TD BANK GROUP
Q3 2021 EARNINGS CONFERENCE CALL
AUGUST 26, 2021

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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 third 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 third quarter operating results. Ajai Bambawale, Chief Risk Officer, will then offer comments on credit quality, after which we will invite questions from pre-qualified 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 were 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 Q3 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.

Q3 was a strong quarter for TD, with NIAT of $3.6 billion and EPS of $1.96 – well above last year's levels, and just shy of our record Q2 results. We had strong revenue growth in the personal and commercial banking businesses, as rising customer activity drove higher volumes and fee income, and margin pressure eased. Wealth, Insurance and Wholesale earnings moderated, but remained well above pre-pandemic levels – and aggregate AUA and AUM across our Canadian and U.S. Wealth platforms surpassed $1 trillion for the first time.

Our CET 1 ratio ended the quarter at 14.5%, reflecting these strong fundamentals and good credit conditions, against the backdrop of an improving macro environment. This capital position gives us considerable flexibility to pursue organic and inorganic growth opportunities, as well as return capital to shareholders when current restrictions are eased. As always, we will be disciplined in our approach, deploying capital thoughtfully and in support of our long-term strategic objectives.

I'm very pleased with our performance this quarter – and encouraged by the progress we are seeing in the North American economy, and across our client base. The pandemic is still very much with us, but there is growing evidence that everyone is learning how to manage through it.

Last quarter, I said that as economic conditions normalized, TD's strengths would come to the fore. That is exactly what is happening. We are adding new customers and deepening existing relationships. And we look forward to supporting our customers through the next phase of the recovery – with advice and solutions to meet their evolving financial needs, leveraging our One TD model.

Our Canadian Retail segment earned $2.1 billion in Q3, with strong revenue and volume growth.

- The Personal & Commercial Bank had a terrific quarter, with customer activity rebounding strongly, driving record volumes in many business lines: In real estate secured lending and commercial, year-to-date net growth in loan volumes has surpassed full-year 2020 levels. While credit card balances are still being impacted by high savings rates, card retail sales reached a new high in Q3, as we've made creative use of accelerators and leveraged our strategic relationships, including:
    - the new subscription offer we introduced this quarter with Instacart
    - bonuses for TD Aeroplan cardholders who link their card to a Starbucks account
    - and our exclusive relationship with Amazon, which has seen customers make over 1 million redemptions using the Amazon Shop with Points capability on their TD card.

  On the deposit side, we extended our lead in personal deposits, and commercial volumes remained strong.
- In the Wealth business, while trading volumes moderated in line with the industry, our advice channels again performed very well. We achieved record year-to-date net asset growth in our Advice businesses, and record year-to-date long-term sales in our TD mutual fund franchise.
- Insurance delivered strong top-line growth and saw a steady return to pre-COVID driving patterns. We supported our clients through two catastrophic weather events, in Calgary and Barrie, providing ongoing relief. We also strengthened our position as the digital Insurance leader in Canada, with new capabilities like same day online quote and bind.
- And our mobile banking app and website earned top marks for customer engagement and experience in a trio of surveys from Sensor Tower, Apptopia and Similarweb.

Turning to the U.S., our U.S. Retail Bank delivered record earnings of US$891MM this quarter on improved revenue and stable expenses. Deposit volumes moderated, but still grew at double-digit rates year-over-year, as customers continued to trust TD for their banking needs. We saw further loan paydowns on the back of still-high levels of liquidity, but debit and credit card transaction activity accelerated. In particular, we've seen strong take-up of our new Double Up Credit Card, adding 50,000 customers since last quarter's launch. The card offers customers 1 per cent cash back on purchases, and another 1 per cent when they redeem points into a TD deposit account – helping us broaden and deepen relationships.

We continue to win on service, convenience and safety. This quarter, we made it easier for customers to engage with us, enabling them to book in-person appointments online across our retail businesses. We added new capabilities in our stores to untether employees, so they can serve our customers better. We continued to partner with top-tier fintech companies to offer Small Business and Commercial clients integrated payment solutions. And we were proud to be ranked #1 by Insider Intelligence for Security and Reputation in their 2021 Banking Digital Trust Report.

In Wholesale Banking, earnings were $330MM on a normalization in trading activity, partly offset by higher advisory fees. TD Securities won several signature mandates in the quarter and received further recognition for the investments we've made to strengthen our global platform and enhance the capabilities we offer our clients:

- We were active bookrunner and sole Canadian dealer on Air Canada's $2 billion high yield cross-border trade, the Canadian component of which was the largest-ever high yield deal in Canada.
- TD Securities was named 'Canada's Best Investment Bank' in Euromoney's Awards for Excellence 2021 - our first time taking this honour. And in Global Markets, we were joint winners of 'Most Impressive Sovereign Supranational Agency House for Post-LIBOR Solutions' and 'Most Impressive SSA Coverage Team' at the 2021 GlobalCapital Bond Awards.
- We also built on our leadership in the ESG space, being selected as one of two Structuring Advisors to the Government of Canada on its inaugural green bond issuance.

Overall, as I reflect on our performance so far this year, I'm pleased with the way we've navigated a complex and rapidly changing environment. We continue to benefit from our diversified business mix – and our people have demonstrated their ability to rise to the current challenge.

As we enter the final quarter of the year, the environment remains fluid. The pandemic is still raging in many parts of the world. And while rising vaccination rates have supported a strong recovery in economic and employment growth, new variants are challenging this forward progress – and complicating re-opening plans. That's why, last week, we announced that, starting November 1, colleagues entering a TD workplace will need to be fully vaccinated or be subject to additional safety protocols. We believe vaccination is the best path out of the pandemic – and the right way to protect the health and safety of our customers, colleagues and communities.

