makes sense, from an ongoing basis, expectations-wise, what our sense might be of the earnings potential in the future, et cetera. So all those inputs would be considered. But like I said, the framework has not changed and I don't see it changing again.

Gabriel Dechaine – National Bank Financial – Analyst

No. I guess, you kind of touched upon that. The numbers are so large that you could do a bit of everything: acquisitions, buyback, dividend increase, and, of course organic growth.

Bharat Masrani – TD – Group President and CEO

Yeah. Like, it's hard to pin down a specific formula here for you because there isn't one. And all those options are available to us as they are to others. And you would expect us to be prudent and use those options that make sense for the bank over the long-term.

Darko Mihelic – RBC Capital Markets – Analyst

Great. Thank you. A question centers around Canada P&C as well. I just wanted to drill into the premium rebates. Despite the premium rebates, insurance put up very good earnings. So maybe you can talk a little bit about how you're measuring. I mean, are you excluding the claims from the expense part when you're doing pre-tax, pre-provision, and operating leverage. And is the premium rebate – is that like a one-off just this quarter or do you anticipate that there's more of that to bleed into Q3?

Teri Currie – TD – Group Head, Canadian Personal Banking

Thanks for the question, Darko. It's Teri. So maybe on the premium rebate, so it was C$165 million this quarter. And we have had an earlier rebate that had been in our results in the prior period. And the basis for doing this is obviously activity being lower during the pandemic. And so, given the uncertainty around how things will move forward, it's hard to say whether there will be another period where more customary remediation might make sense. But we'll obviously pay close attention to how the situation is evolving.

When I talked about Canadian retail PTPP if you excluded that remediation, you would get to a positive year-over-year result for Q2 for Canadian Retail. And then in terms of the performance of the business, feeling really good about how that business is performing. Those written premiums would have been up double-digits again if you exclude the remediation. And so, sales are strong, retention is strong, the digital capabilities that we have in that business really are distinctive in terms of the general insurance business, our auto claims collision centers across the country provide a much better experience for TD customers if they become in need of repairs for their vehicle due to an accident, and just overall seeing good growth in the life and health business, life in particular, the Direct Life business. So I would say, it is hard to say whether we'll have more remediation to follow, but very strong core business, and we've been investing in that business over time to really be a premier direct insurance business in Canada.

Darko Mihelic – RBC Capital Markets – Analyst

Thank you for that. And just to be clear on the expense side, because – and I appreciate Riaz's answer to the previous question on the top of the house expenses are well controlled. But in your segment Teri, we do see pretty good expense growth. And even though I appreciate that excluding the premium rebate you would have positive operating leverage, it still does seem outsized in terms of expense growth relative to what other banks are putting up. So is there one or two specific initiatives that you're spending on that might ease off as we get into the back half of the year or into next year?

Teri Currie – TD – Group Head, Canadian Personal Banking

Maybe just to be clear, the PTPP was positive for Canadian Retail excluding the customer remediation. I didn't comment on operating leverage, just to be clear.

And on the expense story overall, I think Riaz had mentioned sort of prudent expense management over the full-year for the top of the house, so I would say that would be the same commentary from my perspective on the Canadian Retail business.

When you look at Q2 year-over-year, and Riaz mentioned this as well, employee-related expense growth, if you look back to Q2 sort of last year and in particular employee incentive comp in Q2 this year, those two would be going in different directions. So that would be one item for year-over-year, and then volume-driven expenses with the strong business activity. And if I look quarter-over-quarter it was a pretty modest sequential expense increase for Canadian Retail.

I think and Riaz said this, when we look at the business overall, we're making the investments we need to grow the business to create efficiencies, to generate cost savings over time as well as customer efficiencies and capabilities and colleague efficiencies, and I think we're doing that in a way that also allows us over a four-year period to manage expenses prudently.

Mike Rizvanovic – Credit Suisse Securities – Analyst

Hey, good afternoon. Couple quick ones for Greg. Wondering if you can comment on the IDA agreement and the impact of the balances starting to come off in the back half of this year, can you quantify that for us, at least ballpark?

Riaz Ahmed – TD – Group Head and CFO

Mike, it's Riaz. As you know, under the agreement that we have with Schwab that they're able to reduce the balances that they have on deposit with us by $10 billion a year starting on July 1, and then any excess that went from the date we closed up until June 30. So just to give you a hypothetical example, if sweep balances at closing were $145 billion, they can take them down to a $135 billion at July 1 starting from whatever the current position is, and then $10 billion a year after that.

