

North America has been firmly at the centre of the global financial crisis. From March 2008 to the end of April 2009, it lost some of its most revered banking institutions as asset prices continued to decline. Bear Stearns, Lehman Brothers, Merrill Lynch and Washington Mutual, to name but a few, went bankrupt or were swallowed up by competitors, while those swallowing them faced their own issues. It is hard to believe that those banks involved in high-profile mergers and acquisitions, or continually concerned by falling share prices or government intervention, could fully focus on managing their clients' risk simultaneously. This year's winners in North America reflect those banks that stayed open for business while others closed their doors, providing solutions for clients that were suffering from their own internal crises.

TD Bank is the first truly North American bank and so hands-down wins the title of best bank in the region. Facilitated by the acquisition of Commerce Bank at the end of March 2008, TD now has 1,108 branches in Canada and 1,018 in the US. No other bank can boast that balanced approach to both countries. Against a difficult backdrop in the US and to a lesser extent Canada, TD has successfully integrated Commerce Bank TD Banknorth into TD Bank to have now just one brand across the continent. For the three months ended January 2009, US personal and commercial banking generated more than double the net income for the same period 12 months earlier. Continuing its focus on Canada, net income in personal and commercial banking for the quarter was \$584 million, down only 2% from the same quarter ending January 2008, although revenues were up.

By the end of April this year, TD Bank was the second-largest Canadian bank by both deposits and assets, and sixth-largest with its US peers for both.

The bank's success is on two levels. First, the culture of Commerce Bank has fitted well with TD Bank, which is seen as a modern and friendly bank. The US retail banking system is known to be particularly onerous but Commerce, nurtured by TD Bank, offers 50% longer opening hours than its competitors in the US and Canada, welcomes dogs into its branches, and provides entertainment for children and prizes for coin exchanges.

That might seem gimmicky coming from another bank but TD Bank is extremely conservative. One of only seven banks to have a triple-A rating on the New York Stock Exchange, it had credit-crisis write-downs of just \$525 million. Its tier 1 capital ratio was 10.1% at the end of January this year. Furthermore, its 2008 return on risk-weighted assets was 2.09%, compared with an average 1.68%

NORTH AMERICA

BEST BANK IN NORTH AMERICA
TD BANK

among the Canadian banks and 0.66% among the US banks. Being so well capitalized, it has attracted both retail and commercial customers, says Colleen Johnston, CFO of TD Bank. "Clients know they are dealing with a stable and well-run institution, and that has been incredibly positive for our brand." Just being there over 2008 to 2009 seems to be the winning trend this year. TD's philosophy for its commercial customers on both sides of the border has been "don't make bad loans in good times, and make good loans in bad times".

A further advantage of TD Bank's stability is that it has allowed the bank to invest and grow at a time when its competitors are slowing down or cutting back. Johnston says: "Internally we talk about the recessionary environment and we know that we will be in an environment where credit losses are higher, but we have decided to keep growing. It is important to emerge from the economic crisis with business momentum on our side." Indeed TD is still adding branches in Canada and the US, and increasing the number of client advisers.

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All the awards have one central theme – they recognise institutions and individuals that demonstrate leadership, innovation, and momentum in the markets in which they excel.

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