TD BANK FINANCIAL GROUP AT RBC CAPITAL MARKETS CEO CONFERENCE – TORONTO

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ED CLARK-INTERVIEW

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CORPORATE PARTICIPANTS

Jamie Keating	*RBC Capital Markets – Analyst*
Ed Clark	*Toronto-Dominion Bank - President and CEO*

PRESENTATION

Jamie Keating ***- RBC Capital Markets - Analyst***

I'd like to ask everyone to take their seats please. We're ready to begin the final session of the day with Ed Clark of TD.

Thank you, everyone. Thank you for your attendance, and your interest today. This has been great attendance. I think I've gotten a lot out of it. I hope you have as well. I'm really looking forward to our final presentation here with Ed Clark, President and CEO of the Toronto-Dominion Bank. Ed really does need little introduction to this audience, but let me provide some color on some of his more recent and many accomplishments.

Ed did become CEO of TD Financial Group in December of '02, prior to which he co-engineered what people sometimes forget is the largest, most complex, now most successful bank merger in Canada, the TD Canada Trust deal. I think that deal typifies Ed's forceful and pragmatic approach to the business, taking strong decisions and integrating without delay and, again, in a forceful manner. I think these management attributes are also reflected in his groundbreaking US expansion strategy, obviously the TD Waterhouse bend in with Ameritrade, as well I will discuss today I'm sure the TD Banknorth build out.

For this reason, most feel Ed is one of the go to visionaries in Canada's banking business. Ed, forgive me for glossing over all your excellent academic and pre-banking careers -- too much material.

Ed Clark ***- Toronto-Dominion Bank - President and CEO***

My previous careers -- it's probably good it's not ...

Jamie Keating ***- RBC Capital Markets - Analyst***

Ed, I do want to congratulate you on a great year in '05. We can't wait to see what TD does in '06. I'm going to sit down now and we're going to break right into this. Ed, I do have a thesis out there that revenue growth is going to climb back through the long term average of about 8% after what's really been a three year drought. Am I too optimistic in taking this thesis to the market or am I too pessimistic? Give me your views on where revenue seems to be headed.

Ed Clark ***- Toronto-Dominion Bank - President and CEO***

Well, I think in a sense we're the outlier because we've had that revenue growth for the last two years. So if you take a look at -- put it on a comparable basis because now the industry doesn't have exactly the same line out, but if I take personal commercial insurance and wealth management in Canada, we've had 8%, we've been having 8% revenue growth, and it's significantly higher revenue growth than our competitors. And we've obviously had significantly better profit growth because our expense cap has been bigger than our competitors.

So, we haven't had this revenue drought up to this point. But that's because we run, as you know, we run a fairly simple strategy which is focus both at TD BFG levels but then at each of our sub-businesses.

Focus on how to get growth two to three years from now as well as what you're doing today. And, how do you get that growth without actually extending risk and in many cases reducing risk?

So, we've been having 8% revenue growth in our fundamental domestic businesses, and that last year would have accounted for 72% of our earnings. And that business has grown its profits at 18% a year for three years in a row. And so, when we look forward, what we said at the analyst meeting last year, the end of last year, was to my surprise. Because I've been the one that says credit markets have to the turn here. This can't keep on going. How do you grow businesses at multiples of the GNP every year? But I would say the fundamentals in 2006 still look extremely positive. And so, do I think we could do another 8% revenue growth in that core business next year? Yes. Yes, I think that's possible.

Jamie Keating ***- RBC Capital Markets - Analyst***

My position on the stocks is probably no secret, I've been fairly positive on the TD. Looking at consensus earning estimates for the bank at roughly 10% right now with about 8% revenue growth and any kind of cost containment looks to me like being high on the street or towards that end of the range in terms of earnings growth potential seem to lay up. Am I being to aggressive doing this?

