

REGULATORY CAPITAL

		AS AT OCTOBER 31, 2018	AS AT JULY 31, 2018	AS AT APRIL 30, 2018	AS AT JANUARY 31, 2018
		ALL-IN ⁽²⁾	ALL-IN ⁽²⁾	ALL-IN ⁽²⁾	ALL-IN ⁽²⁾
In thousands of Canadian dollars, except percentage amounts (Unaudited)					
Row ⁽¹⁾					
Common Equity Tier 1 capital: instruments and reserves					
1	Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus	\$ 1,115,684	\$ 1,112,204	\$ 1,105,294	\$ 1,099,533
2	Retained earnings	1,152,470	1,131,742	1,099,299	1,069,398
3	Accumulated other comprehensive income (and other reserves)	(3,746)	3,132	1,241	(1,397)
6	Common Equity Tier 1 capital before regulatory adjustments	2,264,408	2,247,078	2,205,834	2,167,534
28	Total regulatory adjustments to Common Equity Tier 1 ⁽³⁾	(452,401)	(434,896)	(418,041)	(397,074)
29	Common Equity Tier 1 capital (CET1)	1,812,007	1,812,182	1,787,793	1,770,460
Additional Tier 1 capital: instruments					
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	Additional Tier 1 capital before regulatory adjustments	244,038	244,038	244,038	244,038
43	Total regulatory adjustments to Additional Tier 1 capital	—	—	—	—
44	Additional Tier 1 capital (AT1)	244,038	244,038	244,038	244,038
45	Tier 1 capital (T1 = CET1 + AT1)	2,056,045	2,056,220	2,031,831	2,014,498
Tier 2 capital: instruments and allowances					
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	348,762	348,677	348,591	348,509
47	Directly issued capital instruments subject to phase out from Tier 2	—	—	—	—
50	Collective allowances	67,981	74,537	81,387	65,057
51	Tier 2 capital before regulatory adjustments	416,743	423,214	429,978	413,566
57	Total regulatory adjustments to Tier 2 capital	—	—	(1,362)	(7,303)
58	Tier 2 capital (T2)	416,743	423,214	428,616	406,263
59	Total capital (TC = T1 + T2)	\$ 2,472,788	\$ 2,479,434	\$ 2,460,447	\$ 2,420,761
60a	Common Equity Tier 1 capital risk-weighted assets	\$ 20,238,803	\$ 20,570,668	\$ 20,816,431	\$ 20,677,239
60b	Tier 1 capital risk-weighted assets	\$ 20,239,820	\$ 20,571,666	\$ 20,817,438	\$ 20,678,514
60c	Total capital risk-weighted assets	\$ 20,240,837	\$ 20,572,664	\$ 20,818,444	\$ 20,679,789
Capital ratios					
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)	9.0%	8.8%	8.6%	8.6%
62	Tier 1 (as a percentage of risk-weighted assets)	10.2%	10.0%	9.8%	9.7%
63	Total capital (as a percentage of risk-weighted assets)	12.2%	12.1%	11.8%	11.7%
OSFI target⁽⁴⁾					
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%
Capital instruments subject to phase-out arrangements (only applicable between January 1 st , 2013 and January 1 st , 2022)					
82	Current cap on AT1 instruments subject to phase out arrangements	\$ 121,287	\$ 121,287	\$ 121,287	\$ 121,287
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	\$ 177,524	\$ 177,524	\$ 177,524	\$ 177,524
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	\$ —	\$ —	\$ —	\$ —

(1) Row numbering, as per OSFI advisory revised April 2014, 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) "All-in" regulatory capital ratios include all of the regulatory adjustments that will be required by 2019 but retains the phase-out for non-qualifying capital instruments between 2013 and 2022. The transitional period to phase in the effect of Basel III was completed as of November 1, 2017, consequently the Bank's "All-in" regulatory capital ratios are the same as its "Transitional" regulatory capital ratios.

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

(4) The countercyclical buffer as at October 31, July 31, April 30 and January 31, 2018 was nil, as all private sector credit exposures were either in Canada or the United States.

REGULATORY CAPITAL (CONTINUED)

