TD BANK GROUP
CIBC EASTERN INSTITUTIONAL INVESTOR CONFERENCE
SEPTEMBER 21, 2011

DISCLAIMER

THE INFORMATION CONTAINED IN THIS TRANSCRIPT IS A TEXTUAL REPRESENTATION OF THE TORONTO-DOMINION BANK'S ("TD") PRESENTATION AT THE CIBC EASTERN INSTITUTIONAL INVESTOR CONFERENCE AND WHILE EFFORTS ARE MADE TO PROVIDE AN ACCURATE TRANSCRIPTION, THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORTING OF THE SUBSTANCE OF THE CONFERENCE CALL. IN NO WAY DOES TD ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED ON TD'S WEB SITE OR IN THIS TRANSCRIPT. USERS ARE ADVISED TO REVIEW THE WEBCAST (AVAILABLE AT TD.COM/INVESTOR) ITSELF AND TD'S REGULATORY FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

FORWARD-LOOKING INFORMATION

From time to time, the Bank makes written and/or oral forward-looking statements, including in this presentation, in other filings with Canadian regulators or the U.S. Securities and Exchange Commission, and in other communications. In addition, representatives of the Bank may make forward-looking statements orally to analysts, investors, the media and others. All such statements are made pursuant to the "safe harbour" provisions of, and are intended to be forward-looking statements under, applicable Canadian and U.S. securities legislation, including the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements include, but are not limited to, statements regarding the Bank's objectives and priorities for 2011 and beyond and strategies to achieve them, and the Bank's anticipated financial performance. Forward-looking statements are typically identified by words such as "will", "should", "believe", "expect", "anticipate", "intend", "estimate", "plan", "may", and "could".

By their very nature, these statements require the Bank to make assumptions and are subject to inherent risks and uncertainties, general and specific. Especially in light of the uncertainty related to the financial, economic and regulatory environments, such risks and uncertainties – many of which are beyond the Bank's control and the effects of which can be difficult to predict – may cause actual results to differ materially from the expectations expressed in the forward-looking statements. Risk factors that could cause such differences include: credit, market (including equity, commodity, foreign exchange, and interest rate), liquidity, operational, reputational, insurance, strategic, regulatory, legal, environmental, and other risks, all of which are discussed in the Management's Discussion and Analysis ("MD&A") in the Bank's 2010 Annual Report. Additional risk factors include the impact of recent U.S. legislative developments, as discussed under "Significant Events in 2010" in the "How We Performed" section of the 2010 MD&A; changes to and new interpretations of capital and liquidity guidelines and reporting instructions; increased funding costs for credit due to market illiquidity and competition for funding; and the failure of third parties to comply with their obligations to the Bank or its affiliates relating to the care and control of information. We caution that the preceding list is not exhaustive of all possible risk factors and other factors could also adversely affect the Bank's results. For more detailed information, please see the "Risk Factors and Management" section of the 2010 MD&A. All such factors should be considered carefully, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements, when making decisions with respect to the Bank and we caution readers not to place undue reliance on the Bank's forward-looking statements.

Material economic assumptions underlying the forward-looking statements contained in this presentation are set out in the Bank's 2010 Annual Report under the headings "Economic Summary and Outlook", as updated in the Third Quarter 2011 Report to Shareholders; for each business segment, "Business Outlook and Focus for 2011", as updated in the Third Quarter 2011 Report to Shareholders under the headings "Business Outlook"; and for the Corporate segment in the report under the heading "Outlook".

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

FIRESIDE CHAT PRESENTATION

Robert Sedran ***- CIBC - Analyst***

The next speaker is Mike Pedersen from TD Bank, Group Head Wealth Management Insurance and Corporate Shared Services. Prior to joining TD in July of '07, Mike ran Barclay's Private Global Bank and two other international business for that firm. Many in this room may also remember Mike as a CIBC alumnus, having held senior positions throughout retail banking at that institution as well.

