**TD Bank Financial Group**
Investor Relations

# TD BANK FINANCIAL GROUP
# BANCANALYSTS ASSOCIATION OF BOSTON CONFERENCE
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## CORPORATE PARTICIPANTS

Colleen Johnston — Group Head Finance & CFO, TD Bank Financial Group

## PRESENTATION

**Colleen Johnston - TD Bank Financial Group - Group Head Finance and CFO**

Well, thanks very much, Mark, and good afternoon everyone. I'm delighted to be here, finally. And I do appreciate everyone's flexibility in accommodating this presentation over lunch. We have a great story at TD, so I think you'll find it was worth the wait.

Before I begin, I would like to remind you that we're currently in the middle of our quiet period. Our fiscal year ended on October 31st and our Q4 results will be released on December the fourth. Therefore, my discussion today will be limited to the presentation materials and any responses to questions on earnings strategy or other developments will be based on publicly available information.

Please know that this presentation contains forward-looking statements and actual results could differ materially from what is discussed. Certain material factors or assumptions were applied in making these statements. For additional information, I refer you to our Q3 2008 MD&A, which you can find on our website at td.com.

Let me start by saying that these are unprecedented times for global banks. And I know that everyone in this room is looking for insights, not only on the banking crisis, but also on what lies ahead for banks, as we head into what's expected to be a global economic recession in the next two years. It's only a question of how long and how deep.

It's also very clear that the Canadian banks have attracted significant investor interest these days. In relative terms, the Canadian banks look much stronger than our counterparts in other countries around the world. Why? And of course I'm here to talk about TD Bank Financial Group and why we've emerged as even more of a global banking leader in the last year. But I'll start today with some history and background on TD and touch on these topics later in the presentation.

So who is TD Bank Financial Group? We're a 150-year-old bank that's anchored in Canada. At TD, we have an enduring strategy. We've been executing on that strategy with success for the past six years and it's just as relevant today in these tough markets. That strategy has created and will continue to create a sustainable competitive advantage for TD. In the words of Ed Clark, our CEO, in this time of uncertainty, your bank is doing something. It's growing.

We are a leading North American bank. This year's conference is titled Building a New American Banking Paradigm. At TD, we are building the first truly North American bank. We're a top ten North American bank in terms of market cap, branches, assets and deposits. We have strong Canadian operations. We believe that if you want to go abroad, you must secure your home base first. We have a very strong Canadian franchise.

We know there's enormous opportunity in the United States. In 2005, we entered the US personal and commercial banking space with our investments in TD Banknorth. With our recent acquisition of Commerce Bank, we now have as many branches in the United States as we have in Canada. Growing in the United States through TD Bank, America's Most Convenient Bank, and our investment in TD Ameritrade, this is a very important part of our future. And we're confident in that future.

We have a lower risk retail bank and retail focus. In 2002, we declared an optimal earnings mix of 80% retail and 20% wholesale. With the Commerce acquisition, our target mix is now 85/15. This year our earnings will be more than 90% retail.

We get a better return for risk undertaken compared to our North American peers. Our adjusted return on risk-weighted assets is 2.55%, whereas the average of our Canadian peers is 1.89% and our US peers is 0.93%. What this highlights is that we get a better return on every dollar of risk we take compared to our competitors. This result is consistent with our strategy of growing without going out the risk curve.

We are focused on disciplined execution. What does that mean at TD? It means having great organic growth capabilities. And because our retail businesses aren't capital intensive, organic growth offers significant returns. It also means being disciplined acquirers, deploying our capital for prudent medium-term growth.

It means investing in our businesses for growth. Knowing where we truly have a competitive advantage. And frankly, where we don't. And relentlessly investing energy and resources to increase our share where we know we have a competitive advantage. It means having a disciplined credit culture and a strong balance sheet.

We're focused on achieving sustainable cost advantage, not reactive, short-term cost cutting. We understand liquidity and risk management. Yes, that's about best-in-class policies and practices, but it's also about common sense, which is definitely coming back into vogue these days.

The next slide shows you the breakdown of our Q3 year-to-date earnings of $3.1 billion into our five main business segments. Our Canadian Personal Commercial Bank, which includes our global insurance business, provides a full range of financial products and services to approximately 11 million personal and small business banking customers.

