



TD profit rises nearly 8% on lending; hikes dividend

DOUG ALEXANDER

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Toronto-Dominion Bank said fiscal first-quarter profit rose 7.9 per cent on gains in its Canadian and U.S. retail businesses. The lender raised its quarterly dividend 7.8 per cent to 55 cents a share.

Net income for the period ended Jan. 31 climbed to \$2.22-billion, or \$1.17 a share, from \$2.06-billion, or \$1.09, a year earlier, the Toronto-based firm said Thursday in a statement. Profit excluding some items was \$1.18 a share, missing the \$1.19 average estimate of 15 analysts surveyed by Bloomberg.

Earnings from Canadian personal and commercial banking climbed 5 per cent and U.S. retail operations surged 20 per cent, helped by a stronger greenback relative to the Canadian dollar and improved contributions from the bank's stake in brokerage TD Ameritrade Holding Corp. Toronto-Dominion has more branches in the U.S. than Canada.

"We were particularly pleased that our retail focused businesses continued to grow earnings this quarter," Chief Financial Officer Riaz Ahmed said in a telephone interview. "We continue to see great volume growth, both on the loan side and the deposit side."

Revenue Climbs

Revenue rose 13 per cent to \$8.61-billion from a year earlier, according to the statement. Toronto-Dominion set aside \$642-million for bad loans in the quarter, up 77 per cent from a year earlier. Impaired loans to pipeline firms and oil and gas companies fell to \$86-million from \$99-million in the fourth quarter. The bank had \$4.2-billion of drawn exposure to oil and gas producers as of Jan. 31, with 69 per cent of the loans to non-investment grade borrowers, Toronto-Dominion said in a separate statement.

Canadian retail profit, which includes banking, wealth management and insurance, rose 4.4 per cent to \$1.51-billion. U.S. retail operations had profit of \$751-million. In U.S. currency, the unit's earnings climbed 3 per cent to \$552-million (U.S.). Toronto-Dominion had assets of \$1.17-trillion (Canadian), making it the second-largest lender after Royal Bank of Canada.

CIBC Beats

Earlier Thursday, Canadian Imperial Bank of Commerce raised its quarterly dividend 2.6 per cent to \$1.18, its sixth straight increase, after reporting higher profit driven by retail and business banking.

Net income rose 6.4 per cent to \$982-million, or \$2.43 a share, from \$923-million, or \$2.28, a year earlier, CIBC said in a statement. Excluding some items, profit was \$2.55 a share, beating the \$2.37 average estimate of 16 analysts surveyed by Bloomberg.

Retail and business banking rose 6.2 per cent to \$684-million from a year earlier, while wealth management slid 7 per cent to \$119-million, the Toronto-based lender said. Earnings from CIBC's capital markets unit fell 10 per cent to \$244-million.

Revenue climbed 3.7 per cent to \$3.59-billion, CIBC said. The bank set aside \$262-million for bad loans, up 40 per cent from a year ago. Oil-and-gas impaired loans rose to \$128-million from \$125-million in the fourth quarter.