



Report to Shareholders

First Quarter 2026

National Bank reports its results for the First Quarter of 2026

The financial information reported in this document is based on the unaudited interim condensed consolidated financial statements for the quarter ended January 31, 2026 and is prepared in accordance with IAS 34 – *Interim Financial Reporting* as issued by the International Accounting Standards Board (IASB). All amounts are presented in Canadian dollars.

MONTREAL, February 25, 2026 – For the first quarter of 2026, National Bank is reporting net income of \$1,254 million, up 26% from \$997 million in the first quarter of 2025, the increase being attributable to good performance in all business segments, as well as the inclusion of the results of Canadian Western Bank (CWB)⁽¹⁾. Diluted earnings per share stood at \$3.08, up 11% from \$2.78 in the first quarter of 2025. Excluding specified items⁽²⁾ recorded in the first quarters of 2026 and 2025 mainly related to the acquisition of CWB, adjusted net income⁽²⁾ stood at \$1,320 million, up 26% from \$1,050 million in the corresponding quarter of 2025. Adjusted diluted earnings per share⁽²⁾ stood at \$3.25, up 11% from \$2.93 in the first quarter of 2025.

“The first quarter marks a strong start to the year for the Bank, driven by our diversified and complementary franchises, as well as our prudent approach to capital and credit,” said Laurent Ferreira, President and Chief Executive Officer of National Bank of Canada. “We are executing on our financial objectives with discipline, driving organic growth and operational efficiency as we reinforce our pan-Canadian reach, and creating long-term value for our shareholders,” concluded Mr. Ferreira.

Highlights

(millions of Canadian dollars)		Quarter ended January 31	
	2026 ⁽¹⁾	2025	% Change
Net income	1,254	997	26
Diluted earnings per share (<i>dollars</i>)	\$ 3.08	\$ 2.78	11
Income before provisions for credit losses and income taxes	1,882	1,537	22
Return on common shareholders' equity ⁽³⁾	15.7 %	16.7 %	
Dividend payout ratio ⁽³⁾	45.1 %	40.1 %	
Operating results – Adjusted⁽²⁾			
Net income – Adjusted	1,320	1,050	26
Diluted earnings per share – Adjusted (<i>dollars</i>)	\$ 3.25	\$ 2.93	11
Income before provisions for credit losses and income taxes – Adjusted	1,973	1,610	23
Return on common shareholders' equity – Adjusted ⁽⁴⁾	16.6 %	17.6 %	
	As at January 31, 2026	As at October 31, 2025	
CET1 capital ratio under Basel III ⁽⁵⁾	13.7 %	13.8 %	
Leverage ratio under Basel III ⁽⁵⁾	4.3 %	4.5 %	

(1) On February 3, 2025, the Bank completed the acquisition of CWB. CWB's results were consolidated from the closing date, which impacted the results, balances and ratios for the quarter ended January 31, 2026. For additional information on the impact of the CWB acquisition, see the Acquisition section.

(2) See the Financial Reporting Method section on pages 6 to 12 for additional information on non-GAAP financial measures.

(3) See the Glossary section on pages 49 to 52 for details on the composition of these measures.

(4) See the Financial Reporting Method section on pages 6 to 12 for additional information on non-GAAP ratios.

(5) See the Financial Reporting Method section on pages 6 to 12 for additional information on capital management measures.

Report to Shareholders

First quarter of 2026 versus first quarter of 2025

Personal and Commercial⁽¹⁾

- Net income totalled \$427 million versus \$290 million in 2025, a 47% increase. Adjusted net income⁽²⁾ totalled \$442 million, up 52%.
- At \$1,528 million, first-quarter total revenues rose \$324 million or 27% due to the inclusion of CWB, which represents \$237 million or 20%. The remaining increase came from growth in loan and deposit volumes, partly offset by a lower net interest margin.
- Compared to a year ago, personal lending grew 17% and commercial lending grew 54%, due to the inclusion of CWB loans and strong organic growth.
- Net interest margin⁽³⁾ stood at 2.27%, down from 2.28%.
- Non-interest expenses stood at \$800 million, up 25%, of which the inclusion of CWB drove a 20% increase.
- Provisions for credit losses were down \$23 million, mainly due to the provisions for credit losses on non-impaired loans.
- At 52.4%, the efficiency ratio⁽³⁾ improved compared to 53.2%.

Wealth Management⁽¹⁾

- Net income totalled \$272 million, a 12% increase from \$242 million in 2025.
- Total revenues amounted to \$899 million compared to \$776 million last year, a \$123 million or 16% increase driven mainly by growth in fee-based revenues.
- Non-interest expenses stood at \$531 million versus \$441 million in 2025, a 20% increase associated with revenue growth and the inclusion of CWB.
- At 59.1%, the efficiency ratio⁽³⁾ deteriorated compared to 56.8%.