The benefits of the recovery taking hold around us are evident. It's critical we do everything we can to maintain and build on the gains. It's also clear those gains are not being distributed equally. A sustainable recovery must also be an inclusive recovery. We took several steps this quarter to advance that objective:

- In the U.S., we announced a US$100 million equity fund to support minority-owned small businesses, with US$25 million targeted for Black- and Latinx-owned firms – to provide communities of colour with access to the capital they need to grow their businesses.
- We launched new retail bank offerings on both sides of the border to better meet the needs of under-served customers:
    - In Canada, we entered into a strategic alliance with Canada Post to increase access to financial services for Canadians, particularly in rural, remote and Indigenous communities.
    - And in the U.S., we made changes to our overdraft policies and introduced TD Essential Banking, a low-cost deposit account, supplemented by a suite of accessible and customized financial education tools.
    - And we kicked off the annual TD Ready Challenge. This year's campaign will provide a total of $10 million in financial support to organizations that have developed scalable solutions to help K-12 students disproportionately affected by pandemic-related learning loss in math and reading.

These purposeful investments reinforce the strength of our proven business model. They reflect our unique and inclusive culture. And they will enable us to continue playing a key role in driving forward the recovery – and delivering the right outcomes for all of our stakeholders.

None of this would be possible without our 90,000 TD bankers, who bring our purpose to life – and deliver each day on our vision to be the Better Bank. I'll end by thanking them for their 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 9.

- This quarter, the Bank reported earnings of $3.5 billion and EPS of $1.92. Adjusted earnings were $3.6 billion, and adjusted EPS was $1.96.
- Revenue was even on a year-over-year basis, as continued strong volume growth and higher fee income in the retail segments were offset by lower wholesale revenue, the impact of foreign currency translation and lower margins.
- Provision for credit losses was a recovery of $37 million, as impaired PCL was more than offset by a performing PCL release.
- Expenses increased 6% year-over-year, mainly reflecting an increase in the retailer program partners' net share of profits from the U.S. strategic card portfolio, primarily on lower PCL. Absent the partners' share of PCL, adjusted expenses increased 1%.
- Because the year-over-year change in PCL remains large, the accounting for the U.S. Strategic Card Portfolio program continues to have a significant impact on expenses, as well as total Bank pre-tax, pre-provision earnings and operating leverage. Slides 22-23 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 significant again this quarter. The slides show that total Bank PTPP was up 3% year-over-year and 11% quarter-over-quarter, reflecting strong revenue growth in our retail segments, partly offset by a decline in wholesale revenue.

Please turn to slide 10.

- Canadian Retail net income was $2.1 billion, up $862 million year-over-year. On an adjusted basis, net income increased $837 million year-over-year.
- Revenue increased 9%, reflecting higher-fee based revenue in the banking and wealth businesses and higher loan and deposit volumes, partially offset by lower deposit margins.
- Average loan volumes rose 7% reflecting growth in personal and business volumes. Average deposits rose 13%, reflecting double-digit growth in personal, business and wealth volumes. Wealth assets increased 20%, reflecting market appreciation and new asset growth, including record mutual fund flows.
- Margin was flat to the prior quarter at 2.61%.
- Total PCL of $100 million was higher by $137 million sequentially, mainly reflecting a smaller recovery in performing PCL this quarter. Total PCL as an annualized percentage of credit volume was 0.08%.
- Insurance claims increased 4% year-over-year, primarily reflecting higher current year claims from business growth, partially offset by a decrease in the fair value of investments supporting claims liabilities.
- Reported expenses increased 8%, reflecting volume-driven and employee-related expenses, as well as higher technology and marketing costs as we continued to invest in the business.

Please turn to slide 11.

- U.S. Retail segment reported net income was US$1.1 billion, up US$562 million.
- U.S. Retail Bank net income was a record US$891 million, up US$631 million, primarily reflecting lower PCL and higher revenue, partially offset by higher expenses.
- Revenue increased 5%, reflecting higher fee income from increased customer activity, strong deposit growth, and higher income from PPP loans, partially offset by lower deposit margins.
- Average loan volumes decreased 5% year-over-year. Personal volumes decreased 1%, primarily reflecting lower home equity and credit card balances. Business loans declined 8%, reflecting paydowns and lower commercial line usage, partially offset by higher average PPP loan volumes.
- Average deposit volumes, excluding sweep deposits, were up 15%, including 25% growth in core consumer checking. Sweep deposits were up 3%.
- Net interest margin was 2.16%, up 1 basis point sequentially.
- Total PCL, including only the Bank's share of PCL's for the strategic cards portfolio, was a recovery of US$74 million, higher by US$99 million sequentially, on a smaller recovery in performing PCL.
- The U.S. Retail net PCL ratio was (0.18%).
- Expenses increased 2%, primarily reflecting higher investments in the business.
- The contribution from TD's investment in Schwab was US$161 million compared with a contribution of US$230 million from TD Ameritrade a year ago.

Please turn to slide 12.

- Wholesale net income was $330 million, a decrease of 25%, reflecting lower revenue, partially offset by lower PCL and lower non-interest expenses.
- Revenue was $1.1 billion, down 22%, primarily reflecting lower trading-related revenue, partially offset by higher other revenue and advisory fees.
- PCL was $2 million.
- Expenses were down 5%, primarily reflecting lower variable compensation, partially offset by higher-employee related costs from continued investment in Wholesale Banking's U.S. dollar strategy.

Please turn to slide 13.

- The Corporate segment reported a net loss of $205 million in the quarter, compared with a net loss of $130 million in the third quarter last year.
- The year-over-year increase reflects a lower contribution from other items, acquisition and integration charges related to the Schwab transaction, and higher net corporate expenses.
- Adjusted net loss for the quarter was $122 million, compared with an adjusted net loss of $76 million in the third quarter last year.

Please turn to slide 14.

- The Common Equity Tier 1 ratio ended the quarter at 14.5%, up 25 basis points from Q2.
- We had strong organic capital generation this quarter, which added 45 basis points to CET 1 capital.

