TD Bank Financial Group
Investor Relations

TD BANK FINANCIAL GROUP
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CORPORATE PARTICIPANTS

Ed Clark	President & CEO, TD Bank Financial Group
Colleen Johnston	CFO, TD Bank Financial Group
Bharat Masrani	President & CEO, TD Bank, N.A.
Mark Chauvin	EVP & Chief Risk Officer, TD Bank Financial Group
Bob Dorrance	Chairman, CEO & President, TD Securities
Bernie Dorval	Group Head Global Insurance, Deputy Chair, TD Canada Trust
Bill Hatanaka	Chairman & CEO, TD Waterhouse
Tim Hockey	President & CEO, TD Canada Trust
Tim Thompson	SVP Investor Relations, TD Bank Financial Group

CONFERENCE CALL PARTICIPANTS

Jim Bantis	Credit Suisse – Analyst
Ian de Verteuil	BMO Capital Markets – Analyst
Michael Goldberg	Desjardins Securities – Analyst
Andre-Philippe Hardy	RBC Capital Markets – Analyst
Sumit Malhotra	Macquarie Capital Markets – Analyst
Mario Mendonca	Genuity Capital Markets – Analyst
Darko Mihelic	CIBC World Markets – Analyst
Rob Sedran	National Bank Financial – Analyst
Brad Smith	Blackmont Capital – Analyst

PRESENTATION

Tim Thompson - TD Bank Financial Group - SVP - IR

Good afternoon and welcome to the TD Bank Financial Group's 3rd quarter 2009 investor presentation. My name's Tim Thompson and I'm Head of Investor Relations at the Bank.

We'll begin today's presentation with strategic remarks from Ed Clark, the Bank's CEO, after which Colleen Johnston, the Bank's CFO, will present our 3rd quarter operating performance. Bharat Masrani, Group Head US P&C Banking, will then provide an update on our integration initiatives in the U.S. P&C segment. Mark Chauvin, Chief Risk Officer, will then offer comments on credit quality. After that, we'll entertain questions from pre-qualified analysts and investors on the phone.

Also present today to answer your questions are Bob Dorrance, Group Head Wholesale Banking, Bernie Dorval, Group Head Global Insurance, Bill Hatanaka, Group Head Wealth Management, and Tim Hockey, Group Head Canadian P&C Banking.

As in the past, we're trying to keep the call to about 1 hour with Ed, Colleen, Bharat, and Mark's comments taking up about half that time.

This presentation contains forward-looking statements, and actual results could differ materially. These statements are intended to assist your understanding of our financial position for periods presented and our strategic priorities and objectives, and may not be appropriate for other purposes.

Certain material factors or assumptions were applied in making these statements. For additional information, please see our latest Annual Report and Quarterly Report available on td.com. These documents include a description of factors that could cause actual results to differ.

Let me turn the presentation over to Ed.

Ed Clark - TD Bank Financial Group - President and CEO

Thanks. Thanks, Tim, and good afternoon, everyone. First, I want to begin by saying how pleased I am, and my team is, to be having this call from our offices in Mount Laurel, New Jersey. We're going to talk about the integration at TD Bank, America's Most Convenient Bank, in a moment. We're down here to see firsthand the fantastic work Bharat and his team have been doing to bring together legacy Commerce and TD Banknorth operations.

Well, I have to say, our third quarter turned out to be a great quarter. There probably aren't many people on this call, frankly, including me, who thought we'd be having this kind of performance in the midst of a recession. You're probably wondering, how did that happen and whether it will happen again? So let me briefly share my take on it.

I think you have to start by giving credits to governments and central banks around the world. As a group, they have responded both quickly and appropriately. And in Canada's case, we're benefiting from the fiscal action of the government and the monetary policies of the Bank of Canada.

There was a point not many months ago, when financial markets needed extraordinary measures. Investor and consumer confidence were extremely low. We all wondered whether we were facing a great recession, or even a depression. Concerted action worldwide has changed that outlook.

We also didn't anticipate the resilience of the Canadian resale housing market. The structure of the Canadian housing and mortgage market provides an enduring strength for the economy and for our business. But beyond that, I continue to be impressed by the resilience and the adaptability of all areas of the TD Bank. We have never been tested by conditions this tough; but we were up to it and found that tough markets do present opportunities as well as challenges. You just need to find different ways to succeed.

For example, in our US [P&C] business, we told the market we were running a better asset and risk strategy, and we're seeing the results of that strategy today. The financial crisis gave us an opportunity to take market share.

In Canada, new business growth has been absolutely extraordinary. We've benefited from our lower risk lending strategies, resulting in very manageable PCLs so far in the cycle. And our wholesale business has proven you can take advantage of a disruption and recovery markets without going out the risk curve.

In a moment, Colleen will explain our results in detail, but let me give you a few of the highlights. Overall, each of our major businesses made a strong contribution. Our retail adjusted earnings were almost $1.1 billion. Our wholesale business had a record quarter, which helped us end the third quarter with an even stronger Tier 1 capital ratio now over 11% and a tangible common equity ratio over 8%.

Starting with wholesale, as I say, we are proving that you can actually reduce risk and get better results. We're seeing major reductions in our risk-weighted assets as we continue to focus in on our franchise business model. It's unlikely that this level of earnings can be maintained, but we do have an excellent business that continues to perform well, and produce solid returns on capital within very tight risk parameters.

Moving to Canadian retail, the performance of TD Canada Trust is truly amazing. We earned 677 million this quarter, a new record. To give you a sense of the earnings power here, that record was reached despite a 49% increase in PCLs over last year. We always keep a close eye on expenses while growing revenue, and as a result, our efficiency ratio hit a record of 47.8%.

In Canada, we are thrilled that for the fifth year in a row, we won the Synovate award. And for the fourth year in a row, we won the JD Power award. Coupled with our fourth JD Power win in the United States, our customers and clients have clearly said that we deliver the best customer service in banking in North America. That happens because our employees are committed to delivering a legendary customer service experience each and every day.

In Canada, we've seen strong demand for lending up to this point in the cycle and have proven our willingness to satisfy that demand to lend, and as a result, to grow significant market share. We're starting now, though, to see signs that the growth in demand for credit is slowing, as you would expect to see in a recession.

Our wealth business is starting to see the effects of stronger markets coming into its results. We're still seeing an impact of margin pressure as a result of low nominal rates but we're also getting the benefit of record online brokerage trades per day, and asset and volume growth.