Ed Clark ***- Toronto-Dominion Bank - President and CEO***

Well. So positive if you have this big business, TDCT and TD Waterhouse and domestic retail businesses, where we've said TDCT ought to have 10% plus earnings growth. TD Wealth Management or TD Waterhouse, as we call it, ought to have well in excess of 10% earnings growth. It's had spectacular earnings growth.

Now you have three other elements or four other elements actually to be fair in our income statement. One is TD Securities where we basically said we're running a different strategy there. We run the strategy of trying to have it earn between 15 and 22% rates return on $2.5 billion of capital through the cycle. And so, can we set up a securities dealer that doesn't have this? And so, as you know, we've not been taking loan loss recoveries and into our TD Securities, we've actually been charging ourselves for credit protection. But we've basically said 500 to 550 million flat earnings is what we would see TD Securities for next year. So, that obviously means that will pull the average down.

TD Ameritrade I think has potential to be very positive in terms of our earnings, and that will flow through. This is how, as I say, we don't just look at one year. We sit there and say we have a number of flow through items, and so it will be positive for earnings because as the deal itself is positive and then as a cost synergy. So it will be positive in 2006 and even more positive in 2007.

In case of Banknorth, what I said at the analyst meeting is, I see flat earnings for Banknorth. They will be slightly positive for us for several reasons. One is that in 2005 we only had seven months of earnings in Banknorth, so we had about $150 million of earnings. And so next year we'll have in flat earnings close to $300 million of earnings. So you're going to have a doubling number, and so it's going to look good to us. And won't [have] used cash to have bought Hudson United, and so we'll get the Hudson United effect rolling in there. So in a mathematical sense, but you say the fundamental sense, it's a flat earnings environment for us.

And then, unfortunately, the other element that's hard for us to predict and for you to predict is other. And so we tend to -- it can have positive years and negative years and so it can move around. But in a broad sense what do you have? You have very good growth in our core businesses, the 72%, very good growth in TD Ameritrade, flat growth in TD Securities and flat growth in Banknorth.

Jamie Keating *- RBC Capital Markets - Analyst*

Right. The Banknorth announcement this week on the leveraging charge and so on was a buy back. It looks like rounding error at the top end to me, but am I in the right category there or, is it something I should be worried about, in terms of what's going on?

Ed Clark *- Toronto-Dominion Bank - President and CEO*

Yes. I think Banknorth legitimately attracts a lot more attention and people analyze us. If I always sit there and say when I meet with investors and I'm partial of what they spend time asking me questions on, it probably takes up half the questions. TD Securities probably takes up 30% of the questions, and where all the earnings come from take up 20% of the questions.

And I think that's legitimate in the sense that that's obviously a major investment. And so, are we going to be able to grow its earnings to get itself up an 8% rate of return in four years which is what we said is our target? That's a legitimate question. And I think it's clear that we've run into an earnings environment for Banknorth that's probably more negative than one would have hoped for. And so, I think that's clear. It's not, I guess, the performance of Banknorth in that environment is not more negative, so I don't see them relatively underperforming, but I do see the environment negative.

On the other hand, if you use those numbers I just said -- if they move from $150 million in earnings to $300 million, maybe if everything had been perfect they would have moved to $350 million in earnings and 5% in growth. $15 million on a $3 billion income statement won't make any difference to what our earnings numbers in 2006 and 2007 are, but in terms of meeting my goal which is to make sure that my expansion in the United States in the same period that I took TDCT from a sub 5% acquisition, to an 8% acquisition. Can I do that with Banknorth over the same period? It obviously concerns me. So, if you're in a hostile environment that's obviously harder to do, than if you're in a benign environment.

Jamie Keating *- RBC Capital Markets - Analyst*

Right. Look at TD's business make-up right now. It's interesting in that there is this other element, TD Ameritrade. If you wipe the slate clean right now and really wanted to look your business mix, where would you want to add that extra $100 million capital or $200 million of capital for acquisitions? Slate clean.