Under the TD Canada Trust brand, we have over 1,000 branches and 32,000 full-time employees. We have a Canadian wealth management business, which includes our mature discount brokerage operations, the largest in Canada, a large mutual fund business and our younger advice business. In total, these Canadian retail businesses comprise about two-thirds of our total earnings.

In the US, we have a personal and commercial banking business, through TD Bank, America's Most Convenient Bank. With the Commerce acquisition, we now have more than 1,000 branches and 19,000 full-time employees, largely in the Northeastern United States, with a small operation in Florida.

We also have a US discount brokerage business through our equity investments in TD Ameritrade. On a combined basis, our U.S. retail businesses comprise about one quarter of total earnings this year and are growing as the Commerce acquisition comes fully on stream.

And lastly, we have our wholesale bank, TD Securities, which consists of our investment banking and capital markets business, our equity investment businesses, composed of public and private equity and corporate banking. Wholesale accounted for less than 10% of earnings on a year-to-date basis.

So let's start with our Canadian personal and commercial bank. Simply put, as Mark said earlier, we have a best-in-class retail operation in Canada, which is the envy of North American banks. We are the undisputed leader in service and convenience in Canada. We own the premium service brand in Canada.

This year, we won the JD Power Award for the third year in a row, sweeping all categories. We also won the Synovate Award, which is a Canadian study on quality of customer service, for four years in a row.

Our hours of operation are 50% longer than our competition, open at eight six days straight in most of our markets.

We have delivered sustained revenue growth. We have the number one or number two market share in most retail products and continue to invest for the future, opening new branches every single year. In 2008, we added 30 new branches on the heels of 32 new openings last year. In the last three years, we've added 66 branches or 59% of total new branches for the entire Canadian banking market. We have an excellent record of producing consistent growth in TD Canada Trust.

On a Q3 year-to-date basis, our earnings were up 9% compared to last year. Over the past five years, we posted compound annual growth in earnings of 14% per year, which means our earnings have almost doubled over this period.

We have a similar success story in wealth management. We have leading market positions, being number one in discount brokerage in Canada and number two in mutual fund assets among the banks. Wealth management is an important and growing part of our business and we continue to build out our full offering of financial services for customers. We continue to invest in our distribution network, growing the number of client-facing advisors and new products while leveraging the customer referrals from our TD Canada Trust network.

In the US, we're very pleased with our investment in TD Ameritrade. TD Ameritrade has a best-in-class technology platform for online trading and continues to maintain its leadership position in active trading, being number one in online retail trades per day globally.

We have an excellent organic growth opportunity in the long-term investor space, by focusing on the vast, but underserved, mass affluent market in the United States. We have had very strong growth in retail wealth earnings. For our Canadian wealth business, our earnings were down 3% on a year-to-date basis, but in the last five years, our earnings grew by 22% on a compound annual growth basis.

We now have our full year 2008 numbers for TD Ameritrade. Our share of earnings was $289 million, up 11% from last year. Our 2008 earnings were almost three times the level of 2005, when we owned 100% of TD Waterhouse USA. The TD Ameritrade deal was definitely a home run for us, both strategically and financially.

Let's move to US personal and commercial banking. As I said earlier, we're excited about the opportunity to leverage our success in Canada and grow in the United States. Just like we do in Canada, through TD Canada Trust, we aim to lead the service and convenience space in the US through TD Bank.

For the third year in a row, Commerce Bank was ranked highest in customer satisfaction by JD Power. Sounds familiar. Just a few weeks ago, for the second year in a row, Commerce Bank won the Small Business Banking Satisfaction Award, also by JD Power. And again, we have 50% longer hours than the competition.

We have significant scale and footprint. We now operate in five of the top MSAs in the United States. We've owned Commerce Bancorp since March 31st, 2008. The more we see, the more we like it. In particular, their distinctive business model, the WOW! factor, and organic growth capabilities. We are building the better bank.

Third quarter 2008 was the first quarter to include the results from Commerce in our P&L. From the time we began our US P&C business in 2005, with our investment in TD Banknorth, to the end of the latest quarter, our earnings have quadrupled. Largely through our acquired growth.