Before we begin, I need to remind you that Mike may make forward-looking statements that represent management's views as of today. These statements are meant to assist listeners in understanding the Company's financial position, objectives, priorities and anticipated financial performance and may not be appropriate for other purposes. Actual results could differ materially from what is discussed, and the listener should consult the Company's regulatory filings for risk factors underlying these statements, which are filed with Securities Exchanges and on their Web site. So, we think we still have a couple minutes for questions after that.

So, Mike, welcome to Montreal. I'll give you the podium to make some opening comments.

Mike Pedersen – ***TD Bank Group – Group Head, Wealth Management, Insurance, and Corporate Shared Services***

Thank you very much, Rob, and thank you for having me here. And, Rob, there were actually people taking notes when you read the forward-looking statements.

Robert Sedran ***- CIBC - Analyst***

I went too fast. Sorry.

Mike Pedersen – ***TD Bank Group – Group Head, Wealth Management, Insurance, and Corporate Shared Services***

That was pretty good. I thought I might just say a few words about TD in general and then a couple of words about each of the businesses I run, the wealth business and insurance.

So, in terms of TD, we had a terrific third quarter. In fact, the second best ever adjusted earnings of $1.6 billion. We had record earnings in both TD Canada Trust and in our U.S. retail and commercial business. We had strong earnings in wealth, strong earnings in insurance, somewhat weaker earnings in TD securities.

But, on balance, for the quarter, 93 percent of our earnings came from our retail businesses on both sides of the border. We were very pleased with that, particularly given that those earnings came in a quarter where things were pretty tough, and we still showed that we could generate good earnings and market share gains.

We increased our dividend for the second time this year. That obviously indicates confidence in our ability to deliver future earnings, and we also grew our capital well. We were at 12.9 percent tier one at the third quarter, and we announced that our proforma Basel III ratio was 6.5 percent in Q3 and that we were very comfortable that we'd achieved the required 7 percent by mid-2012.

In terms of looking forward at the TD level, I'd say we feel we're well positioned for 2012, despite the obviously uncertain environment. We're cautious but we like our business model. We think that our growth orientation and our business mix and our risk orientation places us in a position to perform well relative to our competitors.

We remain committed to the $1.6 billion goal for our U.S. business. We obviously have a significant headwind in Durbin. We shared with the markets at Q3 that that means a hit of 50 to 60 million a quarter next year, but that's similar to what we faced with Reg E in the United States, and we obviously managed through that very well, and we think we can do the same with this obstacle.

And then, finally, on the TD level, we remain comfortable with the 7 to 10 percent adjusted EPS earnings target going forward.

In terms of wealth, also a strong quarter. The trading and the fees actually held up better than I thought they would in a tough quarter. We're confident we'll have a great 2011. We're going to be well into record earnings territory unless some calamitous circumstances conspire against us.

We also feel cautiously optimistic about 2012. It's obviously a tough environment, but we think we're well positioned, and we hope that we can continue to operate with positive operating leverage and, therefore, continue to get good earnings growth.

I've been in this business now since the beginning of the year, so just maybe a few words about strategy for the wealth business. Frankly, it's mostly going to be about capitalizing on TD's great client base, retail and commercial, and TD's brand. We have a terrific partnership culture at TD, so generating flows between businesses is something we should be able to do better than our competitors, and we're confident we can.

In the short term, in terms of the wealth business, the upside is mostly in Canada. It's here that we have - most of our current earnings and lots of strengths. But, there is a longer-term opportunity in the U.S. We now have 1,300 - we call them U.S. stores. They are disproportionately located in affluent areas, in urban areas, in high growth areas. So, from a wealth perspective, that has lots of upside. Think, for example, about the fact that we had 84 branches in New York City. Again, well located in affluent areas. Now, don't want to overplay that. That's a longer-term opportunity, but it is a good opportunity for our wealth business.