At TD Bank, America's Most Convenient Bank, we're pleased with the results delivered in the context of a tough US market. We're still growing our loan book, up 14% from last year and we are taking market share. On the deposit side, we're up over 8% from last year, driven by greater than 8% growth in our maturing branches and slightly slower growth in our mature branches. We are not growing our government deposits significantly.

We're starting to see good growth in the mature branches in the new England footprint where deposits grew in line with our overall growth. At the same time, we're seeing some sign of easing in the deposit pricing pressure. Year-over-year, however, deposit margins have fallen off sharply, offsetting excellent volume performance. At the same time, we continue to expect weak US economic fundamentals, and as a result, we still expect growing PCLs but not at the same pace as this year.

The integration continues to go exceptionally well. From someone who has done an integration, I can tell you that there is an enormous amount of work going on behind the scenes as we come close to the end of the conversion period. I want to thank Bharat and his team -- they are doing an incredible job of making this happen as smoothly and as efficiently as possible for our customers, shareholders, and employees. You'll hear more from Bharat on the integration in a moment.

So stepping back, how do we make sense of what's happening in the financial markets and the economy, and what does that mean for TD?

It seems like we're through the bottom; but there's clearly a debate going on about the strength of the subsequent economic recovery. Two key unknowns remain -- how long are we going to be in the recovery phase? And what is the sustainable growth rate of the economy over the medium term?

For our part, we remain cautious on the economic outlook into next year. While we see some growth in the economy, we don't see any significant increases in interest rates until the latter part of the year. And we just don't foresee any extreme stress scenarios playing out.

However, we do believe that unemployment will remain high for some time, and we think we'll see continued upward pressure on PCLs in 2010, but nothing like the percentage increases we've seen this year.

The biggest change in our outlook is that we are more positive than we have been on the implications of that outlook for our businesses. We are not taking third quarter earnings as a run rate, as we expect TD Securities earnings to be lower going forward. But we are reasonably optimistic that we have a solid face of retail earnings going into next year. In fact, 2009 has shown that there are ways in which strong businesses can perform in tough economic conditions.

As I've said many times before, we're a balance sheet company that generates an income statement. So in our retail businesses, that means that the better-than-expected volume growth that we've experienced in 2009 locks in revenue growth for 2010, that will provide some offset to rising PCLs. And you know I believe that the market underestimates the values of this consistent, high-quality earnings that are generated as a result of this effect.

At the beginning of 2009, I would have found it hard to believe, that by the third quarter, I'd be talking about year-over-year increases on our earnings per share even after issuing shares last year; but it certainly looks like we're going to be there.

Overall, I would say we're pleased with these results delivered in a very difficult economic environment. We've been able to perform as we have over 74,000 unbelievably dedicated and talented employees focused on our strategy. We run a retail-centered and customer-focused North American franchise that's supported by a focus on liquidity, conservative risk management, and convenience and service for our customers and clients.

And so we're going to continue to drive forward our vision of being the better bank every day, and are confident we're emerging from these challenging times -- that we will emerge from these challenging times with momentum on our side.

With that, let me turn it over to Colleen.

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

Thank you, Ed, and good afternoon. Please turn to slide four.

Q3 2009 highlights. Total bank adjusted net income was 1.3 billion, a new record, up 17% from last year. Adjusted diluted earnings per share, $1.47 -- 9% increase from Q3 of '08. Total adjusted retail earnings were 1.1 billion, down 3% from last year.

Q3 '08 was the first full quarter that included Commerce results, so year-over-year comparisons are now appropriate. Wholesale net income of 327 million was up 89% from last quarter and up significantly from Q3 of '08.

On an adjusted basis, the Corporate segment posted a loss of 106 million compared with a 40 million loss last year. The higher loss was primarily driven by higher expenses and lower benefits from tax.

Our Q3 Tier 1 capital ratio was a very strong 11.2%. Risk weighted assets were down 10 billion quarter-over-quarter and 22 billion from the beginning of the year. Market risk reductions and the exit of our public equity investment portfolio contributed to the decline.

Please turn to slide five.

Reported net income was 912 million or $1.01 per share. Adjusted net income was 1.3 billion or $1.47 per share. The difference between reported and adjusted was due to six items of note. I'll comment on two of these items.

The general allowance increased by 65 million, largely in Canadian retail banking reflecting higher personal bankruptcies. A specific FDIC assessment of US $49 million, or CAD55 million, was incurred this quarter. Please turn to slide six.

Canadian Personal and Commercial Bank -- net income of 677 million, a quarter of new records -- record revenue, record net income, record efficiency, and record customer satisfaction. It was also a record quarter for real estate secured lending and core deposit growth.

Results were up 5% from last year despite a 49% increase in provision for credit losses. Operating leverage was excellent in the quarter with a 4 point gap between revenue and expense growth. Revenue grew 8% due to very strong volume growth, particularly in real estate secured lending, personal deposits and business deposits. Compared to last year, real estate secured lending was up 13%; consumer lending, up 17%; business loans and BA's, up 7%; personal deposits grew 13%; and business deposits were up 15%.

In terms of market share, we gained share at a record rate in both personal and business lending. Core deposit share increased while term deposit share declined, due to less aggressive pricing of new non-franchise term deposits.

Provision for credit losses was 290 million, up 49% from last year but flat quarter-over-quarter. We saw higher bankruptcies this quarter and experienced higher losses in unsecured lines of credit and credit cards. Business banking provisions continue at a moderate pace.

Expenses were up 4% from last year and 2% from last quarter. Margins held steady compared to last quarter and Q3 of '08. Overall, an outstanding quarter for TD Canada Trust.

Slide seven -- Global Wealth Management, which excludes TD Ameritrade, had net income of 95 million, down 25% from last year but up 22% from last quarter. Earnings were helped by improved market conditions this quarter.

While revenues were down in our mutual funds and advice-based businesses year-over-year, we saw growth quarter-over-quarter. Lower assets under management and assets under administration, lower average fees, and margin compression contributed to the lower revenues versus last year, partially offset by strong trading volume in online brokerage. We've added 48 client-facing advisors so far this year.

TD Ameritrade contributed 68 million to TD this quarter, down 6 million or 8% from last year. TD Ameritrade announced the closing of their acquisition of thinkorswim Group, Inc. during the quarter.

Slide eight -- the US Personal and Commercial Bank, TD Bank, America's Most Convenient Bank. In US dollars, adjusted net income was 213 million for the quarter, down 21% from last year due to higher provisions. This was a solid performance in a very tough operating environment.