Capital Markets⁽¹⁾

- Net income totalled \$443 million, up 6% from \$417 million in 2025.
- Total revenues amounted to \$990 million, a 9% increase that was mainly due to growth in corporate and investment banking revenues.
- Non-interest expenses stood at \$412 million compared to \$367 million, an increase that was due to compensation and employee benefits as well as expenses related to the segment's business growth.
- Provisions for credit losses were \$26 million compared to \$36 million.
- At 41.6%, the efficiency ratio⁽³⁾ compares to 40.5%.

U.S. Specialty Finance and International (USSF&I)

- Net income totalled \$185 million, up 1% from \$183 million last year.
- Total revenues amounted to \$434 million, a 7% increase attributable to revenue growth at the Credigy and ABA Bank subsidiaries.
- Non-interest expenses stood at \$120 million, a 2% decrease attributable to the Credigy subsidiary.
- Provisions for credit losses were up \$29 million, an increase attributable to the Credigy and ABA Bank subsidiaries.
- At 27.6%, the efficiency ratio⁽³⁾ improved from 30.4%.

Other⁽¹⁾

- The *Other* heading reported a net loss of \$73 million compared to a net loss of \$135 million in 2025, owing mainly to a higher contribution from Treasury activities, partly offset by the increase in non-interest expenses.

Capital Management

- As at January 31, 2026, the Common Equity Tier 1 (CET1) capital ratio under Basel III⁽⁴⁾ stood at 13.7%, down from 13.8% as at October 31, 2025.
- The Bank announced an amendment to its normal course issuer bid to increase the maximum number of the Bank's issued and outstanding common shares that may be repurchased for cancellation of up to 14,500,000 common shares. This amendment to the normal course issuer bid is subject to the approval of the Office of the Superintendent of Financial Institutions (Canada) and the Toronto Stock Exchange.

(1) On February 3, 2025, the Bank completed the acquisition of CWB. CWB's results were consolidated from the closing date, which impacted the results, balances and ratios for the quarter ended January 31, 2026. For additional information on the impact of the CWB acquisition, see the Acquisition section.

(2) See the Financial Reporting Method section on pages 6 to 12 for additional information on non-GAAP financial measures.

(3) See the Glossary section on pages 49 to 52 for details on the composition of these measures.

(4) See the Financial Reporting Method section on pages 6 to 12 for additional information on capital management measures.

Management's Discussion and Analysis

February 24, 2026

The following Management's Discussion and Analysis (MD&A) presents the financial condition and operating results of National Bank of Canada (the Bank). This analysis was prepared in accordance with the requirements set out in *National Instrument 51-102, Continuous Disclosure Obligations*, released by the Canadian Securities Administrators (CSA). This MD&A should be read in conjunction with the unaudited interim condensed consolidated financial statements (the Consolidated Financial Statements) and accompanying notes for the quarter ended January 31, 2026 and with the audited annual consolidated financial statements for the year ended October 31, 2025 prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), unless otherwise indicated. IFRS represent Canadian generally accepted accounting principles (GAAP). All amounts are presented in Canadian dollars. Additional information about the Bank, including the *Annual Information Form*, can be obtained from the Bank's website at nbc.ca and SEDAR+'s website at sedarplus.ca. The information found in the various documents and reports published by the Bank or the information available on the Bank's website and mentioned herein is not and should not be considered incorporated by reference into the Report to Shareholders, the Management's Discussion and Analysis, or the consolidated financial statements, unless expressly stated otherwise.

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Caution Regarding Forward-Looking Statements

Certain statements in this document are forward-looking statements. These statements are made in accordance with applicable securities legislation in Canada and the United States. The forward-looking statements in this document may include, but are not limited to, statements in the messages from management, as well as other statements about the economy, the Bank's objectives, outlook, and priorities for fiscal 2026 and beyond, the strategies or actions that the Bank will take to achieve them, expectations for the Bank's financial condition and operations, the regulatory environment in which it operates, the potential impacts of increased geopolitical uncertainty on the Bank and its clients, its environmental, social, and governance targets and commitments, the impacts and benefits of the acquisition of Canadian Western Bank (CWB), and of the proposed acquisition of certain portfolios of the Laurentian Bank of Canada (LBC), and certain risks to which the Bank is exposed. The Bank may also make forward-looking statements in other documents and regulatory filings, as well as orally. These forward-looking statements are typically identified by verbs or words such as "outlook", "believe", "foresee", "forecast", "anticipate", "estimate", "project", "expect", "intend" and "plan", the use of future or conditional forms, notably verbs such as "will", "may", "should", "could" or "would", as well as similar terms and expressions.