In thousands of Canadian dollars, except percentage amounts (Unaudited) Row ⁽¹⁾	AS AT OCTOBER 31, 2017		AS AT JULY 31, 2017		AS AT APRIL 30, 2017		AS AT JANUARY 31, 2017		
	ALL-IN ⁽²⁾	TRANSITIONAL ⁽³⁾	ALL-IN ⁽²⁾	TRANSITIONAL ⁽³⁾	ALL-IN ⁽²⁾	TRANSITIONAL ⁽³⁾	ALL-IN ⁽²⁾	TRANSITIONAL ⁽³⁾	
Common Equity Tier 1 capital: instruments and reserves									
1	Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus	\$ 953,536	\$ 953,536	\$ 715,935	\$ 715,935	\$ 709,629	\$ 709,629	\$ 702,262	\$ 702,262
2	Retained earnings	1,035,770	1,035,770	1,011,629	1,011,629	975,462	975,462	956,974	956,974
3	Accumulated other comprehensive income (and other reserves)	6,797	6,797	538	538	3,471	3,471	(616)	(616)
6	Common Equity Tier 1 capital before regulatory adjustments	1,996,103	1,996,103	1,728,102	1,728,102	1,688,562	1,688,562	1,658,620	1,658,620
28	Total regulatory adjustments to Common Equity Tier 1 ⁽⁴⁾	(383,804)	(307,044)	(222,953)	(178,362)	(198,540)	(158,832)	(184,776)	(147,618)
29	Common Equity Tier 1 capital (CET1)	1,612,299	1,689,059	1,505,149	1,549,740	1,490,022	1,529,730	1,473,844	1,511,002
Additional Tier 1 capital: instruments									
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	244,038	244,038	244,038	244,038	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	244,038	244,038	244,038	244,038
33	Directly issued capital instruments subject to phase out from Additional Tier 1	97,562	97,562	97,562	97,562	97,562	97,562	97,562	97,562
36	Additional Tier 1 capital before regulatory adjustments	341,600	341,600	341,600	341,600	341,600	341,600	341,600	341,600
43	Total regulatory adjustments to Additional Tier 1 capital	—	(23,605)	—	(11,925)	—	(11,925)	—	(11,365)
44	Additional Tier 1 capital (AT1)	341,600	317,995	341,600	329,675	341,600	329,675	341,600	330,235
45	Tier 1 capital (T1 = CET1 + AT1)	1,953,899	2,007,054	1,846,749	1,879,415	1,831,622	1,859,405	1,815,444	1,841,237
Tier 2 capital: instruments and allowances									
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	348,427	348,427	348,895	348,895	—	—	—	—
47	Directly issued capital instruments subject to phase out from Tier 2	—	—	199,947	199,947	199,911	199,911	199,864	199,864
50	Collective allowances	62,263	62,263	66,342	66,342	70,060	70,060	72,385	72,385
51	Tier 2 capital before regulatory adjustments	410,690	410,690	615,184	615,184	269,971	269,971	272,249	272,249
57	Total regulatory adjustments to Tier 2 capital	—	—	(2,426)	(1,941)	(1)	(1)	(78)	(62)
58	Tier 2 capital (T2)	410,690	410,690	612,758	613,243	269,970	269,970	272,171	272,187
59	Total capital (TC = T1 + T2)	\$ 2,364,589	\$ 2,417,744	\$ 2,459,507	\$ 2,492,658	\$ 2,101,592	\$ 2,129,375	\$ 2,087,615	\$ 2,113,424
60a	Common Equity Tier 1 capital risk-weighted assets	\$ 20,426,719	\$ 20,489,323	\$ 18,972,055	\$ 19,016,062	\$ 18,457,839	\$ 18,499,929	\$ 17,936,838	\$ 17,975,790
60b	Tier 1 capital risk-weighted assets	\$ 20,428,407	\$ 20,489,323	\$ 18,973,995	\$ 19,016,062	\$ 18,460,394	\$ 18,499,929	\$ 17,939,188	\$ 17,975,790
60c	Total capital risk-weighted assets	\$ 20,429,757	\$ 20,489,323	\$ 18,975,547	\$ 19,016,062	\$ 18,462,438	\$ 18,499,929	\$ 17,941,067	\$ 17,975,790
Capital ratios									
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)	7.9%	8.2%	7.9%	8.1%	8.1%	8.3%	8.2%	8.4%
62	Tier 1 (as a percentage of risk-weighted assets)	9.6%	9.8%	9.7%	9.9%	9.9%	10.1%	10.1%	10.2%
63	Total capital (as a percentage of risk-weighted assets)	11.6%	11.8%	13.0%	13.1%	11.4%	11.5%	11.6%	11.8%
OSFI all-in target⁽⁵⁾									
69	Common Equity Tier 1 all-in target ratio	7.0%	n.a.	7.0%	n.a.	7.0%	n.a.	7.0%	n.a.
70	Tier 1 capital all-in target ratio	8.5%	n.a.	8.5%	n.a.	8.5%	n.a.	8.5%	n.a.
71	Total capital all-in target ratio	10.5%	n.a.	10.5%	n.a.	10.5%	n.a.	10.5%	n.a.
Capital instruments subject to phase-out arrangements (only applicable between January 1st, 2013 and January 1st, 2022)									
82	Current cap on AT1 instruments subject to phase out arrangements	\$ 151,609	\$ 151,609	\$ 151,609	\$ 151,609	\$ 151,609	\$ 151,609	\$ 151,609	\$ 151,609
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	\$ 221,905	\$ 221,905	\$ 221,905	\$ 221,905	\$ 221,905	\$ 221,905	\$ 221,905	\$ 221,905
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —

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(2) "All-in" regulatory capital ratios include all of the regulatory adjustments that will be required by 2019 but retains the phase-out for non-qualifying capital instruments between 2013 and 2022.

(3) "Transitional" regulatory capital ratios include phase-in of certain regulatory adjustments between 2013 and 2019 and phase-out of non-qualifying capital instruments between 2013 and 2022.

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

(5) The countercyclical buffer as at October 31, July 31, April 30 and January 31, 2017 was nil, as all private sector credit exposures were either in Canada or the United States.