Ed Clark *- Toronto-Dominion Bank - President and CEO*

Well, in a sense that is what we're doing, in the sense that right now if you look at 2006 or, if you take the running rates of 2005 earnings, we've taken TD Securities down to a 16% of our earnings base. So we're now a clear outlier. And that 16% on TD Securities is a lower risk dealer than the other dealer. So as I think everyone knows, our goal is to earn significantly more for every dollar of risk rated asset than everybody else [earns]. That's what we think is the way to add shareholder value, and we do that.

And so, we don't see big opportunities to put more capital into Securities, but as I say we don't see it as a growth engine, but we think it might get 4 or 5% growth naturally by building out its franchising. We've got it to where we are going. We don't see big acquisition opportunities in Canada. Maybe they will happen, the world might change, but at the moment we don't see big opportunities in Canada.

Clearly, where we see the potential opportunities is either through TD Ameritrade, if this further consolidation in the online brokerage business or, Banknorth. And in the case of Banknorth we have a pretty simple criteria, can we do acquisitions through Banknorth that the [PE] that we're buying at, adjust it for the synergies, comes in close to [RPE] and therefore is equivalent to buying back a loan share.

And, if we can then -- we're making a strategic decision that fundamentally this environment in Canada, while it's been fantastic for us and we think we can do it for another two or three years, out grow our competition in Canada, and have very, very high growth rates, I always say, if our personal business, which earnings last year $2 billion, continues to grow at 18, 19% a year at some point is going to be the GNP of Canada.

Well, that's not a likely outcome. So you sit there and you say this doesn't make business sense to me. And so I think you can have two responses to that which is, take all that money, just buy back your shares and round it up. Or, assume that this historical relationship where Canada's banks are traded as a discount to the US, and now we're trading at a premium and our dollar's high relative to US dollars, is not a permanent in that we're growing at 18 and they're growing flat, but that's not a permanent place.

And so, this is exactly the time to start to build yourself prudently. Let's not be clear, I'm not a maniac. I own a lot of the TD Bank. So can you prudently grow in the United States, and establish yourself an alternative source of growth? If I go back in time, we bought Meloche. It was the 45th largest personal property and casualty insurance [camp]. Today it's number three. We invested year in, year out, had a better operating model, grew it, and it was a huge source of earnings growth to us for a couple of years. Now it's flat-lining. Someone else has to pick up the slack.

So our whole business model is -- work ahead, don't just sit there and say, well why don't I enjoy what I'm doing now. Figure out how do I have to do something better two or three years from now, and then prudently invest to build that optionality.

Jamie Keating ***- RBC Capital Markets - Analyst***

Our US bank analyst, my counterpart, Gerard Cassidy's got a thesis in the market right now, that the US bank consolidation process is about to heat up activity --

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Ed Clark ***- Toronto-Dominion Bank - President and CEO***

Sounds like an investment banker looking for a job.

Jamie Keating ***- RBC Capital Markets - Analyst***

It's interesting. Maybe that. I will say, however, he was pretty negative on the business last year, which I think he called correctly. And looking out into '06 as perhaps the US consolidation -- if it does start to move, are you more a participant to keep up or, how do you look at the dynamics in the US business? You have a bit of a lull --

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Ed Clark ***- Toronto-Dominion Bank - President and CEO***

So first on whether it's a bit like the credit cycle which I've been predicting was going to turn here, and have been completely wrong two years in a row. We've been saying -- I mean, we went into the US on the proposition that interest rates were going to rise, that the cycle was going to turn, that they all lived off the carry trade, that the regulatory environment was going to get worse in the US, and this was going to create consolidation opportunities.

And the last thing you want to do was to be sitting up here in Canada trying to figure those out without having a management team that was good on the ground and knew how to do them. And that you had to have a vehicle where you could actually get cost synergies. And so, being out of the market was not the way to take advantage of that environment. So, as a general proposition we kind of buy into that. I have been struck, and I think that's the nature of the dilemma, is that the prices for US acquisitions have not come down as a true underline earnings have been hurt by that environment.