These forward-looking statements are intended to assist the security holders of the Bank in understanding the Bank's financial position and results of operations as at the dates indicated and for the periods then ended, as well as the Bank's vision, strategic objectives, and performance targets, and may not be appropriate for other purposes. These forward-looking statements are based on current expectations, estimates, assumptions and intentions that the Bank deems reasonable as at the date thereof and are subject to uncertainty and risks, many of which are beyond the Bank's control. There is a strong possibility that the Bank's express or implied predictions, forecasts, projections, expectations, or conclusions will not prove to be accurate, that its assumptions will not be confirmed, and that its vision, strategic objectives, and performance targets will not be achieved. The Bank cautions investors that these forward-looking statements are not guarantees of future performance and that actual events or results may differ materially from the expectations, estimates, or intentions expressed in these forward-looking statements due to a number of factors. Therefore, the Bank recommends that readers not place undue reliance on these forward-looking statements. Investors and others who rely on the Bank's forward-looking statements should carefully consider the factors listed below as well as other uncertainties and potential events and the risks they entail. Except as required by law, the Bank does not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time, by it or on its behalf.

Assumptions about the performance of the Canadian and U.S. economies in 2026, in particular in the context of increased geopolitical uncertainty, and how that performance will affect the Bank's business are among the factors considered in setting the Bank's objectives, outlooks and priorities. These assumptions appear in the Economic Review and Outlook section and, for each business segment, in the Economic and Market Review sections of the *2025 Annual Report* and the Economic Review and Outlook section of this document, and may be updated in the quarterly reports to shareholders filed thereafter.

The forward-looking statements made in this document are based on a number of assumptions and their future outcome is subject to a variety of factors, many of which are beyond the Bank's control and the impacts of which are difficult to predict. These risk factors include, among others, the general economic environment and business and financial market conditions in Canada, the United States, and the other countries where the Bank operates, including recession risk; geopolitical and sociopolitical uncertainty; the measures affecting trade relations between Canada and its partners, including the imposition of tariffs and any measures taken in response to such tariffs, as well as the possible impacts on our clients, our operations and, more generally, the economy; exchange rate and interest rate fluctuations; inflation; global supply chain disruptions; higher funding costs and greater market volatility; changes to fiscal, monetary, and other public policies; regulatory oversight and changes to regulations that affect the Bank's business; the Bank's ability to successfully integrate CWB and the undisclosed costs or liabilities associated with the acquisition; the possibility that the acquisition of certain LBC portfolios may not happen, or not at the expected time, and that the expected benefits of the transaction may not be realized, or not within the expected timeframe; climate change, including physical risks and risks related to the transition to a low-carbon economy; stakeholders engagement and the Bank's ability to meet their expectations on environmental and social issues; the availability of comprehensive and high-quality information from customers and other third parties, including on greenhouse gas emissions; the ability of the Bank to identify climate-related opportunities as well as to assess and manage climate-related risks; significant changes in consumer behaviour; the housing situation, the real estate market, and household indebtedness in Canada; the Bank's ability to achieve its key short-term priorities and long-term strategies; the timely development and launch of new products and services; the ability of the Bank to recruit and retain key personnel; technological innovation, including open banking and the use of artificial intelligence; heightened competition from established companies and from competitors offering non-traditional services; model risk; changes in the performance and creditworthiness of the Bank's clients and counterparties; the Bank's exposure to significant regulatory issues or litigation; changes made to the accounting policies used by the Bank to report its financial position, including the uncertainty related to assumptions and significant accounting estimates; changes to tax legislation in the countries where the Bank operates; changes to capital and liquidity guidelines as well as to the instructions related to the presentation and interpretation thereof; changes to the credit ratings assigned to the Bank by financial and extra-financial rating agencies; potential disruptions to key suppliers of goods and services to the Bank; third-party risk, including failure by third parties to fulfil their obligations to the Bank; the potential impacts of disruptions to the Bank's information technology systems due to cyberattacks and theft or disclosure of data, including personal information and identity theft; the risk of fraudulent activity; the possible impacts of major events on the economy, market conditions, or the Bank's outlook, including international conflicts, natural disasters, public health crises, and the measures taken in response to these events; and the ability of the Bank to anticipate and successfully manage risks arising from all of the foregoing factors.