I think you'll see that our focus will be more organic than acquisitive. It's tough to make acquisitions work in the wealth industry with a bank multiple, so they'd have to be very compelling. We also just prefer to do it organically, and I think we've got lots of upside organically.

We're focusing, in a big way, on the client experience in the wealth business. If you think about it, this is really what TD is famous for. It's world famous almost. We win all the awards. Both of our retail businesses, the Canadian one, the U.S. one, are superb at the client experience, and we think we should align wealth with that. So, we're doing a lot of work on that.

Our internal scores on the client experience have gone up a lot this year, and those external scores that we do get have also shown good upward momentum.

We're growing our advice channels. We now have over 1,500 brokers and planners, many relatively new. And this is obviously still growing, and they're growing their books. So, this business will grow at a pretty good clip. In Q3, this was up 30 percent NIAT year-over-year.

Also seeing some good trends now in terms of mutual fund sales. For example, we've spoken to investors about the comfort funds that we sell in our branches. I think the last time we shared a number with you was in 2010. It was two billion. We're over five billion now, so good growth there.

And then, finally, in the wealth business, the direct investing business, this is the discount brokerage business. This is the part of our wealth business that makes us most different, and we think it's one that we can leverage harder than we have. We have such a strong leadership position. It's a very profitable business. We don't make those numbers public, but it is a very profitable business.

And in aggregate, if you think about what we have in Canada, in Europe and through TD Ameritrade, we're the largest in the world in terms of trade volume, so we have scale advantages. So, we're, right now, ramping up marketing in that business. We're investing in the client experience, and we're going to take some of our global capabilities, products, services and so on, and make them available to our clients in Canada during 2012. So, wealth, feel cautiously optimistic.

A quick word about the insurance business. Again, had a strong Q3. Mostly on the strength of revenues, and that was broadly based. It was better volumes, better pricing and better claims management. We expect a good finish to the year.

We have a very unique business model in the insurance industry at TD. We're a leader in home and auto. In fact, we're the number one direct player. We're a leading affinity player. We have fantastic relationships with employers, with universities, with professional associations, and that, by the way, gets helped by the MBNA acquisition that we made because that's the same model. And we also use no brokers, so that makes us very different than most insurance companies.

We obviously have a very strong creditor protection business aligned with TDCT's leading credit origination business in retail, and then we have a very low risk appetite, almost an "uninsurance" company-like appetite for risk. And that's whether we're talking about our investments or the products that we're prepared to sell or our approach to things like reinsurance for catastrophic events and so on.

So, again, lots of upside here. We have lots of growth potential. TD Bank's one in three Canadians. We only insure one in 10. The strategy will likely revolve around similar things as the wealth business, so the client experience, leveraging the TD brand and obviously these unique attributes that our insurance business has and some of our competitors don't have.

We're investing in the business and technology in the short term but still think that this can be a pretty good growth business both in terms of revenue and profitability going forward.

Rob, that's all I was going to say. I'll join you.

Robert Sedran ***- CIBC - Analyst***

Great. And while Mike's getting comfortable, I'll just remind you, if you have any questions, please just throw up your hand or shout them out.

I want to start with the wealth side and spend most of our time there, I guess. When I think about this business, it used to be one that I viewed as having a double-digit earnings growth profile. Not in 2012, but through a cycle kind of thing, and largely on the back of demographic trends.

But, how much of that growth profile in that business is dependent on the return or, you know, some emergence of more normal market conditions? And how much of it is still that demographic tailwind? And when you think about your business, are you more market sensitive than average? Or less market sensitive than average in achieving that growth?

Mike Pedersen – ***TD Bank Group – Group Head, Wealth Management, Insurance, and Corporate Shared Services***

Well, so, I'd say if you look at even this year, we've shown that in difficult circumstances we can deliver very good earnings growth. Obviously, we were coming from a depressed base, but I think the short answer to your question is, I think we're less exposed than most, by virtue of our strong link to the retail and commercial bank and the potential referral flows that we can get from there.

