

# REGULATORY CAPITAL

In thousands of Canadian dollars, except percentage amounts (Unaudited)		AS AT OCTOBER 31, 2020	AS AT JULY 31, 2020	AS AT APRIL 30, 2020	AS AT JANUARY 31, 2020
Row <sup>(1)</sup>					
<b>Common Equity Tier 1 capital: instruments and reserves</b>					
1	Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus	\$ 1,162,015	\$ 1,157,349	\$ 1,153,092	\$ 1,146,956
2	Retained earnings	1,152,973	1,125,012	1,100,627	1,156,681
3	Accumulated other comprehensive income (and other reserves)	8,622	9,655	21,735	2,471
6	Common Equity Tier 1 capital before regulatory adjustments	2,323,610	2,292,016	2,275,454	2,306,108
26	Other deductions or regulatory adjustments to CET1 as determined by OSFI	22,976	17,301	16,405	—
28	Total regulatory adjustments to Common Equity Tier 1 <sup>(2)</sup>	(453,507)	(444,506)	(457,139)	(449,928)
29	<b>Common Equity Tier 1 capital (CET1)</b>	<b>1,893,079</b>	<b>1,864,811</b>	<b>1,834,720</b>	<b>1,856,180</b>
29a	<b>Common Equity Tier 1 capital ( CET1)<sup>(3)</sup> excluding transitional arrangements for ECL provisioning</b>	<b>1,870,103</b>	<b>1,847,510</b>	<b>1,818,315</b>	<b>n/a</b>
<b>Additional Tier 1 capital: instruments</b>					
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	244,038	244,038	244,038	244,038
31	of which: classified as equity under applicable accounting standards	244,038	244,038	244,038	244,038
33	Directly issued capital instruments subject to phase out from Additional Tier 1	—	—	—	—
36	<b>Additional Tier 1 capital before regulatory adjustments</b>	<b>244,038</b>	<b>244,038</b>	<b>244,038</b>	<b>244,038</b>
43	Total regulatory adjustments to Additional Tier 1 capital	—	—	—	—
44	<b>Additional Tier 1 capital (AT1)</b>	<b>244,038</b>	<b>244,038</b>	<b>244,038</b>	<b>244,038</b>
45	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	<b>2,137,117</b>	<b>2,108,849</b>	<b>2,078,758</b>	<b>2,100,218</b>
45a	<b>Tier 1 capital (T1 = CET1 + AT1)<sup>(3)</sup> excluding transitional arrangements for ECL provisioning</b>	<b>2,114,141</b>	<b>2,091,548</b>	<b>2,062,353</b>	<b>n/a</b>
<b>Tier 2 capital: instruments and allowances</b>					
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	349,442	349,356	349,270	349,187
47	Directly issued capital instruments subject to phase out from Tier 2	—	—	—	—
50	Collective allowances	85,978	80,652	79,808	64,345
51	<b>Tier 2 capital before regulatory adjustments</b>	<b>435,420</b>	<b>430,008</b>	<b>429,078</b>	<b>413,532</b>
57	Total regulatory adjustments to Tier 2 capital	(1,325)	(1,450)	(1,129)	(67)
58	<b>Tier 2 capital (T2)</b>	<b>434,095</b>	<b>428,558</b>	<b>427,949</b>	<b>413,465</b>
59	<b>Total capital (TC = T1 + T2)</b>	<b>\$ 2,571,212</b>	<b>\$ 2,537,407</b>	<b>\$ 2,506,707</b>	<b>\$ 2,513,683</b>
59a	<b>Total capital (TC = T1 + T2)<sup>(3)</sup> excluding transitional arrangements for ECL provisioning</b>	<b>\$ 2,571,212</b>	<b>\$ 2,537,407</b>	<b>\$ 2,506,707</b>	<b>n/a</b>
60	<b>Total risk-weighted assets</b>	<b>\$ 19,669,263</b>	<b>\$ 19,927,246</b>	<b>\$ 20,869,680</b>	<b>\$ 20,618,646</b>
<b>Capital ratios</b>					
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)	9.6 %	9.4 %	8.8 %	9.0 %
61a	Common Equity Tier 1 (as a percentage of risk-weighted assets) <sup>(3)</sup> excluding transitional arrangements for ECL provisioning	9.5 %	9.3 %	8.7 %	n/a
62	Tier 1 (as a percentage of risk-weighted assets)	10.9 %	10.6 %	10.0 %	10.2 %
62a	Tier 1 (as a percentage of risk-weighted assets) <sup>(3)</sup> excluding transitional arrangements for ECL provisioning	10.7 %	10.5 %	9.9 %	n/a
63	Total capital (as a percentage of risk-weighted assets)	13.1 %	12.7 %	12.0 %	12.2 %
63a	Total capital (as a percentage of risk-weighted assets) <sup>(3)</sup> excluding transitional arrangements for ECL provisioning	13.1 %	12.7 %	12.0 %	n/a
<b>OSFI target<sup>(4)</sup></b>					
69	Common Equity Tier 1 target ratio	7.0 %	7.0 %	7.0 %	7.0 %
70	Tier 1 capital target ratio	8.5 %	8.5 %	8.5 %	8.5 %
71	Total capital target ratio	10.5 %	10.5 %	10.5 %	10.5 %
<b>Capital instruments subject to phase-out arrangements (only applicable between January 1<sup>st</sup>, 2013 and January 1<sup>st</sup>, 2022)</b>					
82	Current cap on AT1 instruments subject to phase out arrangements	\$ 60,644	\$ 60,644	\$ 60,644	\$ 60,644
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	\$ —	\$ —	\$ —	\$ —
84	Current cap on T2 instruments subject to phase out arrangements	\$ 88,762	\$ 88,762	\$ 88,762	\$ 88,762
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	\$ —	\$ —	\$ —	\$ —

(1) Row numbering, as per OSFI advisory revised May 2018, is provided for consistency and comparability in the disclosure of elements of capital among banks and across jurisdictions. Certain rows have been removed because there are no values in such rows.