- The closing of the Wells Fargo Canadian Direct Equipment Finance business and Headlands Tech Global Markets acquisitions during the quarter collectively accounted for 15 basis points of capital.
- Higher RWA net of FX and other items subtracted a further 5 bps from capital, mainly attributable to higher Credit Risk and Market Risk RWA.
- RWA increased $10 billion quarter-over-quarter, mainly reflecting higher Market Risk and Credit Risk RWA.
- The increase in Market Risk RWA reflected the expiry of OSFI's temporary reduction of the SVaR multiplier.
- The increase in Credit Risk RWA reflected higher Wholesale Banking exposures, the impact of FX and acquisitions, partially offset by positive credit migration in Canadian and U.S. Retail.
- The leverage ratio was 4.8% this quarter, and the LCR ratio was 124%, 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 15.

- Gross impaired loan formations decreased 3 basis points quarter-over-quarter to 11 basis points, a 16-year low, and
    - Were lower across all segments.

Please turn to slide 16.

- Gross impaired loans declined 3 basis points, or $152MM quarter-over-quarter to $2.65 billion, reflecting the ongoing impact of:
    - Support programs,
    - Customer resilience, and
    - The economic recovery.

Please turn to slide 17.

- 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.

- The Bank recorded a PCL recovery of $35 million in the quarter, reflecting:
    - A performing allowance release;
    - Partially offset by cyclically low impaired provisions.

Please turn to slide 18.

- The Bank's Impaired PCL was $244 million, with all segments contributing to the $141 million quarter-over-quarter decrease.
- Performing PCL was a recovery of $279 million this quarter, compared to a recovery of $758 million last quarter. The current quarter recovery reflects:
    - Additional allowance releases in the Canadian Retail, U.S. Retail, and Corporate segments.

Please turn to slide 19.

- The Allowance for Credit Losses decreased $258 million to $7.7 billion quarter-over-quarter, reflecting:
    - A performing allowance release, largely related to continued improvement in credit conditions.

- In summary:

- Credit performance has trended positively this year as we have progressed through the pandemic, and
    - PCLs may continue to be relatively low through the balance of the fiscal year.

- While credit performance has been satisfactory, uncertainty associated with the ultimate credit-impact of COVID-19 remains elevated, and
    - Credit results may vary by quarter.

- TD, however, remains 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] The first question is from Gabriel Dechaine with National Bank Financial. Please go ahead.

Gabriel Dechaine – National Bank Financial – Analyst

Woohoo, number one. First of all, Bob, congratulations on your retirement and good luck in the next phase. And congrats to Riaz for stepping in there. So, as far as my question goes, it's for the U.S. business. I saw that you made some changes to your deposit product line-up. You added one that doesn't charge overdraft fees anymore, and then, the existing product, some curbs or limits on how many times you can charge overdraft and at what level they're triggered? Is this stuff that's going to have any noticeable impact on the revenue line in the US in the coming quarters, because I understand that fee source is a pretty substantial one.

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

Well, Gabriel, first of all, thank you for the question. Hope all is well. Let me just provide a little context why we did that and why we rolled the product out, we call it Bank Essential. First, as you know, our model in the U.S., we're particularly focused on making sure we're covering all of the communities in which we do business. And still to a large part, unfortunately, there is a lot of unbanked or under banked populations in the U.S. really throughout the footprint. And in doing our own research and seeing where the market was moving, we thought this was the right approach to making sure we're providing banking services to the new

–to-bank environment, as well as those that have been troubled by overdrafts in the past. And Bank Essential really is a non-overdraft product that you cannot overdraw. There are no checks, but you get all the benefits of ATM, digital, online banking, and certainly, the debit capabilities that go along with it.

So, we think this is a positive product and we're already getting really good feedback in just a couple of short weeks from the field and folks are embracing it. I do want to say though that for our core customers that are in the banking world, there is a definite place for the overdraft product and the ability to make sure that items get paid and folks continue to have access to items that are clearing through their account. Whether they're at the register or through the check-in, overdraft still has a place.

What I would say is that some of the changes that we made into the number of limits to your question and how many times you can overdraw and the actual thresholds to overdraw, we just think these were better experiences for our customer, and we really wanted to make sure that we continue to face off with our 10 million customers and stay very competitive with the market. So, we think these were positive changes. As to the impact, this is not going to have a material impact on our P&L or our performance. But we would think that the combination of these changes, if you'd size them, they could be worth US 40 million or US 50 million. But this is not going to change the narrative of our P&L. Obviously, we'll continue to watch where the market moves with these developments and we'll stay current on our product suite.

Gabriel Dechaine – National Bank Financial – Analyst

Is that per annum or per quarter?

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

That's a per annum.

Gabriel Dechaine – National Bank Financial – Analyst

Okay. All right. Well, thanks for that, Greg. Appreciate the quantification there and the rationale, which I totally understand as well. Thank you. And enjoy the rest of your summer.

Doug Young – Desjardins Capital Markets – Analyst

Hi. Good afternoon. Just, Bharat, in your opening remarks, you talked a bit about P&C margin pressure easing. So the question, maybe it's more to Teri and Greg – and for Riaz, but have we hit a trough in NIMs at the divisional level, or is there structurally some further pressure that we should be expecting? Any guidance on that side?

And then, as we roll that up to top of the house, is there anything else in Corporate that could cause some noise in NIMs as we go forward? And maybe Greg, within your answer, was there any impact from the PPP prepayment on margins in this quarter? Thanks.

Bharat Masrani – TD – Group President and CEO

Let me just answer from an overall bank perspective and then pass it on to Teri and Greg to talk about each of our major businesses. But generally, this number keeps on bumping around as you've heard. Generally, there's been a downward pressure on this, so quarter-to-quarter, it can bump around. But as long as rates are where they are and our business continues to grow, there may be downward pressure. But without a doubt, a lot of the repricing that has occurred, we're coming towards the end of this cycle, rather than towards the beginning of this cycle.