When I was at Barclay's, I worked in markets where we had branches and brands and clients and in markets where we didn't, and it is much easier to succeed in the markets you have them. So, we can leverage that. Some of our competitors can't, to the same extent.

More broadly, I'd sort of say that, if you look at the external estimates of market growth, even over the next few years, it's kind of 5 percent for the wealth market, maybe six, seven for the equities markets, and people are saying that for direct investing or the discount brokerage business, even higher, maybe 8 percent. And that, in part, reflects, you know, all these emerging technology developments. People are just getting more comfortable with do-it-yourself online everything, including investing.

So, in that sense, I think our business mix is good for us. And then, of course, we have also the advantage that our advice business is relatively new, still developing. So, we probably have more upside, more exposure to things like converting transaction revenues to fee-based revenues and so on.

So, I don't feel pessimistic about the next few years. It could, of course, get bumpy, but I think, relative to others, we'll look pretty good.

Robert Sedran ***- CIBC - Analyst***

Can you talk about where you are? You talk about the power of the TDCT and the referrals and all the rest. Can you talk about where you are in that process? Is it still the early days? Does it feel like you're getting -- the machine is actually working the way it should? Or just a progress update would be helpful.

Mike Pedersen – ***TD Bank Group – Group Head, Wealth Management, Insurance, and Corporate Shared Services***

So, a way to think about it is that, in Canada, we have 11 million retail customers. In the U.S., seven million. In Wealth, in total, right now, we have about 1.7 million customers. So, a very small fraction of the total in terms of penetration upside.

I'd say we're performing well now, in terms of referral flows. They're increasing still from what you've seen in the past. Both ways, by the way. But, both Tim Hockey and I, we have an excellent partnership, feel there's lots of upside.

So, we're working together right now to segment the client bases a little bit better and to see where we should focus our efforts. And we'll make some changes in that regard, so I do think that there's lots to play for here. This is the easiest way to grow our business.

Robert Sedran ***- CIBC - Analyst***

Do you have enough hands on deck to accept the referrals that you might get from TDCT? Or are you needing to hire dramatically across the piece? And how easy is it to do that?

Mike Pedersen – ***TD Bank Group – Group Head, Wealth Management, Insurance, and Corporate Shared Services***

Yeah, I don't have the problem yet where we don't have enough hands on deck. I'd like to have that problem. I think we've got capacity in our existing sales force of 1,500-plus planners and brokers, but if we get really good at this, we'll need to continue to grow it, and we are going to continue to grow it.

So, the second part of your question? How difficult to hire?

Robert Sedran ***- CIBC - Analyst***

Yes. I mean. It's always been a challenge. Especially on the broker side. The retail brokers. The full service Broker side. To hire costs a lot, and the economics aren't great.

Mike Pedersen – *TD Bank Group – Group Head, Wealth Management, Insurance, and Corporate Shared Services*

Yes. So, we've hired faster than any of our competitors in the past five, six years. We've grown very, very quickly. We've gone from about 600 to 1,500. We've not done that on price, so to speak. We've not overpaid. We've not introduced, you know, new highs in terms of guarantees. In fact, we tended to pay lower than the others.

What we try to present to advisors and brokers is a broader value proposition, one that's rooted in access to our retail and commercial client network, one that's rooted in the efficiency of our referral processes and our track record there. We try to sell the fact that we don't have as many planners and advisors as others, so there's just more to play for.

We try to sell our culture and the triple A rating and the brand and, you know, the business model in general and the long-term strategy, and we've not had trouble acquiring people. I don't think we will, going forward. The people who only want to come on price don't fit at T.D. anyways.

Robert Sedran *- CIBC - Analyst*

Okay.

Unidentified Man:

Just on the cross-sell or share of wealth, it's always been the holy grail of financial services. So, what's happening at the very base level in terms of either compensation or performance metrics that truly embeds in the mindset of the people in the front lines, to effect that--this change to ensure that someone gets out of the bank, where it's appropriate, and into the Wealth side of the business and vice versa, but the Wealth is making sure it's getting transferred to the extent that they don't--.