We've previously announced that we expect to earn at least $750 million this year and $1.2 billion in 2009 in our US personal and commercial banks.

The next slide, introducing TD Bank, America's Most Convenient Bank. Our key focus now is on the integration our US personal and commercial banking business, ensuring that it's done well is a top priority. I'm pleased to report that it's going very well.

On November first, we achieved a major milestone as we launched our US brand, TD Bank, America's Most Convenient Bank. And we introduced this in our mid-Atlantic market, Metro Washington DC market and Florida.

Customers of these stores are now able to bank at any of more than 575 rebranded TD stores and enjoy our legendary customer service, including seven-day branch banking with extended hours, free penny arcade coin counting machines, hassle-free products and treats for kids and dogs.

We've also launched a multi-million dollar television, print, online and in-store marketing campaign. The TD Banknorth stores in New England, along with parts of Connecticut and upstate New York, will be rebranded in the fall of 2009.

So let's move to wholesale. So finally, there isn't a wholesale bank in the world that hasn't been impacted by the significant market turmoil. And we certainly are not immune. However, our wholesale operations have fared relatively well compared to many in the industry. And this is not an accident.

In the early 2000s, we took a strategic decision to run a lower risk wholesale operation. We run the business as a franchise play, with established strengths in Canada. In 2002, we significantly reduced our corporate lending book and changed its risk profile. In 2005, we exited the complex structured products business outside of North America, a business that is now causing a lot of the turmoil in markets. Our philosophy is that we don't like tail risk and we focus on understandable and transparent risks. We also moved ourselves significantly up the rankings, building a top-three dealer franchise in Canada.

On slide 13, you can see that our wholesale earnings year-to-date to $293 million, down 56% compared to last year on a year-to-date basis. Our return on invested capital since the financial crisis began is 14%, with no writedowns, an acceptable result in a tough market environment. Despite the market challenges, we're staying focused on our top three dealer strategy and remain committed to our lower risk wholesale strategy.

Slide 14 shows our industry-leading performance. Our results reflect the strength of our strategy and our disciplined execution. Whether you ignore the writeoffs or not, we outperformed our peers in North America and we're pleased with how we're positioned as we head into 2009. On a year-to-date basis, our retail operations, which makes up about 90% of our adjusted earnings, grew by 19% year-over-year. Excluding the first time inclusion of Commerce results, retail still grew by 13%. As I mentioned earlier, our wholesale business was negatively impacted by market turmoil.

Now let me say a few things about the current banking crisis. When the turmoil in financial markets began back in July of 2007, the question we all asked ourselves was whether this would be a financial market phenomenon only or whether it would spread into the real economy? We all know the verdict on this.

We are still in the middle of a financial sector led downturn that is now being followed by an old fashioned economic downturn. Frankly, a double whammy for banks.

So let's talk about capital and liquidity, which are obviously very key to banks. We've seen significant destruction of bank capital in the last year. There are estimates the destruction of capital globally will exceed $1.5 trillion during this credit crisis. That could mean reduced capital capacity and lending capacity of more than $20 trillion globally, which directly impacts GDP growth. Roughly $4 of credit are needed to support $1 of GDP growth.

At TD, we expect to build capital into 2009. Our solid base of growing retail earnings is a tremendous advantage in these markets. And it will allow us to capitalize on organic growth opportunities in our core businesses while many competitors will likely see more pressure on capital.

As a sign of our confidence, we increased our dividend twice during 2008, one of only two banks in Canada to increase dividends this year. Another area of concern, of course, is credit quality and how it will hold up. So let me walk you through our balance sheet. And let me say that our disciplined credit culture has resulted in a solid credit position.

Our lending portfolio at the end of Q3 2008 was approximately $230 billion. Nearly 70% is in Canada, of which about 70% of that is in real-estate secured lending. Mortgages and home equity lines of credit.

Then more than two-thirds of this book is insured, mainly by the Canada Mortgage and Housing Corporation, that has the full backing of the Canadian government. Our uninsured real estate secured lending book has a current loan-to-value ratio of about 54%.