The foregoing list of risk factors is not exhaustive, and the forward-looking statements made in this document are also subject to risks detailed in the Risk Management section of the *2025 Annual Report* as well as in the Risk Management section of the Report to Shareholders for the first quarter of 2026 and may be updated in the quarterly reports to shareholders filed thereafter.

Acquisition

Canadian Western Bank (CWB) Acquisition

On February 3, 2025, the Bank completed the acquisition of CWB, a diversified financial services institution based in Edmonton, Alberta, in which the Bank had already been holding a 5.9% equity interest. This transaction will enable the Bank to accelerate its growth across Canada. The business combination brings together two complementary Canadian banks with growing businesses, thereby enhancing customer service by offering a full range of products and services nationwide, with a regionally focused service model.

The following table presents the impacts of the CWB acquisition on the results of Personal and Commercial, the main segment impacted and the Bank's consolidated results.

(millions of Canadian dollars)

Quarter ended January 31, 2026

	Results Personal and Commercial			Consolidated results		
	Excluding CWB	CWB impact ⁽¹⁾	Total	Excluding CWB	CWB impact ⁽¹⁾	Total
Operating results						
Net interest income	1,019	221	1,240	1,142	252	1,394
Non-interest income	272	16	288	2,451	48	2,499
Total revenues	1,291	237	1,528	3,593	300	3,893
Non-interest expenses	675	125	800	1,844	167	2,011
Income before provisions for credit losses and income taxes	616	112	728	1,749	133	1,882
Provisions for credit losses	114	25	139	219	25	244
Income before income taxes (recovery)	502	87	589	1,530	108	1,638
Income taxes (recovery)	138	24	162	355	29	384
Net income	364	63	427	1,175	79	1,254
Operating results – Adjusted⁽²⁾						
Net interest income – Adjusted	1,019	221	1,240	1,142	252	1,394
Non-interest income – Adjusted	272	16	288	2,451	48	2,499
Total revenues – Adjusted	1,291	237	1,528	3,593	300	3,893
Non-interest expenses – Adjusted	675	104	779	1,785	135	1,920
Income before provisions for credit losses and income taxes – Adjusted	616	133	749	1,808	165	1,973
Provisions for credit losses – Adjusted	114	25	139	219	25	244
Income before income taxes (recovery) – Adjusted	502	108	610	1,589	140	1,729
Income taxes (recovery) – Adjusted	138	30	168	371	38	409
Net income – Adjusted	364	78	442	1,218	102	1,320

(1) Refers to the impact of the CWB transaction on the results.

(2) See the Financial Reporting Method section on pages 6 to 12 for additional information on non-GAAP financial measures.

Economic Review and Outlook⁽¹⁾

Global Economy

Although the year has only just begun, many globally significant events have already taken place. These include heightened tensions between Iran and the United States, Washington's military operation to remove Venezuelan President Nicolás Maduro from power, and deteriorating relations between North Atlantic Treaty Organisation (NATO) allies, triggered by the Trump administration's threats to take control of Greenland. Uncertainty therefore remains high. Fortunately, this does not seem to be having too much effect on the global economy, which continues to grow at a steady pace. Things could even improve in the future, as the governments of several advanced economies appear willing to loosen their purse strings. Examples include Japan, where the re-elected Prime Minister's program includes tax cuts, and Germany, where spending on infrastructure and defence is steadily rising. Conversely, China could experience a slowdown this year. Although the world's second-largest economy achieved its 5.0% growth target for 2025 as a whole, vulnerabilities remain, starting with the property market, which has now been weak for four years. The adverse effects of falling housing prices have been exacerbated by a further decline in the population: 2025 marked the fifth consecutive year that China's population has been in decline, and a sixth year of decline now appears inevitable. However, under our baseline scenario, the slowdown in the Chinese economy is predicted to be more than offset by a sustained expansion in other regions of the world. This is why, after growth of 3.3% in 2025, we expect a 3.5%⁽²⁾ increase in global gross domestic product (GDP) in 2026.

In the US, it would be easy to forget that the longest federal government shutdown in history occurred during the fourth quarter in 2025. The fact that 650,000 federal employees were forced to take unpaid leave appears to have had only a minimal impact on this new quarter in 2026 of solid economic growth. This expansion certainly reflected a considerable improvement in the trade balance, which could be reversed in the coming quarters, but it was also due to strong business investment spending and household consumption. Demographics could limit economic growth in the future, but we believe that its effects will be largely offset by the many factors likely to support growth, starting with favourable financial conditions. The rush toward artificial intelligence is another factor worth considering: large technology companies have announced intentions to increase their investment in this sector to close to US\$650 billion in 2026, an increase of US\$250 billion (0.8% of GDP) on the already colossal figure for 2025. Add to that the One Big Beautiful Bill (OBBB), whose effects on the economy will soon be felt. Budget support could be increased, especially since the start of an election year has traditionally encouraged incumbent leaders to increase spending, a dynamic from which the Trump administration is unlikely to deviate. What is more, the administration already seems to be entertaining other ideas, including capping credit card interest rates. All of these initiatives, whether implemented or potential, are certainly likely to stimulate growth—we forecast growth rates of 2.7%⁽²⁾ and 2.2%⁽²⁾, in 2026 and 2027, respectively—but they could also reignite concerns about where the US budget is headed. They also risk keeping inflation above the central bank's target for a fifth consecutive year.