And so, there's a reality adjustment going on and the sellers, if you talk to them, they will say, the carry trade will be back in a year. They'll bring the short term interest rates down. We'll be back in the game. We're not going to sell when we have this game ready to come back.

And so, I think there's a little [less] stand off going on. And the big players in the US, if you take a look at the price performance of the TD Bank, versus the top twenty banks in the US it's pretty spectacular over the last three years. They're trading at low multiples and haven't had the share price performance. And so, I think buyers are reluctant to, in a sense, say well I'm going to pay out for these things. So I think you've had a stand off going on in the US. Whether that log jam will break in 2006, I think that's a real question. [Ross]?

Jamie Keating ***- RBC Capital Markets - Analyst***

What does Bill Ryan think?

Ed Clark ***- Toronto-Dominion Bank - President and CEO***

Yes. Well, Bill Ryan -- I think what Bill Ryan thinks is, he's going to be out there and he's going to know [inaudible]. He's going to get a call. So, I think the key advantage we have is he's seen as a desirable acquirer because he's a straight up guy. He's good. He treats people fairly. And he will be in the game. So, I think we looked at every situation that's come up. We've never been surprised. And we've walked from a number of situations because we couldn't see the price.

I think that for us we'd like to get Hudson United done. And so, having a little lull here is not a bad thing. I like to minimize the number of shares I have to issue, so I'd rather be issuing in cash so building up my capital's a good thing. So a little bit of a stand off is not a bad thing, but I think it'll -- by the end of 2006, I think the market's going to have to break one way or the other. That's what I would say, but I'm not so sure it's early 2006.

Jamie Keating ***- RBC Capital Markets - Analyst***

Okay. While we're on capital, I have one last question and I talked a bit about this earlier, and I'm interested in your views. The quality of the business seems to be improving -- your generating capital at a break neck pace in the domestic business. Again, let's try to wipe the slate clean. Help us with the sector, you don't have to tedious specific here, but I look at these dividend payout ratios that called mid point 40% and can't believe there's not another 5, 10 points in them for the business mix that's there.

Ed Clark ***- Toronto-Dominion Bank - President and CEO***

Well, that's a legitimate comment. I guess, as you know, our view is a pretty simple model. We increase dividends at the rate of underlined earnings growth. And if we think we have excess capital that we can't redeploy, we buy back shares. So that's been our model. I guess you could say that as we've been shifting our business mix and making dramatically less volatile, I think the counter for us has been, we obviously wanted to take advantage of what we see as an opportunity to reinvest in the US.

So we've been probably reluctant -- we've been clearly the reluctant ones in driving up these dividend ratios, because our fundamental strategy is still a growth strategy and we think that we can redeploy capital and create growth that we'll in the long run have a higher PE. That eventually people will say if you can grow faster and take less risk, we've got to command a better PE.

I don't think the experiments that say drive up the dividend rate raises your PE. And so, to me, I think where we are now it's -- I'd be reluctant to move absent. I think I said this in the analyst meeting, absent a whole industry shift that made me more of an outlier than I would be today.

Jamie Keating ***- RBC Capital Markets - Analyst***

Helpful? [Richard]?

Unidentified Audience Member

I'd just like to follow up on that. I was talking about, well, if I increase my dividend it doesn't necessarily increase my PE ratio. And given what's happened to Citibank over the last couple of years, maybe for other reasons, sort of validated in that.

But in making that comment, and I've heard it from other CEOs is that you forget that getting an extra 1 or 2% a year is also total return for the shareholders, so that gets lost in the shuffle. And I would argue your case because you de-risked the bank so much that your capital ratio builds to where it was several years ago is really a lot more conservative than it used to be, because the way you run your business -- because you've really taken all of the crazy stuff out of it.

Ed Clark ***- Toronto-Dominion Bank - President and CEO***

I'm having trouble hearing, the sound. So is the issue why our capital ratio is -- we've kept it so high?

Unidentified Audience Member

Yes, and I'm just making a comment on your point that, well it doesn't raise my PE ratio. I just think getting a higher dividend on a total return basis is a good deal for your shareholders long term, anyways.