Mike Pedersen – *TD Bank Group – Group Head, Wealth Management, Insurance, and Corporate Shared Services*

Yes. So, trite as it sounds, I'm going to start with the fact that it's just part of our culture. Neither Tim nor I get rewarded on the basis of how many people we send back and forward, but I can guarantee you that both of us know that if we don't do the right thing, we know we'll feel pain at the end of the year.

So, it is a deep part of our culture that we're going to do the right thing for the client, which means bring the best of TD in front of the client whenever we can. And it's also in our culture to do the right thing for the shareholder.

It sounds a bit motherhood, but it's a very strong dynamic in the bank. And we might actually have less hardwired process to encourage referrals than some banks I've seen, but we have better referral flows than a lot of banks I've seen.

Having said that, all our folks in retail are incented both via their performance measurements, targets and compensation to send clients to Wealth. And the same goes for the opposite. Our people are incented to deliver a great client experience. That's also intertwined. My folks get paid, in part, on how the local folks in retail treat their clients and vice-versa, so you do have a feeling that it's all for one.

So, I think it works really well at TD, and that's why we have such good flows. Are there more things we can do? Yeah, we're looking at that right now. And we can bring it down to the individual more than just groups, for example. So, we have lots of upside in terms of improving that. But, it's mostly about culture. It really is.

Robert Sedran *- CIBC - Analyst*

Have you brought anything from TD Ameritrade North, in terms of some of the initiatives down there, to get the more fee-based balances? So, when you are referring across from the branch network, is it as profitable if you send them into the discount broker into Waterhouse rather than into a full-service brokerage? Does it matter what channel services? Can you just compare the profitability of those different segments a little bit?

Mike Pedersen – ***TD Bank Group – Group Head, Wealth Management, Insurance, and Corporate Shared Services***

It doesn't--it's a little difficult because, in some of the advisory businesses, we don't have scale yet. And so, you'll get different profitability dynamics as you grow more. But, suffice it to say that our discount brokerage--we call it "direct investing" now, business, is profitable enough that we never have any concerns about sending clients over there. We make lots of money off that business.

Yeah, I think that's the essence of it. You know, we never make a decision about where to send a client based on, you know, whether it's a little more profitable in one place or the other. It's always about what's in the best interest of the client.

Robert Sedran *- CIBC - Analyst*

Okay. I know you mentioned the U.S. opportunity is more longer-tailed in nature than it is something more imminent, but spend a few minutes talking about it, I guess. Can the U.S. model ultimately look like the Canadian model?

Mike Pedersen – ***TD Bank Group – Group Head, Wealth Management, Insurance, and Corporate Shared Services***

It's a good question. I mean, historically, the industry dynamic in the U.S. has been very different in the sense that banks down there have not been able to cross-sell wealth services to their customers in the same way that Canadian banks have or the same way that banks in other countries have, for whatever reason. The industries have tended to be quite different. I think, in the last few years, some of the big banks have started to demonstrate they can do that. I think Wells, a good example, for example. So, we think we can.

We think, we've already proven that we can take, effectively, a Canadian model around service and convenience and comfort and make it very, very successful in the U.S. Obviously, the U.S. businesses that we acquired had their own strengths, but the combination, at least in part, reflect Canadian beliefs about how to do this business, and they've been very transferrable.

So, provided that we think carefully about it, we think we can grow the U.S. business quite aggressively once we get started, again, in the medium to long-term.

Robert Sedran *- CIBC - Analyst*

Do you need to own manufacturing in the United States?

Mike Pedersen – ***TD Bank Group – Group Head, Wealth Management, Insurance, and Corporate Shared Services***

I don't think we need to, but if we are--but, it's more profitable to. But, if we are, for example, going after the high net worth segment in the U.S. with a wealth offer, hard, for example, not to have a very, very strong U.S. equities capability. That's not our greatest strength right now, so we need to address that, whether we do that by buying a team or building the capability. It's too early to say whether we'd acquire.