Canadian Economy

Despite the ongoing uncertainty around trade relations with the United States, the Canadian economy performed better than expected in the second half of 2025. With this economic upturn, labour market conditions have improved in recent months, with the unemployment rate falling from 7.1% in September 2025 to 6.5% in January 2026. It would appear that Canada has so far been spared by the United States in terms of customs duties, with the actual overall tariff rate at less than 4% according to the most recent data due to the protections afforded by the Canada–United States–Mexico Agreement (CUSMA). This compares with an average for America's trading partners that is substantially higher, at 10%. Undoubtedly the central bank's interest rate cuts and the federal government's tax cuts (carbon tax, income tax) have also contributed to this economic resilience. It is too early to say that the risks have completely disappeared. The extent of the labour market's recovery remains to be confirmed, as the improvement suggested by employment data contrasts with other indicators that point to ongoing fragility, such as weak hiring intentions. Rather than easing, trade tensions with the United States escalated at the start of this crucial year for the renewal of the CUSMA. This could increase concerns among many companies about the access to the US market. Furthermore, in this unstable environment, interest rates in Canada do not appear particularly stimulating, as evidenced by the weakness of the real estate sector, moderate credit growth and the shock expected in 2026 for mortgage borrowers due to higher interest payments. The good news is that core inflation has declined in recent months, which means that the central bank has room to provide additional support should economic conditions deteriorate unexpectedly. We anticipate GDP growth will be limited to 1.1%⁽²⁾ in 2026, held back by demographics (with GDP potentially at around 0.6%⁽²⁾), compared with 1.7% in 2025. However, this performance assumes an easing of trade tensions, which would allow for a rebound in investment, stimulated by Ottawa's new policies, such as deregulation, accelerated depreciation and the opening up of the natural resource sector.

Quebec Economy

Data on Quebec's economy are sending somewhat mixed signals about the impact of trade tensions with the US. Given the importance of Quebec's manufacturing sector and the fact that the province is subject to the highest tariff rate in the federation (9.4% versus 5.6% for Canada), one might expect the Quebec economy to be experiencing difficulties. This is indeed what the GDP data seem to indicate, since in October 2025, the province's output was 1.1% below its January 2025 level, before tariffs intensified. This represents underperformance compared to the Canadian economy, which was rather stagnant over the same period. However, the picture is quite different in the labour market. After rising somewhat in previous months, the unemployment rate fell back to 5.2% in January 2026, a level that is relatively close to what was recorded at the start of the trade war and the lowest in the country. In this context, we believe that the data on Quebec's economic output could recover in the coming months, especially since the province remains well-positioned to face the current challenges. First, it is less vulnerable to sectoral shocks. In fact, Quebec is the fourth most diversified economy in North America, after Manitoba, Pennsylvania and Texas. In addition, consumers have been less affected by the fight against inflation since 2022 and the resulting restrictive monetary policy, as they are less indebted than other Canadians, while the province's housing prices are more affordable. Moreover, despite the current uncertainty, we note a more resilient Quebec real estate market, when compared with Ontario and British Columbia. Quebec households have a higher savings rate than elsewhere in the country, which could enable them to better withstand potential headwinds. Our growth forecast for the province is 1.1%⁽²⁾ in 2026, after 0.7% in 2025. The province is expected to continue to have one of the lowest unemployment rates in the federation, averaging 5.1%⁽²⁾ in 2026, compared to 5.6% in 2025 (6.6%⁽²⁾ and 6.8%, respectively, for Canada).

(1) The quarters used in the Economic Review and Outlook section are calendar quarters.

(2) Growth forecasts for real GDP or unemployment rate, National Bank Financial's Economics and Strategy group.

Financial Reporting Method

The Bank's Consolidated Financial Statements are prepared in accordance with IFRS, as issued by the IASB and represent Canadian GAAP.