Revenues exceeded 1 billion again this quarter. We experienced good growth in core deposits and real estate secured lending. Retail core deposits were up 8% year-over-year and commercial was up 12% for the same period. Residential mortgage growth was 33%, driven by our originate-and-hold model and strong refinance activity. Provision for credit losses held steady from a quarter ago, while impaired loans increased. We continue to add reserves during the quarter.

Expenses were flat compared to last quarter. The year-over-year change was due to US $24 million increase in regular FDIC premiums. We expect to realize the remainder of our integration synergies in Q4. A significant portion of these are already in our expense run rate and include offsets from further investments in new stores.

Margins were down this quarter due to lower pre-payments on loans and securities, partially offset by core margin growth, as deposit pricing is rationalizing in the market.

Wholesale -- slide nine. Net income of 327 million -- another very strong quarter and up significantly from last year and the prior quarter. Revenue growth was driven by strong interest rate, credit and foreign exchange trading and improved credit markets; an increased in underwriting revenue; and a benefit from improved credit markets. This was partially offset by security losses of 99 million as we completed the sale of the public equity investment portfolio during the quarter. We continue to see low levels of credit losses.

Expenses were up 16% from last year. Higher variable compensation on stronger results and continued investments in control and risk initiatives. We continue to prudently manage our risk weighted assets -- they have decreased 20 billion year-to-date. We don't expect to see further significant reductions.

And with that, I will turn it over to Bharat.

Bharat Masrani - TD Bank Financial Group - President & CEO, TD Bank, N.A.

Thanks, Colleen. Please turn to slide 10.

We continue to make excellent progress on the integration as we come together as one bank and are on track for a successful systems conversion by the end of the fiscal year.

The third quarter, we rolled out several new systems to allow our front-line employees, including tellers and call center agents, to better serve our customers. We migrated our TD Banknorth customers onto a state-of-the-art online banking platform, which has made online banking even easier and more convenient.

We continue to invest in our network and are on track to open 32 new stores this fiscal year. Customer service levels remain strong -- a testament to our dedicated employees who provide customers with a legendary experience day in and day out.

Lastly, we are incredibly excited about extending our brand, TD Bank, America's Most Convenient Bank, into New England this fall and are ready for the systems conversion. We've done extensive planning and testing, and are confident but not complacent, that the conversion will be successful.

Now let me turn it over to Mark.

Mark Chauvin - TD Bank Financial Group - EVP - Chief Risk Officer

Thank you, Bharat. Similar to last quarter, I'd like to point out that we have continued to provide expanded disclosure of portfolio credit quality this quarter. Additional information is provided in both the main presentation and the appendix.

Turning to slide 11. First, I'll provide you with an overview of performance at a consolidated level, followed by brief highlights on each of the credit portfolios. Total loans in BA's outstanding on our balance sheet was 246 billion at quarter end. This represents a 1.2% increase quarter-over-quarter.

Growth was concentrated in the Canadian real estate secured lending portfolio. We saw an increase of 12.8% quarter-over-quarter. This growth was offset by the impact of the stronger Canadian dollar on our US credit portfolios and a decline in wholesale loans.

Please turn to slide 12. Looking at loan portfolio quality. Gross impaired loans across all portfolios increased $72 million over last quarter to 1.947 billion or 79 basis points of total outstanding loans and BA's, reflecting the ongoing challenges in the Canadian and US economies.

Gross impaired loans in the Canadian Personal and Commercial portfolio held reasonably steady in the quarter. Formations in the personal portfolio showed early signs of moderating, offset by increases in the commercial portfolio.

Gross impaired loans in the US portfolio continued to trend up and recorded an increase of US $151 million over Q2 as delinquency rates remained under pressure. This increase was partially offset by a stronger Canadian dollar.

I will provide a brief overview of each portfolio in a moment. In terms of traditional coverage metrics, specific allowances as a percentage of gross impaired loans was stable quarter-over-quarter at 27.5%.

Please turn to slide 13.

The expected PCL pressure discussed last quarter abated slightly this quarter. PCL in the Canadian Personal portfolio shows signs of moderating, while the Wholesale portfolio recorded a quarter-over-quarter decline. On a US dollar basis, both PCL and charge-offs in the US Personal and Commercial portfolio remained flat, while we continued to build reserves relative to total loans.

Total PCL for the three months ended July 31 was down 13 basis points quarter-over-quarter as a percentage of total loans and acceptances. These results exclude an increase in the general allowance of 110 million in Q2 and 65 million in Q3 allocated to the Canadian Personal and Commercial, and Wholesale segments.

During Q3, we continued to increase our general allowance in light of current and anticipated credit conditions. Total general allowances is just over 1.7 billion. Together, general allowances, combined with specific allowances of $536 million, provide a gross impaired loan coverage ratio of 116% -- stable quarter-over-quarter. While we did see early signs of moderation in some portfolios, we expect ongoing pressure in PCLs, particularly in the Canadian and US Commercial portfolios.

Please turn to slide 14. Additional information on each of the Bank's credit portfolios can be found in the appendix. Rather than review each in detail, I would highlight the following key points.

In Canadian Personal, 80% of the Canadian Personal portfolio is real estate secured lending consisting of mortgages and home equity lines of credit. Two-thirds of these loans are insured, primarily through CMHC. Delinquencies in the real estate secured portfolio continue to rise, but the pace of increase is showing signs of slowing, supporting -- supported by a rebound in the housing market. PCL is holding at minimal levels and we do not foresee any significant changes here.

In Visa and unsecured lines of credit, loss rates remained elevated. These portfolios continue to be vulnerable to current economic conditions and will be sensitive to increases in the unemployment rate.

Both the Canadian Commercial and Wholesale portfolios are performing well. Q3 was an acceptable quarter in terms of gross impaired formations and PCL for both portfolios. We have, however, started to observe early signs of deterioration in commercial credit quality. This is not unexpected as commercial losses typically lag a recession.

Results in the US Personal portfolio are mixed. Our in-footprint lending strategy continues to serve us in our real estate secured portfolio, where 80% of our borrowers have FICO scores greater than 700 and 94% of borrowers have scores over 620. 36% of home equity lines and loans are in a first lien position. This portfolio continues to perform within expectations.

Solid underwriting in the Indirect Auto portfolio is producing an acceptable credit performance. The US credit card portfolio, on the other hand, remains under considerable pressure with high delinquencies. The impact is limited by the relatively small size of the portfolio relative to the Bank's total loans.