Ed Clark. Right. I'm not sure -- I guess I'm suppose to have a good, crisp answer to why the whole industry has changed the marker up, but it clearly has. I guess it's -- I think if you look at the cycle it's because several of us -- [inaudible] had mentioned when they did, I guess the national trust deal they went down, as we did the [inaudible] trust deal we went down. After you've been down there and at the edge, you don't like the feeling a whole lot. So you say, well I don't know that I want to be there too many times in my career. So, maybe you have an excessive caution there.

I think in our case, when I look at the capital ratio, and particularly I think you want to look at the capital ratio in the context of what other risks you've taken in the bank. And so, we definitely -- when we decided to go into the US it was another factor in saying, well let's take out as much of the risk in the bank as we can, because we are obviously taking risks and making acquisitions.

And then, when you do that you also sit there and say, well I want to make sure that I have capital in case things go wrong, because if things go wrong you have capital and people don't care or, if I do something and then it turns out that there's another acquisition that's just a terrific deal I don't want to be absent. I don't want to be standing here without capital. But I take the point. It's the debate we have all the time, and very few people have more shares in TD than I do. And so, you sit there and you say you don't want to lug useless capital around.

Jamie Keating ***- RBC Capital Markets - Analyst***

Anything else from the floor? Well, there's another quick question in the corner over there.

Unidentified Audience Member

I was just wondering to what extent the outstanding UV class action suit is also perhaps what's keeping you motivated to not raise the dividend?

Ed Clark ***- Toronto-Dominion Bank - President and CEO***

To be honest, it's not a big factor. That may be -- I may get surprised -- I don't have, and I don't have a lot of information. So, this is one of those things where we'd have a case that if it were tried in Canada the judge would say this is a short case, let's get summary judgment and say dismissed. But we're operating in a different environment in the US where it's got nothing to do with your legal cases. It has however, it all to do with whether or not you want to face a Houston jury. But no, I wouldn't say Enron's a factor in my thinking in terms of [cash].

Jamie Keating ***- RBC Capital Markets - Analyst***

Is there anything else here from the floor? No? We welcome your question if you have them. I wonder if we just slide back to the retail business again for a while. If this is so important to the bank which clearly is having the intended influence on the non-variability of the earning, how do you find the business unfolding? I mean we are watching a lot of banks focus a lot more capital in that business. We're making up excuses as to why spreads are eroding. There's a lot of factors involved. Clearly interest rates have had some influence. Are we in a sustainable equilibrium in that business to your judgment?

Ed Clark ***- Toronto-Dominion Bank - President and CEO***

I think so. I would say honestly we anticipate that our relative lead on the other banks in terms of outgrowing them in earnings and revenue should narrow. In 2004 we had a bigger gap than we had in 2005, and the other banks are all great run banks. They've got great guys, being a gender neutral term, running them and they're all very competent. And so I have no doubt that they will -- they don't like the fact that we've done as well as we've done and they're going to narrow that gap. They're going to get better and better at their game.

So, I wouldn't say though that that necessarily translates into thinner margins. I mean my own view has been that the margin gain for the moment seems to have stabilized. But we have --. I think there was economic profit in some commodity products that has got taken out. And there's been adverse mix changes going on.

The consumer's always smarter than the treasury department of any bank. And they just move themselves around. And so, there may be slight downward pressure in a mix point, but I think that's being off set by rising short term interest rate environment. So I think we're in pretty good shape, and I think we're all facing a pretty positive environment right now in Canada, in the wealth management and the personal commercial business.

Jamie Keating ***- RBC Capital Markets - Analyst***

Hi. I was wondering if you could just talk a little bit more about your relationship with Banknorth. You've been working with them now through your ownership for about a year, and up until now the pace, the Bill Ryan's being either able or willing to make acquisitions, is fortunately tied in with your ability to generate surface capital. And they really haven't had to raise equity outside what you've buy for them, and you haven't had to raise equity to fund the purchase of that.