The US loan book is approximately $50 billion, of which about 65% is commercial. This portfolio is highly diversified across industries and geographies, all within footprint. Credit metrics there have held up well with non-performing loans as a percentage of total loans at the lowest level of the peer group, which is better than peers in most regions of the United States.

The personal loan portfolio in the US consists primarily of mortgages and home equity lines of credit. There are three factors that set us apart in the United States. Where we lent, what we lent and how we lent.

Where did we lend? In our markets, the US Northeast. One of the areas in the US that has had better housing experience than the rest of the country over the past year. What did we lend? Conservative loan products built on conservative lending standards at both the legacy TD Banknorth and legacy Commerce.

And how did we lend? Using our own people and distribution system, not third-party commissioned sales people. That's our triple play.

Moving on to wholesale, wholesale loans and bankers' acceptances represent the remainder of the loan portfolio at approximately 10%, a relatively small portfolio.

So let's go back to real estate secured lending in Canada. Given everything that's happened in the US, the fact that we have a large real estate secured lending book may not be a comfort to -- when I'm speaking to a US audience. So let me tell you a bit more about the differences between Canada and the US.

Certainly we have not seen the deterioration in Canada that you have seen here in the United States. And here's a number of reasons. Mortgage insurance is mandatory in Canada. Its loan-to-value ratios are over 80%. Broker deals represent only about a quarter of mortgage originations and banks still dominate this space. Terms of five years or less are most common, renewable at maturity. Low and no-doc loans are uncommon in Canada. And importantly, mortgages are recourse in Canada, in most parts of Canada, versus non-recourse in the United States.

Investor mortgages make up about 2% to 3% in Canada versus about 9% in the United States. And mortgage interest is not deductible for tax purposes in Canada. We don't have exotic mortgage options in

Canada, adjustable rate mortgages, teaser rates or interest-only mortgages. They're not offered by the banks.

And the subprime market in Canada in 2006 represented about 5% of mortgage originations, compared to the US at about 22%. We at TD do not have any subprime product in our books.

So then the question is where is the Canadian housing market heading? The Canadian domestic economy is definitely cooling after strong growth in recent years. One key element of this is a moderation in Canadian real estate. However, Canadian markets did not experience the loosening of credit conditions that occurred in the United States.

Accordingly, the Canadian housing market is forecast to soften, but should avoid the type of hardship that has characterized the US and UK real estate markets. Canadian house prices are in line with the fundamentals.

Another key issue in this environment is liquidity and funding. Our liquidity management has served us particularly well in this tight market and we're very well positioned. We have a large and stable base of retail deposits, which allows us to self-fund our retail businesses. In Canada, we have the number one share of retail deposits. Back to service and convenience, this is where service and convenience really pays off. Low cost personal and business deposits.

Our personal deposits, as a percentage of total deposits, are 52% compared with the peer average of 36% in Canada. In the US, we have more deposits than lending assets. We use wholesale funding mainly for our wholesale business. Our sources are diversified by geography, by currency and by distribution networks. We maintain funding limits on single main depositors and the amounts of wholesale funding that can mature at any given time. These limits tend to force the funding time frame to longer term compared to many peers.

Also, we manage on a survival basis. That is, we must have enough liquidity available in the event that we are locked out of the wholesale funding market for 90 days. Operationally, we minimize the risk as we actively manage our liquidity position by matching the terms and maturities of our assets and liabilities and transfer price all funding costs to our product groups. This then locks in the margin and ensures the product groups manage their businesses based on the true funding costs.

Let me wrap up with three key messages I hope you'll take away from today's presentation. One, we are building the first truly North American bank. Two, we have a lower risk retail focus with a very strong balance sheet. This provides a solid base of growing earnings. Number three, we're focused on how we grow. We'll continue to invest in our businesses while managing our expenses, leverage strength from synergies across TD Bank, manage risks and liquidity and grow without going out the risk curve. Thank you very much. And with that, I will take your questions.

## QUESTION AND ANSWER

**Unidentified Audience Member**

If I could start off, Colleen, could you talk a bit about customer retention or attraction at Commerce since the deal happened? I know deposits have gone down a little bit. But to have -- has attrition picked up? Has -- what's the number of net households and then could you talk about plans to build new Commerce branches?