In the US Commercial Credit portfolios. Commercial real estate and, specifically, residential for sale, remains the area of greatest concern. This is considered the riskiest segment of the portfolio, and with construction and land development loans, only represents 7% of this total amount. Nonresidential commercial real estate is performing better than expected but we anticipate further softening in some of these segments.

And now I'll turn the presentation back to Tim.

Tim Thompson - TD Bank Financial Group - SVP - IR

Thanks, Mark. We're asking those participating in the question-and-answer portion to ask one question at a time. Before ending the call today, I will ask Ed to offer some final remarks.

So, let's get started. The first caller, please.

QUESTION AND ANSWER

Operator

Brad Smith, Blackmont Capital.

Brad Smith - Blackmont Capital - Analyst

I was wondering if someone might just update me on the status of the restructuring provision in the US. How much has been used, how it compares with the progress? And how much is left and when it's going to completely roll off?

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

Brad, it's Colleen. In terms of the spend to date on integration, that number is 354 million -- that's US dollars. And the total integration charge that we indicated in the deal was 420 million. So with that, I'll turn it over to Bharat just to give you an update on continued spend in investment.

Bharat Masrani - TD Bank Financial Group - President & CEO, TD Bank, N.A.

So we continue to be on track, Brad. As Colleen indicated, our original estimate was $420 million. This was an estimate that we put out when we announced the Commerce acquisition. There have been a few changes, but we should come in around the same number. And I expect that this will be integration-related charges should be behind us sometime in fiscal 2010.

Brad Smith - Blackmont Capital - Analyst

Okay, I'm -- just looking at the run rates that we've had -- I think I'm doing this right, but it looks like you charged about 95 million in the latest quarter, US, pretax to that pool. Are you suggesting that your Q4 charge to that pool is going to be substantially less than that? Or will the entire 420 be exhausted by the end of the fourth quarter?

Bharat Masrani - TD Bank Financial Group - President & CEO, TD Bank, N.A.

It's hard to -- I don't know the exact -- when the bills come in, et cetera. A lot of -- as I said, the conversion is forecast to be completed in the fourth quarter, but there will be some charges that will come in fiscal 2010. I do not know the precise run rate per quarter. But like I said, we've spent 355 out of the 420 that we had put out. And I expect we will be using the 420, around that number, with the total charges being expended sometime during 2010.

Brad Smith - Blackmont Capital - Analyst

Okay. And was there anything in particular in the third quarter that caused the restructuring charge to jump the way it did? It looks like it's up about 50% sequentially. Is there some special project or something that was completed or --?

Bharat Masrani - TD Bank Financial Group - President & CEO, TD Bank, N.A.

Well, as we can see, we are preparing for a major conversion and that's only 90 days away. And secondly, as I indicated in my comments, we did roll out a new online banking platform. We rolled out a new teller platform. We have a new call center platform that we've rolled out. So as these projects come along, obviously, there is some correlation to the charges that go through to the P&L. So a lot got done in the last one quarter.

Brad Smith - Blackmont Capital - Analyst

Okay, terrific. Thanks.

Tim Thompson - TD Bank Financial Group - SVP - IR

Next caller, please.

Operator

Jim Bantis, Credit Suisse.

Jim Bantis - Credit Suisse - Analyst

I noticed the change in wording with respect to the Canadian Commercial portfolio in terms of having some weakness. Can you elaborate a little bit on that? I mean, is it just some small signs of weakness? Or do you see this just beginning in terms of some of the challenges that you're seeing?

Mark Chauvin - TD Bank Financial Group - EVP - Chief Risk Officer

Yes, certainly. It's Mark Chauvin. Really, the Canadian Commercial portfolio, the credit quality metrics remain quite strong. But what we are starting to see are the impacts of the weaker economy. Items such as the more referral of problem loans to our restructuring group, some early problems of real estate loans in the West -- things that, to me, are just typical of the beginning of a downward in the credit cycle.

I'm not expecting material -- I am expecting -- I mean, from the current levels, the increases on a percentage basis would probably be fairly significant, but I'm not expecting them to be -- approach anywhere near that we experienced in previous down cycles. But the reality is they are at quite low levels now. And I would expect them to build through this year and probably peak somewhere in the mid of next year.

Jim Bantis - Credit Suisse - Analyst

And from a regional perspective, do you see it more marking out West? Or to what extent is Ontario contributing to this?

Mark Chauvin - TD Bank Financial Group - EVP - Chief Risk Officer

I'd say, with the exception of some of the real estate projects, I'd say it's kind of balanced across the country; to some extent, manufacturing in the southwest area. It's just the early signs. Again, we've had a very strong credit metrics for a period of time. I think it's natural to see this happen. And again, I think it will -- it might build into something that is more typical through the cycle of credit losses.

Jim Bantis - Credit Suisse - Analyst

Mark, following along that line, when I think of the C&I exposure in the US, roughly 23 billion, to date, you've been pretty comfortable and almost confident about the quality of that portfolio. And ironic that we're seeing the challenges in Ontario now, but you haven't commented about any weakness on the C&I in the US. Any guidance there or color that you can provide us?

Mark Chauvin - TD Bank Financial Group - EVP - Chief Risk Officer

I'd say first that a large component of the C&I is commercial term loans against -- to the businesses within C&I. Generally speaking, it's continued to perform satisfactorily. We're -- I'd say that we would have expected it to be weaker earlier. So it seems to be fairly resilient in this particular economy.

I think it -- a little weaker to some extent, but we're not looking for a material change there. I consider a vulnerability in the US credit portfolio more to be the commercial real estate investment portfolio at this point.

Jim Bantis - Credit Suisse - Analyst

Got it. Thank you. I'll re-queue.

Tim Thompson - TD Bank Financial Group - SVP - IR

Next caller, please.

Operator

Andre-Philippe Hardy, RBC Capital Markets.

Andre-Philippe Hardy - RBC Capital Markets - Analyst

I'm going to go back to what Brad Smith was asking about. On slide 10, Bharat, you talked about 310 million in cost synergies. The conversion is 90 days away. I don't presume that 75 million quarterly run rate comes the quarter after, but what kind of pace are you expecting?

Bharat Masrani - TD Bank Financial Group - President & CEO, TD Bank, N.A.

The synergies have -- a lot of the synergies have already been realized and they are in the run rate. So, if you look at a couple of things -- as we've moved along, we closed down many of the stores in the

overlapping footprint about a year ago. And we were able to do that because we launched multi-bank initiative where we were offering both platforms to customers in the mid-Atlantic.