On February 3, 2025, the Bank completed the acquisition of CWB. CWB's results were consolidated from the closing date, which impacted the results, balances and ratios for the quarter ended January 31, 2026 in the Personal and Commercial, Wealth Management, and Capital Markets segments and in the *Other* heading of segment disclosures. For additional information on the impact of the CWB acquisition on the Bank's results, see the Acquisition section.

Non-GAAP and Other Financial Measures

The Bank uses a number of financial measures when assessing its results and measuring overall performance. Some of these financial measures are not calculated in accordance with GAAP. *Regulation 52-112 Respecting Non-GAAP and Other Financial Measures Disclosure* (Regulation 52-112) prescribes disclosure requirements that apply to the following measures used by the Bank:

- non-GAAP financial measures;
- non-GAAP ratios;
- supplementary financial measures;
- capital management measures.

Non-GAAP Financial Measures

The Bank uses non-GAAP financial measures that do not have standardized meanings under GAAP and that therefore may not be comparable to similar measures used by other companies. Presenting non-GAAP financial measures helps readers to better understand how management analyzes results, shows the impacts of specified items on the results of the reported periods, and allows readers to better assess results without the specified items if they consider such items not to be reflective of the underlying performance of the Bank's operations.

The key non-GAAP financial measures used by the Bank to analyze its results are described below, and a quantitative reconciliation of these measures is presented in the tables in the Reconciliation of Non-GAAP Financial Measures section on pages 11 and 12 and in the Consolidated Results table on page 14. It should be noted that, for the quarter ended January 31, 2026, as part of the CWB acquisition and the LBC transactions, related items have been excluded from results since, in the opinion of management, they do not reflect the underlying performance of the Bank's operations, in particular, integration and transaction-related charges, as well as amortization of intangible assets related to the CWB acquisition. For the quarter ended January 31, 2025, several CWB acquisition-related items have been excluded from results (in particular, the amortization of the subscription receipt issuance costs, the gain resulting from the remeasurement at fair value of the CWB common shares already held by the Bank, the loss resulting from the impact of managing fair value changes and integration and transaction-related charges).

Adjusted Net Interest Income

This item represents net interest income excluding specified items. Specified items are excluded so that net interest income can be better evaluated by excluding items that management believes do not reflect the underlying financial performance of the Bank's operations.

Adjusted Non-Interest Income

This item represents non-interest income excluding specified items. Specified items are excluded so that non-interest income can be better evaluated by excluding items that management believes do not reflect the underlying financial performance of the Bank's operations.

Adjusted Total Revenues

This item represents total revenues excluding specified items. It consists of adjusted net interest income and adjusted non-interest income. Specified items are excluded so that total revenues can be better evaluated by excluding items that management believes do not reflect the underlying financial performance of the Bank's operations.

Adjusted Non-Interest Expenses

This item represents non-interest expenses excluding specified items. Specified items are excluded so that non-interest expenses can be better evaluated by excluding items that management believes do not reflect the underlying financial performance of the Bank's operations.

Adjusted Income Before Provisions for Credit Losses and Income Taxes

This item represents income before provisions for credit losses and income taxes excluding specified items. It also represents the difference between adjusted total revenues and adjusted non-interest expenses. Specified items are excluded so that income before provisions for credit losses and income taxes can be better evaluated by excluding items that management believes do not reflect the underlying financial performance of the Bank's operations.

Adjusted Provisions for Credit Losses

This item represents provisions for credit losses excluding specified items. Specified items are excluded so that provisions for credit losses can be better evaluated by excluding items that management believes do not reflect the underlying financial performance of the Bank's operations.

Adjusted Income Taxes (Recovery)

This item represents income taxes excluding income taxes (recovery) on specified items.

Adjusted Net Income

This item represents net income excluding specified items. Specified items are excluded so that net income can be better evaluated by excluding items that management believes do not reflect the underlying financial performance of the Bank's operations.

Adjusted Net Income Attributable to the Bank's Shareholders and Holders of Other Equity Instruments

This item represents net income attributable to the Bank's shareholders and holders of other equity instruments excluding specified items. Specified items are excluded so that net income attributable to Bank's shareholders and holders of other equity instruments can be better evaluated by excluding items that management believes do not reflect the underlying financial performance of the Bank's operations.

Adjusted Net Income Attributable to Common Shareholders

This item represents net income attributable to common shareholders excluding specified items. Specified items are excluded so that net income attributable to common shareholders can be better evaluated by excluding items that management believes do not reflect the underlying financial performance of the Bank's operations.

Adjusted Basic Earnings Per Share

This item represents basic earnings per share excluding specified items. Specified items are excluded so that basic earnings per share can be better evaluated by excluding items that management believes do not reflect the underlying financial performance of the Bank's operations.