So, why don't I pass it over to Teri? Perhaps, she can comment on your divisional question, and then maybe, Greg can pick it up at his end, and then Greg can pick up your question on the PPP loans.

Teri Currie – TD – Group Head, Canadian Personal Banking

Okay. Thanks, Bharat. It's Teri. I would say there's not a lot to add from our business perspective to what Bharat had said. We were pleased that the pressures eased, and, in fact, the margins were flat sequentially. There's still downward pressure going forward. And again, there are a lot of moving parts. So, not a lot to add, Bharat, to what you said.

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

Well, thanks for the question. And the way I'd say about the U.S., I think, Bharat categorized it very appropriately. In any given quarter, this thing will bump around a bit. But I would say, the general direction, it could still have some pressure in subsequent quarters, and it's mostly because what we're seeing is, we're still seeing the mix of the business and deposits really overwhelming loan growth and deposits continue to come in at a very robust pace, even though we still have some of that growth in our year-over-year comparisons at this point and still growing double digits.

The other aspect of it, as we know is that, while the loan rates above the short end of the curve is in the base year-over-year, you still have some pressure on the long end as we reprice investments that are maturing and there's still some downward pressure there. What I was pleased to see in this past quarter was some stabilization and strengthening in our loan margins, which was very constructive, as we were up 1 basis point quarter-over-quarter, and to answer your question directly, PPP in this quarter, it may have had maybe 2 basis points of impact to the upside.

Doug Young – Desjardins Capital Markets – Analyst

Okay. And, Riaz, as I pull that up to the top of the house, none of that's surprising, but there's nothing else that I should be thinking about at the corporate level?

Riaz Ahmed – TD – Group Head and CFO

No, Doug, not in a structural way. I mean, Teri and Greg have called out balance sheet flows and the volatility in rates and market conditions. But sometimes sort of in the Corporate segment, you can see some volatility come out from hedging arrangements and issues like that. So, I would say that, to echo Bharat's comments, that we're kind of more into closer to just business as usual developments on margins as some of the rate cut impacts that we saw last year are now kind of in the year-over-year expenses.

Doug Young – Desjardins Capital Markets – Analyst

Perfect, that is helpful. And then just second, Teri, on the wealth management earnings, they were down C$45 million from last quarter sequentially. But can you talk a bit about what drove this, I was a bit surprised by that, and is there anything unusual in there?

Teri Currie – TD – Group Head, Canadian Personal Banking

Thanks for the question. I guess, I would say, wealth NIAT was up 15% year-over-year. There was a sequential decline, as you mentioned. Really, that would be all to do with the levels of trading activity. You can see in the appendix of the presentation on page 25 sort of the makeup of the wealth earnings. And so, I guess, I would comment that real strength in the advisory parts of the business. Q3 was our highest Q3 ever for long-term mutual fund net sales. And I think we haven't seen levels like that back to probably 2015 or something like that. So real strength. And that's really a tribute to the investments that Leo Salom and our teams have been making in advisors and in capabilities to serve our customers.

And on the transaction revenue, I mean, we've probably come from 3 times what would have been the normal rate pre-pandemic down to something like 2 times what we would have seen. And I think as we think forward around transaction revenue, we would still expect it to remain above pre-pandemic level.

Meny Grauman – Scotia Capital – Analyst

Hi. Good afternoon. This is a question regarding loan growth in P&C Canada. When I look at TD and track it versus the peer average, it looks like TD has been lagging the peer average since about Q1 2020. And so, when I look at that I wonder what's going on, one thing that comes to mind is that you adjusted your risk appetite more aggressively as a result of COVID, and certainly, the gap with peers appears to have enlarged around the height of COVID. So, I'm just wondering if that is in any way part of the story?

Teri Currie – TD – Group Head, Canadian Personal Banking

So maybe, I'll step back. Really pleased and we're really paying attention to what are those signs of momentum, and I think our sequential performance was very strong across the board for P&C. If I look at lending and sort of break it apart, commercial lending was really strong this quarter. And that had three elements to it. One was the Wells Fargo Canadian Direct Equipment Finance Business acquisition. But even without that, real strength in growth and commercial lending, and we saw that with some commercial loan utilization coming back. Obviously, it's still well off pre-pandemic levels, but Q1 was the dip and we've continued to see utilization growth in spend, so that's a positive and there's room to grow there.

And then real estate and any real estate-related businesses, obviously, there's real strength and demand there. And so, commercial was a real source of strength. Real estate secured lending, on a sequential basis, we were a bit behind the peers. If you look at market share data for the 2021 calendar year, what's been reported to-date, given the scale of our business, over the first four months of the calendar year, we did take share. That may bump around over the next few quarters, but I'm confident with the investments that we've made in advisors and capabilities for our customers, that will see us continuing to build that market share position over the coming year.

And then credit cards, obviously, another component. And to the specific of your question, both for unsecured personal lending and credit cards, we would have seen both the economic activity impacts which disproportionately, given our particular cards mix towards travel and premium cards, has impacted us. Having said that, you would have seen in this quarter unbelievable sales results strength, up 21% year-over-year. So, we're really seeing the economic activity come back in spend. And we're seeing that in a time when still travel is about 62% off the levels pre-pandemic. Part of the story is the return to some of the risk strategies that we've been a little more cautious on through the pandemic, things like balance transfer and limit increase offers, and those are predominantly back in market, and we should see the benefits of those going forward.

If you look at Q3 results, interest-bearing loans are down slightly, but promo loans and the free period are actually up, and historically, those turn into interest-bearing loans over a period of time. So, I think, we're well-positioned both with travel to come back, international travel and FX in particular, and then these offers being back in market and then the breadth of our product availability and our partnerships in cards to capture demand going forward.