**Colleen Johnston - TD Bank Financial Group - Group Head Finance and CFO**

The question -- or you're on the mic. The question obviously relates to retention of the Commerce footprint. So we've actually been very pleased to see very high levels of retention of our customers. Again, it is the early days of integration. And really all we're doing right now is the rebranding. But as we continue to deliver that legendary service and all the features that our customers like, they have certainly stayed with us.

But, of course, there's been a lot of dislocation in the deposit market in the United States and we've seen fierce competition for deposits. So that has been a factor that has affected us. We've seen our deposit levels remain relatively flat. So we've retained those levels. But what we have seen is very good underlying growth in our immature branches.

And one of the great benefits of the Commerce acquisition for us is -- was it about 70? I'm sorry. About 40% of the branches that we acquired were actually immature branches that had been opened five years or less. So there's huge amounts of embedded deposit growth in those branches. And in fact, we're continuing to see good growth in those markets. So we're very, very pleased with how the Commerce acquisition has gone so far.

**Unidentified Audience Member**

And, you're building new branches?

**Colleen Johnston - TD Bank Financial Group - Group Head Finance and CFO**

Sorry?

**Unidentified Audience Member**

The part of the question about building new branches.

**Colleen Johnston - TD Bank Financial Group - Group Head Finance and CFO**

We are continuing to build de novo branches. That is a core competency of the Commerce organization. Likewise, as you've heard, it's a core competency in Canada. So we are continuing to build out new branches in our markets and you'd probably be looking at sort of 20 to 30 new branches being built in 2009.

**Unidentified Audience Member**

(inaudible question - microphone inaccessible)

**Colleen Johnston - TD Bank Financial Group - Group Head Finance and CFO**

So the question is, we're looking at sort of back-to-basics model these days. Everybody's going back to tried and true retail banking, but what are the weaknesses in that model?

**Unidentified Audience Member**

(inaudible question - microphone inaccessible)

**Colleen Johnston - TD Bank Financial Group - Group Head Finance and CFO**

You're talking about the wholesale side now?

**Unidentified Audience Member**

(inaudible question - microphone inaccessible)

**Colleen Johnston - TD Bank Financial Group - Group Head Finance and CFO**

Yes. Yes. I mean, you are really going to see banks now in this environment retrench and you're going to see a lot more competition, I think, for the -- in those retail businesses. I think what we're going to see in the United States, as an example, is you have four players that are larger than ever and I think they are going to be fierce competitors. So I think the challenge for banks like ourselves, we have an enormous advantage in terms of now our North American scale, our platform, our people.

But we have to be able to exploit that scale because I think certainly have a sustainable cost advantage is going to make a big difference in this environment as we see rates of revenue growth abates. And I think that's going to be one of the challenges we're going to face going forward. And frankly, banks are going to have to completely retrench in terms of their wholesale business, as I think you're going to see that.

There's entire businesses within wholesale that have gone away. So I think the challenge over the next couple of years will be, frankly, for all banks, will be working through the recession that I think we're going to see, on a global basis. And managing balance sheets, managing liquidity and positioning for future growth and we're very well positioned on all of those -- in all of those respects.

**Unidentified Audience Member**

You had a big funding advantage versus global peers. In the first part of this year, because the Canadian banking system was in such good shape. And then all the countries began to guarantee their banking systems' debt. And what effect has that had on your international -- on your wholesale borrowing costs in the last few months?

**Colleen Johnston - TD Bank Financial Group - Group Head Finance and CFO**

So let me start by saying that I think the actions and the coordinated actions of Central Banks, I -- obviously have made a big difference in this environment in terms of, I think, settling things down from a liquidity, a funding standpoint, it creates way more confidence in the markets.

The Canadian banking system really hasn't -- has to make enough -- a lot of the moves that other -- that you've seen in other jurisdictions. Now you have seen a recent change in the Canadian environment, where there are debt guarantees available. We would characterize those though as being relatively expensive. But I think at least they're there.

So you don't -- I think the irony is you wouldn't want to see a situation where the Canadian banks, and having come out of this in such great shape, are in fact disadvantaged because of some of the protections that have been put in place in other jurisdictions. And you've seen, in the early days, that the Central Banks were taking action. You did see some dislocation, where you would see a flow of funds to safer jurisdictions where there are higher amount guarantees.