I'd certainly prefer to have the manufacturing capability. I think it allows you to have a much better story for the client around exclusivity, around risk and around our capabilities in the wealth market, if nothing else.

Robert Sedran ***- CIBC - Analyst***

How big a part of the long-term strategy in the U.S. revolves around Ameritrade?

Mike Pedersen – ***TD Bank Group – Group Head, Wealth Management, Insurance, and Corporate Shared Services***

Well, it's impossible to say what's going to happen in the future, obviously, but it's a big part right now. I mean, in answer to your earlier question, which I didn't answer, we are already offering our clients here in Canada TD Ameritrade's thinkorswim platform, which is an options and derivatives platform and very popular with our active traders. We'll bring up a couple more big applications in 2012. We think they'll be very successful up here.

We are the largest trade volume operator in Canada. They are the largest in the U.S. We actually combine those volumes so that we get better pricing with the various execution houses and so on. Obviously, in the U.S., we refer our mass affluent client to TD Ameritrade right now. We handle their deposits for them. There's a huge amount of interlinking, and it's a very, very successful situation that we're very happy with right now.

Robert Sedran ***- CIBC - Analyst***

When I look at that strategy, you already work so closely together. That is an outright purchase of the rest. And I know you can't tell the future, but it strikes me that, you know, how much more, by way of synergy, is there if you were to own the whole thing? Or is it just getting all of the economics accruing to TD? I mean, what is left to do if you were to own the whole thing, in terms of integrating it with the bank?

Mike Pedersen – ***TD Bank Group – Group Head, Wealth Management, Insurance, and Corporate Shared Services***

Well, again, we're very happy with the situation right now, and again, I can't predict anything. But, obviously, to the extent there are big synergies with a 45 percent ownership, there'd be bigger synergies with a 100 percent ownership. But, again, there's all kinds of complexity behind that, and, you know, we just don't know what's going to happen, and we're very happy with the situation as it is right now.

Robert Sedran ***- CIBC - Analyst***

I'm going to make you answer another question about what might happen, even though you're doing your best not to. It's been in the market a few times, I guess, that E*TRADE has, you know, got their issues, and clearly tons of synergies would exist, but, clearly, a bank needs to be part of the solution in an e-trade. Given that the mortgage book is still a problem for them.

Maybe you can just reiterate or give us what TD's current thinking is on, you know, the potential for an Ameritrade/E*TRADE and whether TD would be willing to get involved in something like that.

Mike Pedersen – ***TD Bank Group – Group Head, Wealth Management, Insurance, and Corporate Shared Services***

Yeah. First of all, it would be a TD Ameritrade decision. I mean, it is a technically tedious decision. And I think, from a TD perspective, what we would need to get our minds around is the assets that sit in that entity.

And we have shown, I think, that we are extremely risk averse when it comes to buying asset books in the U.S. We either do it through FDIC processes so we don't take the risk, or we do it in a way that we can

make very aggressive marks and still pay what we want to pay and not have the down side risk. And it's tricky to think through how one could do that in this situation.

Robert Sedran ***- CIBC - Analyst***

Okay. Fair enough. I'll leave that topic for now. When I think about, I guess going back to an earlier question around the growth rate and how quickly wealth management can grow, given where interest rates are today and I think everyone was hoping by now, certainly and the industry was hoping by now that we'd have higher rates already in place, but it seems like we're stuck at these low rates for a prolonged period of time.

I mean, how big of a headwind is that on getting back to the kind of earnings growth rates that you'd like to achieve? Or is it just in the numbers now? And at some point, it will be a tailwind that you can't count down today?