Adjusted Diluted Earnings Per Share

This item represents diluted earnings per share excluding specified items. Specified items are excluded so that diluted earnings per share can be better evaluated by excluding items that management believes do not reflect the underlying financial performance of the Bank's operations.

The Bank also uses the below-described measures to assess its results, and a quantitative reconciliation of these non-GAAP financial measures is presented in the document entitled *Supplementary Financial Information – First Quarter 2026* on page 7 available on the Bank's website at nbc.ca.

Adjusted Non-Trading Net Interest Income

This item represents non-trading net interest income excluding specified items. It includes revenues related to financial assets and financial liabilities associated with non-trading activities, net of interest expenses and interest income related to the financing of these financial assets and financial liabilities, and is used to calculate adjusted non-trading net interest margin. Specified items are excluded so that non-trading net interest income can be better evaluated by excluding items that management believes do not reflect the underlying financial performance of the Bank's operations.

Net Interest Income Related to Trading Activities

This item represents net interest income related to trading activities which comprises dividends related to financial assets and liabilities associated with trading activities and certain interest income related to the financing of these financial assets and liabilities, net of interest expenses.

Non-Interest Income Related to Trading Activities

This item represents non-interest income related to trading activities which consists of realized and unrealized gains and losses as well as interest income on securities measured at fair value through profit or loss, income from held-for-trading derivative financial instruments, changes in the fair value of loans at fair value through profit or loss, changes in the fair value of financial instruments designated at fair value through profit or loss, realized and unrealized gains and losses as well as interest expense on obligations related to securities sold short, certain commission income as well as other trading activity revenues, and any applicable transaction costs.

Trading Activity Revenues

This item represents trading activity revenues which comprise dividends related to financial assets and financial liabilities associated with trading activities; certain interest income related to the financing of these financial assets and liabilities, net of interest expenses; realized and unrealized gains and losses as well as interest income on securities measured at fair value through profit or loss; income from held-for-trading derivative financial instruments; changes in the fair value of loans at fair value through profit or loss; changes in the fair value of financial instruments designated at fair value through profit or loss; realized and unrealized gains and losses as well as interest expense on obligations related to securities sold short; certain commission income as well as other trading activity revenues, and any applicable transaction costs.

Given that the subsidiary Credigy Ltd. conducts specialized lending activities, whose business model and risk profile differ from those of the Bank's other business segments, the Bank excludes purchased or originated credit-impaired (POCI) loans of this subsidiary, as well as related items, from the following non-GAAP financial measures. These exclusions are intended to better reflect the underlying financial performance of the Bank's operations. The quantitative reconciliation of these non-GAAP financial measures is presented in the document entitled *Supplementary Financial Information – First Quarter 2026* on pages 24, 25, 28, 29 and 32.

Provisions for credit losses on impaired loans excluding Credigy's POCI loans

This item represents the amount charged to income to bring the allowances for credit losses to a level deemed appropriate by management and is comprised of provisions for credit losses on impaired financial assets excluding the Credigy subsidiary's POCI loans.

Gross loans excluding Credigy's POCI loans

This item represents gross loans excluding the Credigy subsidiary's POCI loans.

Gross impaired loans excluding Credigy's POCI loans

This item represents all loans classified in Stage 3 of the expected credit loss model and POCI loans excluding the Credigy subsidiary's POCI loans.

Net impaired loans excluding Credigy's POCI loans

This item represents gross impaired loans excluding the Credigy subsidiary's POCI loans presented net of allowances for credit losses on amounts drawn on Stage 3 loans granted by the Bank and POCI loans excluding the Credigy subsidiary's POCI loans.

Allowances for credit losses on impaired loans excluding Credigy's POCI loans

This item represents allowances for credit losses on amounts drawn on Stage 3 loans granted by the Bank and POCI loans excluding the Credigy subsidiary's POCI loans.

Non-GAAP Ratios

The Bank uses non-GAAP ratios that do not have standardized meanings under GAAP and that may therefore not be comparable to similar measures used by other companies. A non-GAAP ratio is a ratio in which at least one component is a non-GAAP financial measure. The Bank uses non-GAAP ratios to present aspects of its financial performance or financial position.

The key non-GAAP ratios used by the Bank are described below.

Adjusted Return on Average Assets (ROA)

This item represents ROA excluding specified items. It is adjusted net income expressed as a percentage of average assets. This ratio is used to measure the Bank's efficiency in using all its assets to generate profits. Specified items are excluded so that ROA can be better evaluated by excluding items that management believes do not reflect the underlying financial performance of the Bank's operations.