So I think, again, the coordinated actions, I think, have really helped to settle things down in the markets and certainly the cost of wholesale borrowing has declined for us as well in Canada. In our particular case, we're not that reliant on the interbank market or on LIBOR funding. So it hasn't been as big an issue for us.

**Unidentified Audience Member**

So you think the dislocations of your funding versus other non-Canadian banks has settled out by now?

**Colleen Johnston - TD Bank Financial Group - Group Head Finance and CFO**

I think it's settling down, yes.

**Unidentified Audience Member**

Okay.

**Unidentified Audience Member**

(inaudible question - microphone inaccessible)

**Colleen Johnston - TD Bank Financial Group - Group Head Finance and CFO**

So the question is around operating leverage, the fact that historically we've had very good operating leverage, but how do we manage that as we go forward with – especially as actually rates of revenue growth decline. It's a great question. So again, stepping back, at TD, in particular in our retail businesses, we had always had a philosophy of saying we have to maintain at least a three point gap between our rates of revenue growth and expense growth. And in the last number of years, where we've had superb top-line growth, we've actually taken advantage of that market to invest in our capabilities. So when we talk about convenience and service, we've taken a philosophy of saying let's invest aggressively.

In fact, it was about a year ago that we expanded -- further expanded our branch hours in Canada although we were already at that point the market leader and we said this is a great chance for us to gain some more momentum in terms of our leadership. Going forward, I think it is going to be a lot tougher to see that kind of operating leverage, frankly. As -- now we will continue to invest. In fact, that's part of our philosophy.

When you look at TD versus other banks, I think you're going to see some dramatic efforts around cost cutting. And as I said earlier, we're very prudent in terms of cost management, but we also truly believe that it's our responsibility to build this franchise for the future. So you'll see us continue to invest in our capabilities, whether it's on wealth, whether it's in the -- it's in our service and convenience platform in the

United States. We obviously have some natural synergies that we're going to realize as we work our way through the integration.

So our goal would certainly to be -- our goal would be to achieve positive operating leverage, but I think it would be unrealistic to think at the levels of -- that you've seen in prior years.

**Unidentified Audience Member**

You mentioned that it was going to be tougher (inaudible)

**Colleen Johnston - TD Bank Financial Group - Group Head Finance and CFO**

So the question is -- relates to the acquisition environment in the United States and where TD -- how TD is viewed in all of that. Also, I'll start by saying that obviously our number one priority is the integration of Commerce and Banknorth. That is an absolutely huge opportunity for us and we have to do it well.

We have lots of organizational capability in that respect and for those who know the longer history of TD, TD acquired Canada Trust back in the year 2000 and went through that integration and by all accounts, and for many, this is the most successful acquisition in Canadian business history, forget banking history, hugely successful. Took a business that -- that deal when we did the deal was at about a 4% return on invested capital, today our returns in our combined Canadian personal and commercial bank are over 30%. So hugely successful. We have lots of capability in our organization. Plus you have the folks from TD Banknorth who have a history of being very good acquirers and integrators. So we're going to do a good job on that.

That said, these are unprecedented times and I would say that our philosophy is the same as it's always been, that if there was something out there that was so strategically and financially compelling, and I would put more weight on the financially compelling in this environment given everything that we've got on the go at the moment, we would take a look at that.

In terms of the view of the US regulators and the FDIC, they would view TD Bank as a very strong bank and a bank that they would look to in this consolidation process.

But the playing field has changed a little bit, frankly, though, with the TARP and with the relatively cheap capital injections into a number of the US banks, many of who are on record in terms of saying they want to use that capital not to expand lending and help the real economy, but to participate in acquisition activity. So that is probably going to create a little bit of a disadvantage in this market. But we will as I say look if something strategically, financially compelling is within our risk appetite and that we can ensure that we can continue to do our integration without any disruption then we would look at it very hard.

**Unidentified Audience Member**

(inaudible question - microphone inaccessible)

**Colleen Johnston - TD Bank Financial Group - Group Head Finance and CFO**

Our main focus would be within our --.