Mike Rizvanovic – Credit Suisse Securities – Analyst

Okay. So just to get a sense of the magnitude, I know you haven't disclosed the spread that TD has earned previously on those balances. But can I look at something like U.S. call reports just to get some color on what type of security you might be holding from those deposits?

Riaz Ahmed – TD – Group Head and CFO

Yeah. I think, generally, as you know, absent the sweep deposits, our loans and deposits are fairly balanced. So I think your approach will give you a decent view into the liquidity premiums that are available for the kinds of securities that we purchase.

Mike Rizvanovic – Credit Suisse Securities – Analyst

Thanks, Riaz. And then just quickly on the PPP loans, wondering if you can give us an update on maybe what's been accrued and what's left to be accrued magnitude-wise. Just, it will be helpful to sort of look at it from the perspective of your NII in the US going forward.

Greg Braca – TD – President and CEO, TD Bank America's Most Convenient Bank

Mike, happy to answer it. And PPP has been a very successful program. And in the first round we put on over US$8 billion worth of PPP loans for 85,000 small business customers. And in the second round we've put on approximately $4 billion net, roughly $3.6 billion, $3.7 billion extra outstandings for another 46,000, 47,000 customers. So you can get the average size of Round 2 of each one of those loans is something just shy of $80,000, obviously very, very small business to the majority.

So if you put those together, it's obviously over $12 billion between Round 1, which was really second into third quarter of last year and then round two which just completed or is in the process of being completed right now, a little over $12 billion. And the way we would think about it is, through the end of the second quarter, we probably have forgiven something in the order of 20% of that exposure. And half of those fees would have been accrued into NII during prior quarters. And the other half of that 20% would have been in the second quarter just completed. So the way I think about it is, we still got 80% more to go to accrue of those fees over obviously the next year or two.

Mike Rizvanovic – Credit Suisse Securities – Analyst

And is that relatively straight line over the next six or eight quarters?

Greg Braca – TD – President and CEO, TD Bank America's Most Convenient Bank

It depends on the forgiveness program – because the way they've done this is, first, if loans aren't forgiven, if a customer doesn't seek – they have to actually apply for forgiveness. It would just accrue over the remaining four-and-a-half years or whatever is left on the term of the loan. We would take it into income. But I would suspect the vast majority would seek some sort of forgiveness and apply through it. And then, once those loans are forgiven, they would immediately accrue. And we would think over the next several quarters, the majority of that would come into income.

Doug Young – Desjardins Capital Markets – Analyst

Good afternoon. I'll try to keep this quick. Just on the expense side in Wholesale, just trying to get an understanding, NIX was up 14% year-over-year, revenues down 8%. So, I mean, what drove that discrepancy? Is there is something unusual in there, additional staffing cost, and is this a new run rate to think about?

Bob Dorrance – TD – Chairman, CEO and President, TD Securities, Group Head, Wholesale Banking

Doug, it's Bob. The majority of the increases year-over-year was in the variable comp line. As you would recall, in the second quarter of 2020 was a very challenging quarter. It's when we took the vast majority of the PCL accrual that impacted comp accrual. And so, year-over-year, it looks high. But ex that, expenses are well controlled. So, I wouldn't say this is a new run rate. No.

Doug Young – Desjardins Capital Markets – Analyst

Okay. And then, just lastly, I think we've heard this from other banks too and I think from yourselves as well. There's a view that with credit card balances obviously being down, maybe they stabilize and maybe they come back. And that would be positive for many reasons including NIMs. So, what's the risk that credit card balances don't come back? There's been a new adoption of things like buy now, pay later, which is starting to ramp up quite quickly. Just curious your thoughts on that. Thank you.

Teri Currie – TD – Group Head, Canadian Personal Banking

Doug, it's Teri. Thank you. So in Canada, my sense is that's not what we would anticipate happening. And actually in the last period we saw sort of a flattening of loan balances sort of month-over-month through the quarter which we haven't actually seen. We have been seeing a decline previous to that. And so, I feel like we even got pent-up demand around travel, recreation and entertainment, as I've mentioned earlier. I think our and those are higher ticket items. Our expectation is that we would start to see, it's more a timing issue from our perspective than whether or not at this point.

Mario Mendonca – TD Securities – Analyst

Good afternoon. Riaz, this might be most appropriate for you. In the past, the bank's pointed to the five-year Bank of Canada bond yield as a reasonable benchmark to use when gauging what could happen to the bank's margin in domestic retail. I guess the first part of my question is, is that still a reasonable – would you still recommend that as something we could track to give us some indication of where the margin might head over time?