Mike Pedersen – ***TD Bank Group – Group Head, Wealth Management, Insurance, and Corporate Shared Services***

Yes. So, I'd start by saying that, if what I said about our earnings this year is correct and I have every confidence it is, our earnings this year will far exceed what they were in the best of times in terms of net interest margins. So, remember, it's only about net interest income is about 15 percent of our revenues.

And if you look at our net interest income over this period, they've actually held up really well, including compared to our competitors. We've tried to manage it as aggressively as we can within the constraints of our very conservative risk profile, but they've held up pretty well.

I think that, they are what they are. I would like to see them go up, but it's by no means my biggest worry. I think we can focus on other things that are much bigger levers, like fee-based and like product mix and margins on other products. And I do still think we can get good revenue growth.

Robert Sedran ***- CIBC - Analyst***

You spoke earlier about the direct investing channel still having the highest growth rate, I guess, projected. Industry's still projecting it. I would've thought by now that that would be, a more mature, widely accepted, people are comfortable with the direct brokerage.

Is that not the case? And there's still the opportunity for more adoption and for just growth and people using the channel full stop? Or is it more of a mature thing that, you know, is going to grow more in line with industry numbers?

Mike Pedersen – ***TD Bank Group – Group Head, Wealth Management, Insurance, and Corporate Shared Services***

So, I think it is still very early on in the game. So, you know, you're right. I mean, if you look at smartphone adoption and all those kinds of things, you know, the numbers are huge compared to where they were. But, you have to add the comfort with technology to the comfort with investing, and both have to be there for this to work.

So, part of the issue is that it's now easier for us to address the latter, because we can do it through--you know, someone can sit at home on their device and actually take courses and be walked through examples of how to do this. So, the whole thing is becoming easier than it was back in the days when you were phoning somebody on a phone line and, you know, asking to execute trades.

So, we're trying to do everything we can to make all these forces work together and to capitalize on them, and that's why I think you're seeing the growth projections for the industry that you're seeing.

There's another element. I've spoken with a lot of the clients that moved into our direct investing business. Many of them moved from advisory channels, mostly at other banks, thankfully. And, a lot of people are a bit skeptical, having had negative experiences with advisors and some organizations through, now, several crises, and here we are facing another. And some are just saying, "I'm going to try this myself."

Robert Sedran ***- CIBC - Analyst***

It's interesting, because I was going to ask the reverse question, if whether the crisis is sending people back to advice, and, "I need help," as opposed to going it on their own, but I guess you're comfortable that the trend is going to continue to go the other way? Because Ameritrade's growth and Waterhouse's growth has been, in part, from that trend over the past many years. Of people leaving the full-service channel.

Mike Pedersen – ***TD Bank Group – Group Head, Wealth Management, Insurance, and Corporate Shared Services***

Yes. The reality is that both are growing, right? You know, the advice channels are growing very fast, and here you have 8 percent projections for the direct investing channel. I think if there's a phenomenon, it is that people are more focused on what they need to do.

Remember, the biggest force here is the demographics, this huge boomer population that is poised to retire and needs to figure out how to accumulate enough money, how to manage it during their retirement, how to draw it down and so on.

So, either they're focused on figuring this out themselves or seeking some advice, but they're doing something about it, and that's what the best force for our industry right now.

Robert Sedran ***- CIBC - Analyst***

Okay. Got a few minutes left. I want to ask about the insurance business. The bank, when it comes to the banking side, you often talk about natural market share and whatever that number is.

When it comes to the insurance side, how should we think about natural market share for TD? And are you there? And where should you need to be? And how do you get there?

Mike Pedersen – ***TD Bank Group – Group Head, Wealth Management, Insurance, and Corporate Shared Services***

Yes. So, that's a great question, and I don't think they are analogous. I mean, our natural market share is in the low 20s, I think, in banking, and we're at 3 percent in insurance.

I would very much like if we got to the low 20s, but it's just a completely different industry dynamic. You also have different parts of the industry, and we don't compete in all parts of them.