I haven't obviously gotten to the size I am without occasionally my mouth getting bigger than my stomach in terms of what goes on, but what happens when Bill Ryan's eyes get bigger than TD's stomach? The returns you're getting on the Banknorth deal in isolation are not huge, but they're a great strategic position for the bank long term. But when it comes to -- and you're using surface capital and you're still having your dividend growth, it's a good mix.

But what happens when he sees something at a pace that requires you to raise equity? All of a sudden those low returns that you're getting initially from those acquisitions, are going to come much more to the forefront than when you're just using a share of the excess capital. Could you talk to us a little bit about your mind set on that?

Ed Clark ***- Toronto-Dominion Bank - President and CEO***

No, I completely agree with you that that -- I've said in some sense, you fool the market when you use cash to buy something and announce you've done accretive deal. And they say, well how much more accretive than if you'd bought your own shares back? And I say we're trying to say no difference. So, it's not truly accretive as where we're trying to get to, but it sure feels different when you're actually issuing shares because the reality is there's a demand and supply in the marketplace.

And if we were to have to do a big acquisition that we had to use a lot of shares that would be -- I'd be surprised if we wouldn't take a short term hit in the share price to do that. So, we haven't seen that situation arise yet. So I won't say -- probably not were our first druthers.

I think obviously the simplest plan for us is to pace this at a pace that fundamentally we can afford to fund it out of cash. But, the reality is I'm not in control as the acquiree that's in control of the world as opposed to acquirer. It's not Bill Ryan versus Ed Clark. I mean we would have exactly the same view on this. And so, we would only do a big acquisition that had to use shares if we said this is it I mean this gets us exactly where we wanted to go. And so, I can't say I wouldn't do that, but I wouldn't say it's -- it's not the main game plan.

The main game plan is to just keep on going like this as we are now, which as you know, mathematically is very attractive for us, and it all works and doesn't stress the operational capacity of Banknorth. I'm an operator, as you know, and so I worry about operational things. And I would say as a general matter, my little equation that got me to the 8% is getting challenged to the extent to which the US, if I have to operate in an environment where there's no earnings growth available, that's going to challenge my 8% target. And that says to me, well maybe we have to actually put more into some operational things.

So, maybe I have to figure out how to have organic growth in what would produce mainly a flat earnings environment for most people. And so, I think we're -- our sales bank know what they're talking about -- okay you're going to have to run down two paths simultaneously here, given how ugly the US bank environment is. Which can save you more as well than you're going to be cautious if you get a really big deal in that whether it's really impossible to two tracks at the same time.

Jamie Keating ***- RBC Capital Markets - Analyst***

I'm going to swing to wholesale just for one second. Talk to you about the wholesale business coming down to about 16% of the entire bank's earnings. You've cut back on some trading recently as we all know overseas. And it strikes me that at a 4 to 5% growth rate and good return, it's going to be a shrinking piece of the pie. Does it hit a step function some day, where it's not worth being in any more? Where is this leading to if you fast forward five or ten years?

Ed Clark ***- Toronto-Dominion Bank - President and CEO***

So, I guess the way I'd answer that question is it only hits a step function if you are shrinking it in its business model where it doesn't have the size to compete competitively. But the reality is what have we actually done with TD Securities? We've been growing TD Securities in its franchise play.

So, as you know, we used to always be top three in fixed income which we managed to hold, but we use to be number five in institutional equity, and now we're number one at a significant margin. And if you take a look at the M&A statistics or underwriting statistics TD Securities today, it is a dramatically bigger, better, larger market share dealer than it was in 2000, when the earnings of TD Securities were higher in 2000 than they are today, but not of the domestic franchise play. So they were all non-franchise plays. And, I've an admitted bias.