Riaz Ahmed – TD – Group Head and CFO

Yeah, I think Mario, in Canada we use five-year swap rate, not the Bank of Canada yield, but the swap rate. And then in the U.S., it's seven-year swap rate. Both of those still remain within the framework of how we manage our overall tractors.

Mario Mendonca – TD Securities – Analyst

Okay. So, with that, let me just run something by. So, hypothetically, if we were to see the five-year swap rate move materially higher, and again, this is very much hypothetical, but essentially back to where it was before this all happened. So if you buy the notion that inflation could put an upward pressure on rates, is there any sort of structural reason why TD's margins in the domestic retail and the U.S. Retail segments, any structural reasons why we wouldn't get back to the levels we saw pre-crisis? And by that, I mean, materially higher than where we are today. The domestic retail margin pre-pandemic was like 284 basis points than in the US, as you're well aware, was a lot higher than where it is today. Are there structural reasons like changes in business mix or maybe extending ladders – duration of ladders, is there some reason why we won't get back there?

Riaz Ahmed – TD – Group Head and CFO

No, Mario. There are no structural reasons which would cause that to not materialize. And as you know, in our net interest sensitivity measures, we do give you additional sensitivity that says if you see 100 basis points widening of margin, the impact on NII would be plus C$2.1 billion. Yes, there are actually kinds of occasional trends about business mix changes or you might see certain liquidity requirements at certain times or you may see that we've gathered so many more deposits over the course of the last four or five quarters that may make that jump around a little bit. But the fundamental sensitivity of the bank to interest rate upside remains very sound. And we remain very optimistic that those margins are coming back as rates rise.

Sohrab Movahedi – BMO Capital Markets – Analyst

Hey. Thank you very much for taking my question. I just wanted to come back to Teri, ask a little bit about the competitive dynamics that you may be seeing from non-traditional sources, specifically, Wealthsimple, the work that we do shows that you may be losing customers to them maybe three times more than the next biggest Canadian competitor. Are you in a position to comment on how much transfers you're seeing in versus out of your bank to Wealthsimple?

Teri Currie – TD – Group Head, Canadian Personal Banking

Certainly not. I wouldn't be in a position to comment on that specifically. I think I'd come back to the fact that we're seeing wealth account openings, asset levels and trade volumes at record levels this quarter. And I think the comprehensive approach that we take to wealth inclusive of the direct capabilities that allow customers to build portfolios or make decisions on a self-service basis, but also the availability of advisors even in our Direct Investing business and the comprehensive education and training that we make available for customers really stands us out relative to the competition in this space. And I think we feel fully dressed to compete against all competitors, both traditional and non-traditional.

Sohrab Movahedi – BMO Capital Markets – Analyst

So you're not seeing any need to spend any more money to retain your discount brokerage customers?

Teri Currie – TD – Group Head, Canadian Personal Banking

We would, over time, continue to look at any competitive threats and what would be the appropriate way to respond. I think what we believe is that wealth isn't simple. There is a comprehensive sort of need and customers actually have exhibited this in our Direct Investing business. Pre-pandemic, we might have seen more of the account opening activity actually be through a referral from a branch or personal banking colleague. And through the pandemic, obviously, digital account openings have risen.

What we also have seen is that those digital accounts actually have more activity and higher balances when we subsequently reach out specifically to customers with an advisor. And so, this multi-channel opportunity is for our customers, the training and education that is second to none, the video library that is available to our customers, and I think positions us to compete incredibly effectively, and so price isn't the only answer here.

Operator

Thank you. There are no more questions in the queue at this time. I would now like to turn the call to Mr. Bharat Masrani for closing remarks.

Bharat Masrani – TD – Group President and CEO

Thank you, operator, and thank you, everyone, for joining us. While it is premature to declare a victory against the pandemic, given what we are seeing around the world, we are encouraged with the progress we've seen in North America and various parts of our footprint. And as the economy recovers and we get to the other side of this, we feel very good with our diversified business model, the value proposition we provide and, of course, the famous legendary experience that the bank is well-known for. We feel that as the economy normalizes, TD's strengths will come to fore, and we're looking forward to good growth levels as we see that happening.

I also want to take the opportunity to once again thank my 90,000 colleagues around the world. They have been the pillar, the anchor for the bank to manage through a very difficult period here. And they continue to deliver for our shareholders, for our customers, for our communities, as well as for each other. So thank you for that. And folks, look forward to meeting some of you in person hopefully sooner than later. But at a minimum, we will be talking 90 days from now. Thank you very much.