Ajai Bambawale – TD – Group Head and Chief Risk Officer

From my perspective, there's really no change in risk appetite in Teri's business and, as she outlined, there was some selective tightening during the pandemic and that's, for the large part, reinstated. The other comment I'd make is, in the risk department, we'll certainly look at the origination quality very closely and we're satisfied with what we're seeing.

Meny Grauman – Scotia Capital – Analyst

And just as a follow-up. Teri, how important is it to get back above average, is that something you track, or you don't look at it that way, and then when do you expect to get above the average?

Teri Currie – TD – Group Head, Canadian Personal Banking

So, I guess, commercial, I'd say, going really well. In terms of real estate secured lending, as I mentioned, the percentage growth versus the scale of our business and the share growth, we are actually taking share in the first four months of the year and expect to continue to take share going forward. I feel comfortable that we've got the right strategies and investments in place. And then on credit cards, we're kind of middle of the pack right now, and I would attribute that again to the mix of the book. We've got the Amazon partnership, which is unique to TD and delivering great results.

Bharat mentioned the shop with points redemptions that are only available to TD customers. We have the partnerships through Aeroplan, including a unique capability for Canadians to get bonus offers through Starbucks, and you may have just seen an announcement that Aeroplan will be partnering with the LCBO, so another great opportunity for TD cardholders only, and then the Instacart subscription work that we're doing. So, I feel, overall, like we are well-positioned. There's nothing sort of standing in our way as economic activity returns to regaining the leadership position.

Ebrahim Poonawala – BofA Securities – Analyst

Good afternoon. I guess, just Teri, maybe sticking with credit cards, there's been a fair amount of conversation around BNPL (Buy Now Pay Later) over the last few months. As you think about the growth of that product; one, remind us everything that you are doing in terms of partnerships to grow that?

And secondly, given just your positioning in the credit card business, both in the U.S. and Canada, do you agree with the view that the economics of the cards business and what that business might look as we emerge / come out of the pandemic is likely to be very different, impacted by the liquidity that the consumers have and the adoption of the BNPL?

Teri Currie – TD – Group Head, Canadian Personal Banking

There's a lot in that question. Let me start with sort of the end of your question, on the economics of the business. So, as I talked about, real strength in customer activity and, therefore, other income was very strong. And I would think that as that activity continues, we would continue to see strength there. Clearly, we are building loan balances, but that will lag the customer activity. And I believe that we will have sequential loan balance growth sustained over the coming period of time as the activity returns, and that will obviously lead to further profitability. So, I don't see any sort of permanent impact. It's a timing issue from my perspective more than an issue.

As it relates to BNPL, we are paying attention to this evolution. I don't see it in the near term being an impact to our ability to continue to grow profitably. Having said that, we are playing in the space. With our MBNA card offering, we do have a post-purchase installment plan capability that's been in market for a number of months, and it's worked well. And we built that in such a way that it is leverageable in our Visa credit card portfolio. And so, that's something that we'll continue to evaluate.

And then in the U.S. business, you may be aware that we have both pre and post-purchase capability in the retail card services business. And we have also an opportunity with select merchants in a partnership with a fintech to do point-of-sale purchase installment lending. And so, one of the things TD has done a great job of is sort of leveraging capabilities on either side of the border, learning on either side of the border, and then implementing as it makes sense for our customers going forward. So, I'd say, it's a space for paying attention to. I don't see it having any material impact in the near term and we've got good experience in the product.

Ebrahim Poonawala – BofA Securities – Analyst

That's helpful. Thank you. And I guess, just Bob or Riaz, congratulations to both of you. And maybe a word on the Wholesale business. You've been investing and growing that for the last number of years. Give us a sense of, as we come out of this, where are the market share opportunities for TD in the Wholesale business, is it a product, is it geography? And kind of how do we think about where we are in the market share growth opportunity and outlook there for the business?

Bharat Masrani – TD – Group President and CEO

Bob, you can really set this up for Riaz!

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

I can set it up and give the responsibility to Riaz. So, it definitely is in the U.S. dollar business, Ebrahim, both in the U.S. region, but also in U.S. dollar products globally. And I think the big opportunities for growth is just the ongoing addition of corporate clients which we're growing organically. We continue to invest in adding people and adding credit relationships, enhancing those relationships with the introduction of the product suite that we've been building. More recently, we've invested in U.S. asset securitization products, asset backed securities; we're adding to our corporate bond capabilities.

But, we're very focused as well on how we can do more in the private equity part of the landscape because that is really growing as you know. And so, we've been building out relationships with the private equity funds in the U.S. and the mid-cap ones as well, where they fit the product suite. We've also focused on the Canadian-European pension clients that have active interest in that market as well adding to our product capabilities; leveraged finance, high yield bond markets, et cetera. So, we are seeing growth there, lots of opportunity for growth. It's a very large market. We're looking to focus on the segments of that market that we are comfortable and have expertise and can add increasingly to.

On the product side, we also continue to build the prime service business. We continue to build our energy and commodity trading businesses, and our equity structured product businesses. So, there's lots of opportunity, but we are doing this organically and they do take time. We've more than doubled our workforce in the U.S. in the last seven to eight years and we're adding to it this year as well, and we will add over the next number of years. So, I think it's important that we'll diversify our business model. We all fight for market share in Canada, but Canada is a relatively mature market. It's not like the U.S is not mature, but it's just much, much larger. And we've also been working hand-in-hand with Greg's team as to how we become increasingly successful as being a good partner in pursuing universal banking model in the U.S, and that's showing us lots of opportunity and we look forward to continue to do that.

Paul Holden – CIBC World Markets – Analyst

Thank you. Good afternoon. I didn't think I'd be asking this question this deep into the Q&A session, but I guess, I'll ask on the discount broker threat in Canada with one of your competitors moving commissions to zero. How do you view that competitive threat and what strategies will you use to retain clients and assets?