The only thing I'll say is that, you know, with the unique business model we have, with the benefit of the TD brand, just from a recognition point of view, I do think we can grow this business very well. And one of the reasons I said, in my opening remarks, that we are feeling pretty good about the future, from a relative point of view, is the business mix.

And if it's the case that TDCT, which is our big growth engine, slows down a bit but still outperforms the competition, then I do think we have opportunities in businesses like insurance, commercial banking, our U.S. operation, to deliver faster growth than we have in our core business. And I think we can do that in insurance. I don't know where that'll get us in terms of market share, but I think we can increase market share pretty steadily.

Robert Sedran *- CIBC - Analyst*

What are the synergies with a credit card affinity program and a insurance affinity program? I mean, how much? how obvious are the synergies? Or is it just more getting ideas from one and the other in terms of what to do?

Mike Pedersen – ***TD Bank Group – Group Head, Wealth Management, Insurance, and Corporate Shared Services***

It's that, but there's a--there's an overlap between the employer and professional association groups that MBNA were dealing with and that we are already dealing with. So, in that sense, it deepens the relationship. It makes it more difficult for others to get in there.

Then, of course, there's the opportunity to cross-sell to the non-overlap part of that spectrum of potential affinity partners. And it just gives us a stronger position in that market, and we can be a bigger player.

Robert Sedran *- CIBC - Analyst*

Okay. Got a couple minutes left if there's any questions. I'm going to go to the bank-wide level on you for a minute, because one of the topics that comes up somewhat regularly around T.D. is acquisition risk.

The bank has been acquisitive in the past, and, you know, not--so, not just in your business but bank-wide in the United States, I guess, specifically. Can you talk a little bit about the acquisition appetite?

And if deals come up, the acquisition or the capacity for deals, given where the balance sheet is today?

Mike Pedersen – ***TD Bank Group – Group Head, Wealth Management, Insurance, and Corporate Shared Services***

So, first of all, we've been very successful at doing this for the last six years. We didn't have anything in the U.S. six years ago. Today, we have 1,300 stores, and the technology's integrated, the brand is integrated, it's common leadership, one product set.

We've learned how to do this. There were a few hiccups early on, as you know, but we've learned how to do this. The most recent integration we did, the South Financial Group, was very smooth, and we've also gotten good at estimating what's going to happen with acquired loan portfolios, balance sheet issues and so on. And in every respect, all of those things are operating as we thought they were when we acquired the businesses.

We sought very deliberately during the crisis to fill some gaps in our distribution network in the U.S., and it was basically Florida and the South. Again, we're after urban high growth affluent markets.

We don't need to acquire anymore right now. That's not to say that if opportunities came up that were, low risk, that we wouldn't do it, but, you know, when you don't need to do it, you know, you can be more scrupulous in terms of what you look at.

This is the first time in years that we haven't actually had a pending integration somewhere in the U.S., and it's allowing us to work hard on optimizing the business, which you're seeing in the results of our U.S. business. And, you know, in one sense, you'd love to be able to continue to do that, but we are opportunistic. If something came up, we'd probably look at it, but we're focused on smaller deals.

Culture is probably the most important thing for us. So, that has to fit, and, you know, things that are really big are risky in that regard. So, that's a big reason why we focus on smaller deals.

Robert Sedran *- CIBC - Analyst*

I had a follow-up question, but we're out of time. So.

Mike Pedersen – *TD Bank Group – Group Head, Wealth Management, Insurance, and Corporate Shared Services*

All right. Was it tough?

Robert Sedran ***- CIBC - Analyst***

Well, it was going to be a great one, actually.

Mike Pedersen – *TD Bank Group – Group Head, Wealth Management, Insurance, and Corporate Shared Services*

Okay. Right.

Robert Sedran ***- CIBC - Analyst***

On behalf of CIBC, thanks very much for attending, Mike. This is great. Really appreciate it.

Mike Pedersen – *TD Bank Group – Group Head, Wealth Management, Insurance, and Corporate Shared Services*

Thank you.