We, as well, started to rationalize some of our operations at the back end, et cetera. So, a lot of these synergies are already in the run rate. I think Colleen mentioned that in her comments. So I don't think it is appropriate to think that immediately upon conversion, you can take that number and divide it by four.

And the other point I'd make is that some of the synergies are being offset by new store openings as well. And that is, as well, in the run rate. So, that would be my answer. I hope that's helpful.

Andre-Philippe Hardy - RBC Capital Markets - Analyst

And you don't want to give us some help on what incremental synergies might come?

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

Andre, maybe I can just help to clarify as well, just to expand on Bharat's point. So you'll recall that when we did our post-close call for Commerce -- this was back in April of 2008 -- we had published a pro forma P&L at that time, which essentially took the run rate of both organizations and came up with what we saw as kind of the run rate or the future view moving forward.

If you look at the expenses that we had in that model versus where we eventually started in Q3 of last year, there was a significant synergy capture -- in fact, before we closed the deal, and some of those costs started coming out. So I would say that put us pretty much about halfway through our run rate in terms of synergies overall, or close to that.

Then we've continued to realize synergies but we have reinvested in the franchise as well, having added 28 new stores on a year-to-date basis -- 16 last year. So I don't know, Bharat, if you had anything else to add on that?

Bharat Masrani - TD Bank Financial Group - President & CEO, TD Bank, N.A.

I think you captured it.

Tim Thompson - TD Bank Financial Group - SVP - IR

The next caller, please?

Operator

Rob Sedran, National Bank Financial.

Rob Sedran - National Bank Financial - Analyst

Bob, unless I'm mistaken, the Bank has traditionally targeted about a 20% ROIC for your business. And it would seem that even for the lower risk businesses today, profitability has improved -- whether it's in lending or trading or other areas.

Do you think that 20% will still prove to be the right number? Or is some of this better profitability sustainable or more permanent?

Bob Dorrance - TD Bank Financial Group - Chairman, CEO & President, TD Securities

It's a difficult thing to forecast. I guess, the way that we look at it is that I think a 20% return on the capital that we have invested in the business is probably a good benchmark to use over time. I think that what we have done over the last year, year and a half, is invested more capital in the business and have grown the franchise.

So, I think in terms of the context, I'd say that 20% is fine as a long-term benchmark. Our capital now in the dealer is likely to be more between $3 billion and $3.5 billion. So, in terms of a run rate, I think we're using that as a plan.

Yes, I think the business probably is, for the foreseeable future, more profitable than it was from 2002 to 2007; just a question of how long that can last. So, I think the potential to earn more than 20% exists, certainly for the next little while. I think to the extent that it does exist, though, it's likely to attract more competition as you go through to 2010.

Rob Sedran - National Bank Financial - Analyst

So in the context of maybe that earnings contribution from wholesale falling, is that capital coming out of the business? Or is that profitability coming back to normal?

Bob Dorrance - TD Bank Financial Group - Chairman, CEO & President, TD Securities

I think it would be more profitability reverting to normal as markets have improved and you can see evidence now of people returning to market. There may be, for a period of time, less competition, because some people have been permanently removed from the marketplace. But I would expect that with attractive returns, you'll see more capital come back as well.

Tim Thompson - TD Bank Financial Group - SVP - IR

The next caller, please.

Operator

Darko Mihelic, CIBC.

Darko Mihelic - CIBC World Markets - Analyst

A question for -- maybe it's a question for Colleen, I'm not sure, but I'll ask it. With respect to the general provision that was taken this quarter -- and the reason why I'm asking this question is I want to make sure that I'm comparing banks on an equal footing -- it seems as though bankruptcies were the cause of the increase in the general. And it's related to credit cards and unsecured credit.

Yesterday, it seems as though the same thing hit CIBC but they take it as a regular course provision. So I guess my question is -- when we look at your general, what would be the cause or what could possibly cause it to go up again? Would it be an increase in bankruptcies or -- and say, a delinquency? Or could it possibly be that, say, a quarter or two from now, if delinquencies remain at elevated levels, as do bankruptcies, that you'd be forced to take another general provision?

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

So, when you think about the change in the generals, the drivers typically are around underlying credit quality in the book and end volumes. So what you would normally expect to see through the cycle is that -- you know, this is in the non-impaired portfolio, if you will. So as some of that credit deteriorates, it will move into impaired and you will put up specific provisions, for example.

So normally, what you would expect to see as you move through the cycle is that you may, in fact, have a reversal of generals; as I say, you move through the peak and specifics move higher and generals move against that. So it's a normal trend that you would expect to see; that's the way you expect to see generals behave. But the underlying reason is credit deterioration and volumes.

Darko Mihelic - CIBC World Markets - Analyst

But relating it back to bankruptcies for the moment, I mean, did you experience a higher level of bankruptcies? And if so, why weren't there higher write-offs?

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

Well, this is -- again, it's on the -- this is on the non-impaired portfolio. So this is really in relation to your models and how you model out what you would expect losses could be in the good portfolio, if you will. So it is model-driven but those same factors apply in setting the generals as in setting specifics.

I don't know, Mark, whether you wanted to embellish on that at all?

Mark Chauvin - TD Bank Financial Group - EVP - Chief Risk Officer

The only thing I would add is that really -- so, generals are driven by the riskiness of a portfolio. And if you had a high level of bankruptcies, then you'd have a high loss given default. And that would show a riskier portfolio and that would factor into a higher general allowance.

But if your volumes stayed constant period over period and the risk reduced, then it would be logical to result then that generals would be released.

Darko Mihelic - CIBC World Markets - Analyst

Okay. I think I understand what you're saying. I think that you experienced higher bankruptcies and therefore, you changed the model -- the model was changed on a go-forward basis. If that's -- if I'm reading that correctly?

Mark Chauvin - TD Bank Financial Group - EVP - Chief Risk Officer

Right. You change parameters in the model as a result of the higher losses given default.

Darko Mihelic - CIBC World Markets - Analyst

Okay. So given stable -- so, supposing bankruptcies do not elevate from these levels, we should not expect a greater general -- or another general increase going forward. Would that be a fair statement?

Mark Chauvin - TD Bank Financial Group - EVP - Chief Risk Officer

Yes, I'd say if -- I'd take it one step further. If losses given default stayed constant, delinquency reduced, then the risk in the portfolio is reduced, so your generals would reduce as well.