Teri Currie – TD – Group Head, Canadian Personal Banking

So, it's Teri. Thanks for the question, Paul. Maybe I'll just level set because I know there's been some attempt to quantify what this could mean, if a similar strategy was taken by us. And so, I'll start with about 1% of TD's total revenue would be how we would estimate it. There's a broker-dealer fees in commissions line 1 in the supp-pack page 6 and about 50% of that line would be represented by a change that would be similar. So, just to give you the quantification, we have a unique and differentiated offering in TD Direct Investing. I think we provide significant value that enables our customers and clients to achieve their goals with us, and also to feel very well-informed through our industry-leading learning center and tools and capabilities that we provide the dashboards.

With WebBroker and Thinkorswim, we have unique trading offerings. We have advisors who are available and specialists who are available to our customers and we continue to really add content, customers who leverage our learning content, provide us with very high satisfaction scores like 20 points ahead of those that don't. And so, I think that we have an offering in a platform that is very unique and adds significant value. And so, our starting point wouldn't be that we need to make a change. Obviously, we'll continue to evaluate what happens in the marketplace and continue to make the right decisions for our business.

I would also offer that we have recently launched TD GoalAssist, and so, we have a new offering that is available to customers who really are self-service investors, where they want to follow a plan. There are no minimums, there's no monthly fee, no commissions for trading TD ETFs. So, there is an offering sort of to meet the breadth of needs of Canadian investors that we feel very confident we'll continue to win in the future.

Paul Holden – CIBC World Markets – Analyst

Great. That's a very helpful answer. And then just one more for me, and I guess, a bigger picture one. The federal government announced proposals around open banking relatively recently. So, I'm just wondering what your thoughts are around open banking as a potential risk or opportunity and how TD is prepared for that eventuality?

Teri Currie – TD – Group Head, Canadian Personal Banking

Thanks. It's Teri again. And so, this has been a file that we've paid a lot of attention to. Obviously, the ability for customers to share their data safely and securely with full knowledge of where it's going and how it's being used is incredibly important for us at TD, and we've talked about that over the years. I think we're very well-prepared and interested in continuing to leverage data and third-party data in particular for our TD customers and think that we have some unique ability to do that.

We've been involved in the U.S. marketplace in standing up a data sharing platform, Akoya. And by the end of this year, along with other large banks in the U.S., we'll be able to, using APIs, share data as customers have asked us to in an appropriate and safe fashion. And so, again, another example of where we're able to take learnings from one market and apply them in another. So, we look forward to the continuing evolution of open banking. We also think an industry-led solution, like in the U.S. makes a lot of sense in some other global markets. This has been put forward as a response to unbanked. That's a very small population in Canada. And I would say, from a TD perspective, we think our Canada Post alliance will be a way to get at unbanked and indigenous communities across the country.

And then often it's talked about as a way to help customers switch bank accounts. Very few customers switch, but more customers switch in Canada than in other markets that have enabled this capability. So, I don't see it as an access requirement, but what I do see is, for customers who want to have the ability to have their data shared, we will be well-positioned to take advantage of that capability and help them meet their goals.

Nigel D'Souza – Veritas Investment Research – Analyst

Thank you. Good afternoon. I wanted to first start off on a quick question related to trading revenue. When I look at the income statement, there's a trading-related income loss there of about C$16 million and that's against on the segment level at Wholesale Banking, trading-related revenue of C$467 million. So, I was wondering if you could just provide some color on the reconciliation there between that and what drove at the bank level that loss that we're seeing this quarter?

Riaz Ahmed – TD – Group Head and CFO

Nigel, let me take that. It's Riaz. As you know, in trading products, you can have a combination of both interest income as well as gains and losses that materialize from the daily flows. And so, the accounting for that is that the interest income and taxable equivalent dividends and whatnot go into NII lines, and then the market gains and losses go into the other income lines.

So what we do in the supp-pack is we break that all out for you and present it as a trading-related revenue, which is actually the proper line to focus on because the trading gains and losses gets offset with NII lines as well to come up with that trading-related number is how I'd position it, but unpacking it is a set of complexity between line items that can be very detailed. It is better to just focus on the trading-related line item as a way of comparing quarter-to-quarter trends and how our global markets business is doing.

Nigel D'Souza – Veritas Investment Research – Analyst

Okay. That's helpful. Maybe I'll look into details offline. If I could just pivot on to your allowances and when I look at TD's release this quarter, it appears that TD's being a bit more conservative than some of your peers in releasing allowances on your performing loans.

And I was wondering if there's anything you're seeing that makes you more cautious or more conservative or maybe some color on how you're thinking of how the reversal would play out over the coming quarters?

Ajai Bambawale – TD – Group Head and Chief Risk Officer

Yeah. It's Ajai. Let me share my thoughts with you. And I can't speak about the peers, but if you go back and look over three quarters, you'll find that we have released 40% of the reserves we've built since COVID. And those reserve releases are really driven by two things; the improvement in macro and then the second is credit conditions.

This quarter, the Delta variant was considered in greater detail and mostly, I would say, in our downside case. So, what we did is, we selected a tougher downside case, which is a global slump and that reflects that countries, including Canada and the United States struggle to control the virus. And this could lead to additional containment measures. We also added some more weight on the downside, both for Canada and the U.S.

So, it's really the Delta variant that led to the overall macro factors tempering our release this quarter. And then if I look ahead, there are possibilities, of course, of future releases. And I think those would largely be driven by macro conditions. We would also look at the forward-looking uncertainty and to the extent it reduces, there are possibilities of additional release. Again, as Bharat said, the pandemic is not over, so you should expect continued prudence from us.

Nigel D'Souza – Veritas Investment Research – Analyst

Yeah. That's helpful. Just a quick clarification on the Delta variant. It seems to be having more of a regional impact in the U.S., so are you seeing something different in your Southeast footprint versus your Northeast, or do you think about it regionally?