(2) Mainly comprised of deductions for software and other intangible assets, goodwill and pension plan assets.

(3) Calculation of regulatory capital without the application of transitional arrangement given by OSFI for the provisioning of expected credit losses, in response to the COVID-19 pandemic.

(4) The countercyclical buffer as at October 31, July 31, April 30 and January 31, 2020 was nil, as all private sector credit exposures were either in Canada or the United States.

## REGULATORY CAPITAL (CONT'D)

In thousands of Canadian dollars, except percentage amounts (Unaudited)

Row <sup>(1)</sup>	AS AT OCTOBER 31, 2019	AS AT JULY 31, 2019	AS AT APRIL 30, 2019	AS AT JANUARY 31, 2019	
<b>Common Equity Tier 1 capital: instruments and reserves</b>					
1	Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus	\$ 1,141,008	\$ 1,133,525	\$ 1,126,984	\$ 1,121,135
2	Retained earnings	1,161,668	1,158,824	1,152,058	1,132,718
3	Accumulated other comprehensive income (and other reserves)	(102)	571	5,256	756
6	<b>Common Equity Tier 1 capital before regulatory adjustments</b>	2,302,574	2,292,920	2,284,298	2,254,609
28	Total regulatory adjustments to Common Equity Tier 1 <sup>(2)</sup>	(461,192)	(449,590)	(449,453)	(436,079)
29	<b>Common Equity Tier 1 capital (CET1)</b>	1,841,382	1,843,330	1,834,845	1,818,530
<b>Additional Tier 1 capital: instruments</b>					
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	244,038	244,038	244,038	244,038
31	of which: classified as equity under applicable accounting standards	244,038	244,038	244,038	244,038
33	Directly issued capital instruments subject to phase out from Additional Tier 1	—	—	—	—
36	<b>Additional Tier 1 capital before regulatory adjustments</b>	244,038	244,038	244,038	244,038
43	Total regulatory adjustments to Additional Tier 1 capital	—	—	—	—
44	<b>Additional Tier 1 capital (AT1)</b>	244,038	244,038	244,038	244,038
45	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	2,085,420	2,087,368	2,078,883	2,062,568
<b>Tier 2 capital: instruments and allowances</b>					
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	349,101	349,016	348,930	348,848
47	Directly issued capital instruments subject to phase out from Tier 2	—	—	—	—
50	Collective allowances	66,052	61,501	64,569	77,178
51	<b>Tier 2 capital before regulatory adjustments</b>	415,153	410,517	413,499	426,026
57	Total regulatory adjustments to Tier 2 capital	(3,465)	(364)	—	(107)
58	<b>Tier 2 capital (T2)</b>	411,688	410,153	413,499	425,919
59	<b>Total capital (TC = T1 + T2)</b>	\$ 2,497,108	\$ 2,497,521	\$ 2,492,382	\$ 2,488,487
60a	<b>Common Equity Tier 1 capital risk-weighted assets</b>	\$ 20,406,556	\$ 20,444,560	\$ 20,475,987	\$ 20,461,367
60b	<b>Tier 1 capital risk-weighted assets</b>	\$ 20,406,556	\$ 20,444,560	\$ 20,475,987	\$ 20,456,862
60c	<b>Total capital risk-weighted assets</b>	\$ 20,406,556	\$ 20,444,560	\$ 20,475,987	\$ 20,456,862
<b>Capital ratios</b>					
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)	9.0%	9.0%	9.0%	8.9%
62	Tier 1 (as a percentage of risk-weighted assets)	10.2%	10.2%	10.2%	10.1%
63	Total capital (as a percentage of risk-weighted assets)	12.2%	12.2%	12.2%	12.2%
<b>OSFI all-in target<sup>(3)</sup></b>					
69	Common Equity Tier 1 all-in target ratio	7.0%	7.0%	7.0%	7.0%
70	Tier 1 capital all-in target ratio	8.5%	8.5%	8.5%	8.5%
71	Total capital all-in target ratio	10.5%	10.5%	10.5%	10.5%
<b>Capital instruments subject to phase-out arrangements (only applicable between January 1<sup>st</sup>, 2013 and January 1<sup>st</sup>, 2022)</b>					
82	Current cap on AT1 instruments subject to phase out arrangements	\$ 90,965	\$ 90,965	\$ 90,965	\$ 90,965
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	\$ —	\$ —	\$ —	\$ —
84	Current cap on T2 instruments subject to phase out arrangements	\$ 133,143	\$ 133,143	\$ 133,143	\$ 133,143
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	\$ —	\$ —	\$ —	\$ —

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(2) Mainly comprised of deductions for software and other intangible assets, goodwill and pension plan assets.

(3) The countercyclical buffer as at October 31, July 31, April 30 and January 31, 2019 was nil, as all private sector credit exposures were either in Canada or the United States.