Darko Mihelic - CIBC World Markets - Analyst

Okay, I understand. And maybe we can just squeeze one more in here. And I want to get back to the question that was asked earlier on C&I in the US as well as commercial real estate -- and I'm not sure if this is for Mark or if it's for Bharat, but maybe I'll just throw it open to you.

When we look at the stress tests that were conducted in the US, the baseline loss estimates that they used for cumulative two-year loss rates were -- I believe they were excessive, but just curious on your view and maybe, is this a driver of why loan losses are going higher -- but is it possible that we could see -- for example, in C&I, I think they were using 3% to 4% cumulative two-year loss rates; I think in commercial real estate, they were 5% to 7.5% as a baseline.

And by my math, you're way, way below that. So I'm curious as to what you could comment on that, and whether or not we should think about loss rates getting that high for TD over the course of the next year and a half, let's say?

Ed Clark - TD Bank Financial Group - President and CEO

It's Ed here. I'll let him think about the answer to your second question. Just the one thing I don't want to leave a false -- or that we shouldn't leave a false impression -- you are focusing in on the personal side, which definitely has been driving the general allowances. But if you think of what general allowances in the Canadian context are there for losses that we think are embedded in the portfolio but not revealed. Once they're revealed, then we put up specifics against them.

And so where we are, there seems to be some sign, perhaps on the personal side, that the kind of losses that have been incurring are going to start plateauing out. And so in a sense, you could easily see that the general allowance for the personal will come down as you put up the specifics for the ones that are revealed.

I think, though, that you have to also bear in mind what we're saying on the commercial side is that we haven't had very many specific allowances. And we haven't -- despite the fact that we as a bank may be doing very well here, I think it's still a little premature to call the end of the slowdown. And therefore, you could see, in fact, actual general allowances on the commercial side continuing to grow as credits deteriorate -- because that's what drives that calculation before, in fact, they're revealed.

Mark Chauvin - TD Bank Financial Group - EVP - Chief Risk Officer

Yes, I certainly didn't mean to imply that things were over. It's just that in answering the question, generals are driven by the riskiness of the portfolio. If the question were -- where do I expect generals to go over a period of time? -- I would probably expect them to continue to increase throughout the Canadian Wholesale and Commercial portfolio, and the Personal -- Canadian Personal and Retail portfolio, through the balance of the year and probably into some portion of the next year.

Darko Mihelic - CIBC World Markets - Analyst

Okay. I think I may follow-up with you on that later, but that's cool. Thanks.

Mark Chauvin - TD Bank Financial Group - EVP - Chief Risk Officer

So in answering the question, I guess I have to think of it in context of the US portfolio. So the riskiest portion of the portfolio would be the residential for sale. It's got the highest construction content and really is that portion of the portfolio that doesn't benefit from an ongoing cash flow.

So when it has difficulties, unless there is a guarantor that can put liquidity into the project, you're really faced with a realization and a loss during probably difficult periods, so you have a higher loss given default.

Maybe the way I'd answer your question relative to commercial real estate or nonresidential commercial real estate is that that portfolio is different in profile in that it's really not an under-construction portfolio. It's really -- you can think of it as commercial mortgages, which are all qualified on the basis of tenants or having a certain debt service coverage.

Now, the concern we have is that in a weaker economy, we're going to see vacancies increase, rental rates decrease, even property values being depressed. And that will put pressure on the portfolio. But I wouldn't expect the level of losses in that portfolio to be similar to that that we've experienced in the residential for sale.

So I think it would be -- it's performing relatively well now. I expect it to be under pressure but I don't expect a material increase. And I wouldn't -- you had mentioned a two-year cumulative loss in the 6% to 8% range. I would consider that to be quite high for the portfolio that we have in our footprint, in the way it was developed or underwritten.

Tim Thompson - TD Bank Financial Group - SVP - IR

Next caller, please.

Operator

Ian De Verteuil, BMO Nesbitt Burns.

Ian de Verteuil - BMO Capital Markets - Analyst

I'm referring to slide 28. It's surprising to see the change in the FICO scores, the improvement in the FICOs and the improvement in the LTVs over a quarter, Bharat. How -- I think you were at 75% FICO over 700 last quarter, and you're 80% over that now. How quickly can you turn -- high-grade the portfolio? And how does that translate into lower specific PCLs in the -- over a -- in the short-term time horizon?

Mark Chauvin - TD Bank Financial Group - EVP - Chief Risk Officer

Ian, it's Mark. Maybe I can answer, certainly, your first question.

I had the same response when I was looking at the information, especially on the residential mortgages where the FICO scores over 700, increased from about 71% prior-quarter to 79%. And really, the reason for that is that that portfolio is enjoying very strong growth. During the quarter, it grew just slightly under $1 billion.

And then at the current underwriting standards, I think the average FICO in that customer base was well over 740. So, it did have the ability to increase the overall FICO because of the growth was like about -- was a significant percentage off of the existing base.

Conversely, you know, I mean, we've -- we have seen the loan to values, again, have improved in the residential mortgage. Really, it's the same answer. It's that most of the mortgages were underwritten, their loan to values were under 60%. So when you add that into the mix, you're able to take the average down to the level that you're seeing on this particular slide.

In terms of future PCL and the residential mortgage portfolio, I'd expect that scenario, I think, should be -- upgrade quite satisfactorily going forward. Probably not quite to the Canadian level, but certainly at levels that will be well below what you would experience in the other consumer credit areas.

Bharat Masrani - TD Bank Financial Group - President & CEO, TD Bank, N.A.

The only thing I'd add, Ian, is that if you go back when TD acquired TD Banknorth and then, subsequently, Commerce Bank, neither of these banks were very big in the mortgage business. There was really no origination platform that was in-house. So through this integration, we have built out a brand-new platform for the mortgage business.

We have introduced sales goals and we talked about that at the Investor Day last year as well. And all that now is resulting in good business with the Bank. And as Mark indicated, we are growing that business and we are happy to do so. And as you have seen also in the US mortgage market, it is becoming more of a relationship product.

So, with our store network, with our proposition out there, with our convenience positioning, that we are seeing excellent results from that book and happy to do so. And all the new business we are generating is at the FICO levels that you are seeing and we're very comfortable with it.

Ian de Verteuil - BMO Capital Markets - Analyst

So I guess that [lags] us into -- some of the questions you've been asked, Bharat, on expenses coming down. Because we look at the earnings, the after tax earnings -- well, there's not much tax -- but the earnings of $200 million US, and you said that there isn't expenses really to come out.