Ajai Bambawale – TD – Group Head and Chief Risk Officer

Well, what we know is that it's spreading, and right now, it may be regional. But again, IFRS 9 is a forward-looking measure and we have to sort of think about where it might be in six months or even three months' time and it has a lot of momentum. So, as I said, it's not in our base, it's mostly in our downside case, but we did consider it for this quarter.

Mike Rizvanovic – Credit Suisse Securities – Analyst

Hi. Good afternoon. Question is for Greg. Why don't you go back to the NSF change in the U.S., and the US$40 million that you referenced. Can we use the regulatory call reports as a sort of proxy to how much you actually earn on NSF fees in the U.S. business?

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

You can. I would just say that the call reports are a fine proxy, but a lot of times when we get talked about as a U.S. bank and our non-interest income percentage of overdrafts is higher than a lot of our peers, obviously, some of that goes to the fact that we don't have the wholesale numbers in the U.S. business and we don't have as large of a wealth business built up yet, and you have lower drivers from some of those businesses. But those fee income numbers that you call out are fine to use as a proxy.

Mike Rizvanovic – Credit Suisse Securities – Analyst

Okay. That's helpful. So then, with respect to the US 40 million comment, that seems to be only about 10% of what...

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

Well, I said US$40 million to US$50 million, and it depends on volume, right, of interactions that you'd see. But as we model this thing out and a return to normal activity levels, that's where we would see is to be the impact from these changes we made, reducing the number of overdrafts you can incur per day and reducing them from 5 to 3, and raising the threshold from US$5 to US$10. But we're using normalized activity in the market to determine those figures.

Mike Rizvanovic – Credit Suisse Securities – Analyst

Got it. But I'm just curious like with respect to your existing client base, it just seems a bit light, given if you got an option to not ever have to pay those fees, like why would you not have more gravitation to that account with your existing client base?

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

Yeah. It's a good question, but I'll go back to my opening when I talked about the product. It doesn't have an overdraft feature first and foremost because there's no checks that come with this product. So, a lot of our existing portfolio are not going to gravitate towards not having the ability to have check writing capabilities, number one. Most people want that. A lot of people are going to want that.

And then secondly, a lot of people find it actually very comforting that if something comes in, whether it's an ACH debit or a recurring payment that there is some sort of overdraft protection, that doesn't allow that item to get bounced back. For a certain segment of the population though that are new to banking or are trying to make sure that they're not overdrafting their account and have limited transactions, don't need check writing capability, this will be attractive. But again, there's no checks that come with this product. So, you're going to have some folks that this would not be applicable for, right?

Mike Rizvanovic – Credit Suisse Securities – Analyst

Got it. Thanks for that color. And maybe, if I just quickly pivot to Teri, is this something that could potentially come to Canada inevitably? And I'm not sure if you can quantify, but should we be looking at maybe the U.S. as a proxy in terms of how much of the revenue in the Canadian business would come from the NSF fees?

Teri Currie – TD – Group Head, Canadian Personal Banking

So, it's Teri. The proportion would be much lower in the Canadian business as a starting point. And then I would say, we do have a basic banking account available in Canada. And for many of the same reasons that Greg has cited, overdraft protection is a convenience and peace of mind product. And we have the opportunity for people to either pay as they go in most provinces or pay a flat fee for the service. And so, I don't necessarily see a reaction to this in the same way just given that it's a very meaningful and useful product for Canadians.

Darko Mihelic – RBC Capital Markets – Analyst

Hi. Thank you. Teri, I just want to go back to the discussion on the transaction fees and the decline there. From the outside looking in, with such a big decline quarter-over-quarter, it's hard for us to know whether there is other underlying currents happening in the business.

And what I mean by that is, apart from potentially some of your customers going to starting to trade with zero commissions, I doubt that's had an impact this quarter. But, things like fractional share ownership, cryptocurrency trading, do you think that's having any impact to the business? Is this something that TD is considering addressing? Can you maybe just talk to those potential threats to the business or conversely, maybe they're opportunities, I don't know, but do you think any of that's having any impact with respect to those revenues?

Teri Currie – TD – Group Head, Canadian Personal Banking

Okay. Thanks for the question. We're coming off of very high levels of trading relative to what would have been the normal pre-pandemic. And so, that three times to two times and an expectation that we have that we would continue to remain above pre-pandemic levels, I think is a positive and speaks to the breadth of offering and the value of the platform that I talked about earlier. Obviously, we continue to monitor the market and some of the things that you've identified are likely opportunities for the business in the longer term.

We do pay close attention to the flows. And I think one stat that might be helpful is, when we look at the assets under administration in Q3 of customers under the age of 30, they actually grew sequentially. And so, we are seeing a capture of quality customers in that age bracket, which is something that I know people pay attention to. So I would reiterate just the strength and breadth of this offering. And obviously, we stay close to the market. And the launch of TD GoalAssist was very recent and it is a reaction to what's happening in the market. And I can anticipate us continuing to deliver against enhanced customer expectations over the coming periods.

Darko Mihelic – RBC Capital Markets – Analyst

Okay. Thanks for that. And, Teri, you had a big jump in card services fees and even service charges. Can you just give us an idea? I mean, it looks different from peers as well. Can you give us any insight into that?

Teri Currie – TD – Group Head, Canadian Personal Banking

Certainly, the service charges would be, just again client activity returning. And so, activity levels would be the main driver.

Darko Mihelic – RBC Capital Markets – Analyst

Okay. Yeah. Thank you very much. And again, Bob, best of luck in retirement and, Riaz, congrats.

Lemar Persaud – Cormark Securities – Analyst

Thanks. My question is probably for Greg. Can you provide the total dollar impact of paydowns in the U.S. on loan growth this quarter? And maybe some comments on the expectation moving forward. I guess, ultimately, where I'm trying to get at is, I'm trying to understand when we can expect to see loan growth in the U.S. come back in a more meaningful way? Are we talking say a quarter or two out or is it somewhere further down the road?