**Unidentified Audience Member**

Could you repeat the question?

**Colleen Johnston - TD Bank Financial Group - Group Head Finance and CFO**

Oh, yes, so the question is, whether we would consider something outside of our current footprint and look to the more contiguous markets south of the Northeast?

It's not out of the question but I think probably it would be more realistic to look at targets within our footprint. We also think that over time the Florida market will be an attractive market. We have a very small toehold in Florida right now but there may be good opportunities there, so it's not out of the question but I think you'll see the emphasis being in footprint-type targets.

**Unidentified Audience Member**

(inaudible question - microphone inaccessible)

**Unidentified Audience Member**

Any final questions?

**Unidentified Audience Member**

(inaudible question - microphone inaccessible)

**Colleen Johnston - TD Bank Financial Group - Group Head Finance and CFO**

So the question is around the fact that Commerce was traditionally a deposit franchise with not as much on the lending side, the lending assets, obviously more on the securities side and what are we doing about that. I think that the executives at Commerce would be the first to acknowledge that, and despite the disruption to their model that did in fact created the opportunity for us to acquire Commerce, I think they would also say that they were at a stage in their evolution where they needed to focus more on balancing growth and profitability and looking to a more sophisticated business model. Where their model had really been about deposits, deposits, deposits and they did an absolutely fabulous job in driving deposit growth.

Again, back to Canada and this is where you do have the leverage of what we do so well in Canada. We run a very sophisticated system around incenting our branches to sell the right products that our customers need but will also create shareholder value for the bank and those are the kinds of processes sales management, incentive processes that we will be putting into the branches in Commerce, that have been expanding into Bank North and now into Commerce.

We are doing more cross sell in the branches. Certainly the philosophy at Commerce, and again they were well served by this, was a core belief that customers like to come into branches and they had a good experience when they came into the branches. There was a lot of surprise and delight on a day like today, a Commerce customer might find that someone from the branch would -- or the store I should say, would approach their car with an umbrella to help them come into the branch.

So all kinds of great things there. But the philosophy was get people in and out, what they're really looking for is something very efficient in terms of the customer experience. And so there really wasn't a lot of emphasize on cross sell at the front line. We have started piloting an approach whereby we, just ask the customer, "Would you like to go to our side counter, we think we can -- we have some products that may be of interest to you." And we've had tremendous uptake in doing that.

And frankly, again, the fact that we are well capitalized, that we are very good lenders and conservative lenders, we are going to see a good opportunity to expand our asset, our lending assets in the United States. We're seeing that already at much better pricing, much better spreads, so I think all of those, when you add all of those things up we definitely have a good opportunity to change the mix on the asset side of the balance sheet and grow lending assets in particular.

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**Unidentified Audience Member**

The next meeting -- in front of our 20 minutes or so, so we can take another question if there was anybody else? Or, we could just end it here. No there's one more, Rob?

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**Unidentified Audience Member**

(inaudible question - microphone inaccessible)

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**Colleen Johnston - TD Bank Financial Group - Group Head Finance and CFO**

So that's part of the -- the question is, are we on common systems right now, in the United States? Are you asking North American or the United States?

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**Unidentified Audience Member**

(inaudible question - microphone inaccessible)

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**Colleen Johnston - TD Bank Financial Group - Group Head Finance and CFO**

US -- so, that ultimately will be the goal of integration, is to be on a common platform, common system and we've -- that's an enormous effort, to take. Obviously the best of the systems from both and then make sure we have the appropriate scalability. So that process is under way.

So within the next year you will see us on a common platform, common look and feel and then obviously a common set of products for the customers. Again, that's something we do a very, very good job on is making sure we communicate very, very effectively with our customers in terms of what the changes are, how they are going to affect them, providing them with personalized information on the integration. And again, how it's going to affect their banking experience. But that's one of the key aspects of integration that you simply have to do flawlessly. There is so much value in this franchise that we have run this integration exceptionally well and we're well on track to do that.

**Unidentified Audience Member**

Okay, thank you very much. Thanks for coming.

**Colleen Johnston - TD Bank Financial Group - Group Head Finance and CFO**

Thank you.