So how do we grow the business from here? Is it volume-driven? Is it margin-driven? Or is it the provisioning coming down that gets the return on this business up to a more acceptable level where the economic profit is positive?

Bharat Masrani - TD Bank Financial Group - President & CEO, TD Bank, N.A.

Great question, Ian.

Ed Clark - TD Bank Financial Group - President and CEO

Ian, I'd never thought of asking that question.

Bharat Masrani - TD Bank Financial Group - President & CEO, TD Bank, N.A.

The answer is, it's probably a combination of all the things you mentioned. We have been through a -- what I would call not a normal cycle as far as interest rates go and my implication -- you know, the margin environment in the United States; we're at a 0% rates. So if that were to normalize, obviously, there would be a substantial upside.

We hear of macro indications out there in the economy of improvement. But as we have discussed before, I've been in the lending business many years, so one should never declare a victory. And PCLs is normally at a lag after the recovery is well in. But I don't expect us to be falling off the cliff, either. At some point, that performance will improve as well.

And thirdly, we do continue to invest in our franchise. We open new stores; we are rebuilding a brand here. As I indicated in the mortgage business, we are growing that business. We have more customers today than what we had yesterday. So, a combination of all that I feel will provide the growth.

As to when exactly it becomes economic profit positive, tough to predict precisely, but our expectation is that in a normalized market with the franchise we have in the US, where we are in the US, this gives us a fantastic platform for future growth.

Ed Clark - TD Bank Financial Group - President and CEO

Maybe I should just comment, since I got us into the US, I should probably comment.

I think you first put it in the context of how are we doing relative to other foreign banks that have gone in the United States or US banks in the United States? And I think it is fair to say we're doing pretty spectacularly well, relative to those. We've missed the worst mistakes that you can make doing that.

The positive factors, I think, for us have been that the core franchise is growing extraordinarily well. I mean, to have an 8% deposit growth rate; to have our maturing branches going faster than 8%. Our new branches coming in continue to do -- be spectacularly successful.

And to be able to originate 20 to 30 new branches each year that are spectacularly successful, all of those -- and to have double-digit lending growth rates -- those are all great things. But they've been offset by really two fundamental factors -- the spread has come down 50 basis points year-over-year this quarter.

That's a dramatic shift, as you know, to the bottom line. And that's fundamentally driven because, at very low interest rates, if you are in the deposit business -- and as you know, we're overwhelmingly a deposit gatherer and we have fewer assets than we have from a franchise point of view, than we have deposits, we're particularly vulnerable to very low interest rates and the impact that has on deposits spreads.

And deposits spreads in the United States are extremely thin right now. And so I think if you're a believer, you believe that you will not forever remain at essentially the Fed saying we're going to have zero interest rates. But there will be an economic recovery. And when the economic recovery occurs, interest rates will gradually move up and spreads on the deposit side would improve.

And secondly, we've obviously had more than a doubling of our PCLs. So again, we're absorbing a tremendous increase in PCLs in this period.

So, I think the way we look at it is -- the fundamentals of the franchise are actually doing extraordinarily well; but we've had these two major headwinds and that net out of that, and be earning, a couple of hundred million dollars US every quarter of this franchise is doing pretty well. You know? Love it to be doing better, but I think, frankly, we're very satisfied with what we have.

Tim Thompson - TD Bank Financial Group - SVP - IR

Next caller, please.

Operator

Mario Mendonca, Genuity Capital Markets.

Mario Mendonca - Genuity Capital Markets - Analyst

I'm never sure whether the reviews of the regulatory filings for your US bank really have any meaning. And maybe you could help put this to rest for me.

When I look at the regulatory filing for TD Banknorth, the tier 1 ratio that you're quoting here is about 81 basis points. And I know that's -- it's so low as to not really be meaningful. So what I'm trying to understand is how is it that this regulatory, this Holding Company, the Bank Holding Company, can have a Tier 1 ratio at that level? Is it essentially ignored by the regulators? Or am I just looking at the wrong thing?

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

So, Mario, it's Colleen. So our key regulatory ratios are at the parent bank level and at the operating company level in the United States. So you're absolutely right -- that capital ratio is at the hold co. level, which really isn't that relevant and is affected by some internal financing. So it is not one that the regulators are focused on. They're focused on at the operating company level and then at the parent level, obviously, in Canada.

Mario Mendonca - Genuity Capital Markets - Analyst

So if the operating companies in the US have -- presumably, they're well -- or they're referred to as well-capitalized -- what causes the hold co., which is just the sum of all the operating companies, to be low if all the operating companies are okay?

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

It's partly the way we're structured in the United States and some internal leverage that we have in place between various TD entities that causes that anomaly.

Mario Mendonca - Genuity Capital Markets - Analyst

And from your perspective, the regulators don't -- they don't focus on this hold co. -- that wouldn't affect your ability, for example, to do deals in the US because this hold co. has a low rating -- or sorry, a low Tier 1 ratio?

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

Yes, that's correct.

Tim Thompson - TD Bank Financial Group - SVP - IR

Next caller, please.

Operator

Michael Goldberg, Desjardins Securities.

Michael Goldberg - Desjardins Securities - Analyst

I have a couple of questions about page 20 of the supp pack. And the first one has to do with your personal -- your retail Canadian gross formations. And I notice that your write-offs, both in the continuity of impaired loans and the continuity of your allowance, is the same. So should I conclude from that that you're including, in your retail formations, the loans that also get immediately written off?

Mark Chauvin - TD Bank Financial Group - EVP - Chief Risk Officer

New impaired formations would include loans that get immediately written off.

Michael Goldberg - Desjardins Securities - Analyst

Because that seems to be different from what other banks are doing.

The other question is, when I look at the sales and repayments, the $366 million this quarter, what should I interpret from the increase?

Mark Chauvin - TD Bank Financial Group - EVP - Chief Risk Officer

I'm sorry, Michael. I didn't catch that. Which line is that?

Michael Goldberg - Desjardins Securities - Analyst

Line 11 -- also on page 20.

Mark Chauvin - TD Bank Financial Group - EVP - Chief Risk Officer

Yes, I know, I see it. It's an increase of the amount that returned to performing status. I mean, it's not -- I don't have a detailed breakdown of it, but that's what it is.

Michael Goldberg - Desjardins Securities - Analyst

So is it a reflection that you're generally turning over and in a sense recovering the loans that had previously been classified? And that that trend is improving?