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

Thanks for the question and it's something obviously we're certainly very focused on, but let me just take a step back and just make sure we just level set where we are in the U.S. and what most of our peers are seeing as far as loan growth. I think it's important to provide that context. And as you would have seen by much of their second quarter numbers as well, we would have been on the better side of the group, whether it's the regionals and really especially if you measure in the money centers, had far more substantial declines year-over-year in loan growth because of paydowns, particularly on the commercial side and in some of their card portfolios.

And then just going on the context, as I said, in the last couple of quarters, you're seeing pressure on loan growth because of all of the government stimulus and that's showing up in our deposit balances. And so, on the consumer side, there's been a whole host of programs that continue to play out and are providing liquidity and you're seeing pressure on cards balances, and on the commercial side, starting on the low-end on the small business side, PPP has had just a tremendous impact with hundreds of billions of dollars of liquidity that's put into the system, and you're seeing depressed loan growth and paydowns.

On the commercial and corporate side, certainly Bob's business and my business, you're seeing paydowns occur specifically because of excess liquidity in the system, but also because of the cheap money and access to capital markets, you're seeing a lot of even revolving credits paid down and various forms of bank debt being retired or certainly not being leveraged. Utilization rates are at all-time lows that I can remember going back quite a long time. And so, those are all the pressure points.

What I would say is that and I've mentioned this in the last quarter too is, we were expecting as the recovery takes hold into the back-end of this year, we would have expected to start to see some pickup in loan growth and loan volume. And just one little tidbit of real-time data, I know you're looking at the averages and what we're reporting here, but also in the material, we've given you spot balances, and you're beginning to see some signs of green shoots for loan growth in the U.S. If you're looking at the spot numbers, you're seeing more robust second quarter to third quarter growth in mortgages, in cards are actually up and positive, not down and you're seeing the same in the auto business. So, what I'd say is, that's certainly a positive and we continue to watch on the commercial side.

The teams, if you look at my business on the commercial side, we're underwriting a ton of business. But, just as quickly as we're putting it on, which is generating good fee income as well, there's a lot of refinancing going on for long-term structures in capital markets and we're going to continue to watch for that growth on the commercial side, but we expect that in the back half of the calendar year to start emerging.

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 great questions on many issues. Just to reiterate and I think you heard it in some of the responses. Given the scale and profile of our businesses; in the U.S, we have 10 million customers. TD Essential Banking, which is the new product that just got introduced, addresses a specific small segment of the under bank within our footprint. Just to keep that in perspective, with respect to some of the questions that Teri was getting, once again, we haven't seen compression in pricing in some of these products before.

But, as you have seen previously that we adjust our products, we adjust how we're positioned in the market, and we think we have a value proposition that is compelling. So, we'll see how all these things play out. But, suffice it to say, given the scale, size, and profile of TD, we feel comfortable as to how we can navigate through some of these issues that were brought up on the call.

And so, overall, I'm very happy with the results. I think the momentum, as it gets built, as we get this pandemic more behind us, is great. I think sequential quarter performance in various metrics that folks have been citing, like PTPP growth. And I know it's a complicated number for us, because we're going to adjust for partners' shares, strategic card adjustments, et cetera. But, I'm sure, Gillian and Riaz and Kelvin will help you folks out.

But overall, I feel good that there's great momentum in the business and it looks like we're getting out of this pandemic with good growth potential. I do want to, as usual, thank 90,000 TD bankers around the world. They do a great job and continue to deliver for our shareholders. I also want to take a moment to recognize the changes we announced to our senior executive team which take effect on September 1.

Now, many of you mentioned this, Bob will be retiring from his role as President and CEO of TD Securities, but he's not going far. He will stay on as Chairman at TD Securities, as well as an advisor to me. Riaz, as all of you know, will be taking on the President and CEO role at TD Securities after almost six years as CFO, and we welcome Kelvin Tran and Barbara Hooper to the senior executive team; Kelvin as CFO and Barbara as EVP, Corporate Development, Treasury, and Strategic Sourcing. I look forward to continuing to work with all of them in their new roles. And since this is Riaz's last call as CFO and Bob's last earnings call, I'd like to invite each of them to say a few words. Riaz?

Riaz Ahmed – TD – Group Head and CFO

Thank you, Bharat. It's been a real privilege to serve as TD's CFO for nearly six years. It's really been fantastic to work with our investors and analysts, and I look forward to continuing to see many of you in my new role. I'm really excited to be joining TD Securities with sincere thanks and appreciation to Bharat and to the Board for the opportunity. Bob and the TDS leadership team have built a terrific franchise and I feel lucky to be joining this very talented team. And I am also equally thrilled to see Kelvin and Barbara taking on their new roles. We do have a top finance and treasury organization. And to my colleagues there, I'd just like to say, thank you. It's been a real privilege working with you. Bob?

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

Thanks, Riaz. Yeah, these last 20 plus years at TD have been incredibly rewarding. I feel very fortunate to have had the opportunity to work with so many great people at the dealer, across the Bank and in the business community. I believe that working together, we've built an impressive dealer franchise that continues to evolve and support our clients, attract and retain great talent, and make a lasting difference in the communities in which we're involved. I look forward to all the success that's to come for TD Securities as Riaz transitions into the President and CEO role next week. He has got a great team to work with.

I also look forward to continuing to support the dealers' client coverage through my efforts as a Chairman and also continuing to work with Bharat. I'd like to thank Bharat, the entire senior executive team, and the board for their support and guidance over the years. And last but not least, thank you to everyone at TD Securities for a great partnership. We've accomplished so much together.

And now, I'll turn it back to Bharat for his final words.

Bharat Masrani – TD – Group President and CEO

Thanks very much, Bob. And thank you, Riaz. Congratulations to all the new folks in their new positions. Looking forward to great things. And thank you all for calling in and a great engaging call. Hopefully we can meet in-person one of these days. Otherwise, we'll talk 90 days from now. Stay safe and stay healthy. All the best.