I like to be in businesses where if I walk in and say tell me what your edge is. Tell me why you can win against them. The answer isn't, I'm smarter and I've got all your capital, and therefore I'm going to beat this guy whose just smarter than all our capital. It's because I actually have a fundamental business strategy or franchise that gives me an edge -- that lets me make money for the shareholders. So, I think the first business is to make money for the employees, the second business is to make money for the shareholders.

So we've basically been chopping TD Securities down to say, lets make TD Securities into a franchise play. We clearly have the best personal franchise in Canada, and we're growing our small business and having taken huge market share in small business. I think we'll start to grow our commercial. We're a successful company in a sense in Canada, and I think we can leverage that to make TD Securities grow even faster as a domestic franchise.

And I think there are things we can do across border as Banknorth has grown. There are things we can do across border that are franchise plays. They're not the sexy stuff. They're money markets and [inaudible] credits, all these dumb businesses, but actually are high rate return for the shareholder businesses. And so, that's the game that we're playing with TD Securities. And so, that's a business that I think is not -- it's not feeling cut down, it's actually feeling in the core business that in fact we're backing it, which is what we've been doing.

Jamie Keating ***- RBC Capital Markets - Analyst***

Anything else from the floor?

Unidentified Audience Member

Just speaking of the competitive advantage, [inaudible] so what is your edge in the retail business where you say you have the clear leadership? What's your competitive advantage there? You've mentioned that the other banks are good competitors too, so what's your edge?

Ed Clark ***- Toronto-Dominion Bank - President and CEO***

My edge? Do you want each of the business?

Unidentified Audience Member

Retail.

Ed Clark ***- Toronto-Dominion Bank - President and CEO***

Retail? It's pretty simple. We've got the best branch system. We have the largest customer base. They have the best demographics. We have the best brand. We have the best service. We won Synovate this year, independent survey. And so, a) we start off with a core personal bank that is the best personal bank in Canada without a doubt. Second is, as I always say and we have weaknesses. They're not weaknesses that aren't insurmountable, but they are weaknesses.

We had to sell off the Canada Trust credit card portfolio, so we're under-penetrated in credit cards. Canada Trust was not as big as it should have in small business. We're weak in commercial. We didn't have a full service retail brokerage, so we're under-penetrated on the wealth management side. And so, we have a simple advantage.

So it's not that we're smarter than the other four banks, but if you put our weakness together with our strength it takes only average intelligence people doing average jobs to out perform our competition. So it's not particularly hard, we're prohibited by law from attacking the Canada Trust credit card base for a number a years, and the merger as part of the sale off agreement with the Trust department. So, it's not a brilliant strategy to say why don't we just call those people up and ask them whether they now want to have a TD card? So it's very simple strategy.

The wealth management strategy. We just say okay so why don't we add planners and invest in advisors. And why don't we take the rich customers over here that got their wealth over there, and say if you can keep it all in one place in a great technology platform, because Waterhouse had the best technology platform, and we'll give you all in one. All you have to do is score one out of two or one out of five, and you're going to move people over and you're going to grow faster than your competition.

So, every one of our strategies is simple to explain, but, more importantly, simple to execute that will just mathematically produce better growth, as long as the regular business that we're in we grow as well as the competition, and then in all these super-grow businesses we out grow the competition. That's what underlies our simple numbers.

But we know that we'll be successful and at some point that strategy will run out. It just will mathematically run out. And that's why you then have to say well then what are your next growth engines? I think we got lucky. TD Insurance clearly did even better than we thought.

So, I think no one succeeds in business without mostly luck, and then a few good decisions. So we had some things that came our way, and our chain today if you ask them what they spend their time doing, and [that's all okay] so find me that next growth engine for '07 and '08. That's what we try to do. But that's our core advantages. But if we happen to have weaknesses that are easily overcomeable attached to a tower of strength.

Jamie Keating ***- RBC Capital Markets - Analyst***

Thank you. And Jim, that was my question too to ask about from my perspective, but is there any last thoughts from the floor? And if there are not, I just want to thank you, Ed, very much for your time, your interest and your wisdom. Thank you, and we look forward to seeing you next year. Thanks, Ed.