Mark Chauvin - TD Bank Financial Group - EVP - Chief Risk Officer

Well, you know, I mean, it was stronger in the quarter; I'm not sure I would call it a trend.

Michael Goldberg - Desjardins Securities - Analyst

Okay. And I have one other question. Is there anything that you can do or would want to do to moderate the volatility of your currency translation account that also causes significant volatility in your common equity? And I guess that means hedging your US investment.

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

So, Michael, we do, in fact, hedge our capital ratios. So if you look at the improvement in our Tier 1 capital ratio of about 30 basis points this quarter, it was entirely due to the fact that we had retained earnings growth, as well as a reduction in risk weighted assets of about 1 billion.

So you saw a 10 billion reduction in risk weighted assets in the quarter but 9 of that was foreign exchange driven, and a billion of that was net of everything else. So in fact, as you saw, Wholesale was down quite significantly in the quarter but we did have risk weighted asset growth in Canada and the US, in terms of our Canadian Personal and Commercial banking operations.

So we do hedge those capital ratios. So when you take the CTA net of the capital hedges, and obviously, then all of the effects -- the FX effects on goodwill intangibles, our TD Ameritrade adjustment -- we, as I say, try to minimize all of that impact.

Michael Goldberg - Desjardins Securities - Analyst

Because the net impact over all is that your common equity was down about $2 billion.

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

No, that's right. And it does affect our book value because of the way the OCI works. So I agree with you. I'd prefer not to see that.

Ed Clark - TD Bank Financial Group - President and CEO

But Michael, it's Ed here. I think you want to balance -- we don't want our Tier 1 ratio bouncing around by what happens on the foreign exchange. And so we've done the regulatory capital hedges for the reason that we want this money to be real. And we don't want to have a capital call if suddenly the US dollar moves in a different direction. So we believe this is a very prudent way to run the Bank.

Tim Thompson - TD Bank Financial Group - SVP - IR

We're going to take one last question and then I'll turn it over to Ed to just offer some final comments. So one last question, please, from the phones.

Operator

Sumit Malhotra, Macquarie Capital Markets.

Sumit Malhotra - Macquarie Capital Markets - Analyst

My question is for Bob Dorrance. Bob, when I look at the interest rate and credit portfolio trading line increasing nearly 300 million quarter-over-quarter in what's usually a seasonally slower period, I'm wondering if you can help me understand how we should think about this business.

As TD expanded its market share and interest rate credit, fixed income trading outside of Canada, are you seeing more activity from clients you hadn't transacted with in the past? Maybe because of the Bank's AAA rating, strong balance sheet?

I just have a hard time looking at this large increase, especially in the context, as I said, whether it's seasonality or liquidity improvements in the market; spread tightening in the market -- just especially focusing on the quarter-over-quarter number. Hoping you can help me to understand whether the change is structural or driven by market conditions.

Bob Dorrance - TD Bank Financial Group - Chairman, CEO & President, TD Securities

I'd say it was driven significantly by market conditions. There certainly was no -- it didn't appear to be a season this year in the marketplace.

On the credit side of the business, credit spreads came in fairly significantly through the quarter and we benefited from that.

On the interest rate trading side, there's a variety of different businesses that we have domestically and globally. And all businesses did well, whether that was the trading business or distribution business, or an underwriting business. So every part of the business, short-term, medium-term, long-term, in terms of duration, and whether we were in the trading parts or in underwriting or distribution, everything performed well in the quarter.

So -- and that was certainly helped by a direction of markets, where interest rates were going, the level of interest rates, in some cases, some of the volatility that still exists in interest rates. So it was an exceptionally good quarter.

We continue to invest in our franchise and in growing the rates business, both in Canada, but more importantly, in the US and in Europe and Asia. So, we have added to the franchise; being a strong counterparty has helped. We've invested in people and added people through the cycle here. So I think there's a combination of franchise growth, good markets, and everything performing well at one time. We did not have one part of that business that didn't do well.

Sumit Malhotra - Macquarie Capital Markets - Analyst

And all else equal, I mean, just -- I'll leave it here -- just looking at movements in the yield curve certainly benefiting all fixed income trading investment banks. That certainly, I'm guessing, is a big part of the increase in interest rate revenue when we look at 2009 versus 2008 -- is that a fair statement?

Bob Dorrance - TD Bank Financial Group - Chairman, CEO & President, TD Securities

I think what's helped the business year-over-year has been certainly the yield curve has helped; the direction of rates has helped and volatility has helped. So the good news is that markets improved and to some extent, the bad news is that markets have improved, as well. Because I do think that there was money to be made in volatile markets and that volatility has now been reduced.

Sumit Malhotra - Macquarie Capital Markets - Analyst

Thanks for your help.

Tim Thompson - TD Bank Financial Group - SVP - IR

Thanks, Sumit, and thanks, everyone, for your questions. So, over to Ed, please, for some last comments.

Ed Clark - TD Bank Financial Group - President and CEO

So as I said at the start, I mean, it's obviously been just a terrific quarter for us. I think we're feeling good about this quarter in the sense that we made a decision as we went into this downturn that we were going to keep on investing, and that we were going to keep on growing, and that we were going to keep on lending.

And as a result of that, right across the board, our businesses are continuing to perform both in absolute and relative terms extremely well. And we've been able to absorb the core headwinds of rising PCLs and

narrow margins on the deposit side by, by and large, offsetting it with growth and with taking market share.

We don't sort of translate our positive feelings about how we've managed to navigate through that into a sort of completely euphoric view about the economic outlook. I think, clearly, the economic outlook is better than one would have thought six months ago, but I think caution remains the order of the day. Maybe that's just us being bankers, but I think there's enough forces still at play out there that I think the more cautious view is probably the correct one; that, yes, we're going to get a recovery, but it will be a slow recovery.

And we could continue to have increases in unemployment rate well into the middle of 2010. And that does imply, in our business, that it's the more likely case is that we're going to get continued increases in PCLs, both in Canada and in the United States, but probably at dramatically slower growth rates than we had to suffer in 2009.

I think as we look farther out, we said we were going to end up, as we came out of this downturn, with momentum on our side. That's why we're investing; that we have our business model intact. And so as those two big headwinds turn, the deposit margins and the PCLs, we can see -- and this is probably a year and one-half from now -- but we can see some pretty dramatic improvements; because what we've been doing is building the core franchises and we have everything in place for very rapid recoveries.

So thank you for taking the time this afternoon.

Tim Thompson - TD Bank Financial Group - SVP - IR

And with that, I'll end the meeting. Thanks for your time today.