Adjusted Return on Common Shareholders' Equity (ROE)

This item represents ROE excluding specified items. It is adjusted net income attributable to common shareholders expressed as a percentage of average equity attributable to common shareholders. Adjusted ROE for the business segments is calculated using adjusted net income attributable to common shareholders of the business segment expressed as a percentage of average allocated capital. It is a general measure of the Bank's and the business segments' efficiency in using equity. Specified items are excluded so that ROE can be better evaluated by excluding items that management believes do not reflect the underlying financial performance of the Bank's operations.

Adjusted Dividend Payout Ratio

This item represents the dividend payout ratio excluding specified items. It is dividends on common shares (per share amount) expressed as a percentage of adjusted basic earnings per share. This ratio is a measure of the proportion of earnings that is paid out to shareholders in the form of dividends. Specified items are excluded so that the dividend payout ratio can be better evaluated by excluding items that management believes do not reflect the underlying financial performance of the Bank's operations.

Adjusted Operating Leverage

This item represents operating leverage excluding specified items. It is the difference between the growth rate of adjusted total revenues and the growth rate of adjusted non-interest expenses, and it measures the sensitivity of the Bank's results to changes in its revenues. Specified items are excluded so that the operating leverage can be better evaluated by excluding items that management believes do not reflect the underlying financial performance of the Bank's operations.

Adjusted Efficiency Ratio

This item represents the efficiency ratio excluding specified items. The ratio represents adjusted non-interest expenses expressed as a percentage of adjusted total revenues. It measures the efficiency of the Bank's operations. Specified items are excluded so that the efficiency ratio can be better evaluated by excluding items that management believes do not reflect the underlying financial performance of the Bank's operations.

Adjusted Net Interest Margin, Non-Trading

This item represents the non-trading net interest margin excluding specified items. It is calculated by dividing adjusted non-trading net interest income by average non-trading interest-bearing assets. This ratio is a measure of the profitability of non-trading activities. Specified items are excluded so that the net interest margin, non-trading can be better evaluated by excluding items that management believes do not reflect the underlying financial performance of the Bank's operations.

Given that the subsidiary Credigy Ltd. conducts specialized lending activities, whose business model and risk profile differ from those of the Bank's other business segments, the Bank excludes POCI loans of this subsidiary, as well as related items, from the following non-GAAP ratios. These exclusions are intended to better reflect the underlying financial performance of the Bank's operations, taking into account Credigy Ltd.'s distinct business model.

Provisions for credit losses on impaired loans excluding Credigy's POCI loans as a percentage of average loans or provisions for credit losses on impaired loans excluding Credigy's POCI loans

This item represents the provisions for credit losses on impaired loans excluding the Credigy subsidiary's POCI loans expressed as a percentage of average loans.

Gross impaired loans excluding Credigy's POCI loans as a percentage of total loans

This item represents gross impaired loans excluding the Credigy subsidiary's POCI loans expressed as a percentage of the balance of loans.

Net impaired loans excluding Credigy's POCI loans as a percentage of total loans

This item represents net impaired loans excluding the Credigy subsidiary's POCI loans presented as a percentage of the balance of loans.

Net charge-off excluding Credigy's POCI loans presented as a percentage of average loans

This item represents the net write-off, excluding the Credigy subsidiary's POCI loans (net of recoveries) expressed as a percentage of average loans.

Provisioning rate excluding Credigy's POCI loans

This item represents the allowances for credit losses on impaired loans excluding the Credigy subsidiary's POCI loans expressed as a percentage of gross impaired loans excluding the Credigy subsidiary's POCI loans.

Supplementary Financial Measures

A supplementary financial measure is a financial measure that: (a) is not reported in the Bank's Consolidated Financial Statements, and (b) is, or is intended to be, reported periodically to represent historical or expected financial performance, financial position, or cash flows. The composition of these supplementary financial measures is presented in table footnotes or in the Glossary section on pages 49 to 52 of this MD&A.

Capital Management Measures

The financial reporting framework used to prepare the financial statements requires disclosure that helps readers assess the Bank's capital management objectives, policies, and processes, as set out in IFRS under IAS 1 – *Presentation of Financial Statements*. The Bank has its own methods for managing capital and liquidity, and IFRS does not prescribe any particular calculation method. These measures are calculated using various guidelines and advisories issued by the Office of the Superintendent of Financial Institutions (Canada) (OSFI), which are based on the standards, recommendations, and best practices of the Basel Committee on Banking Supervision (BCBS), as presented in the following table.

OSFI guideline or advisory	Measure
Capital Adequacy Requirements	Common Equity Tier 1 (CET1) capital ratio Tier 1 capital ratio Total capital ratio CET1 capital Tier 1 capital Tier 2 capital Total capital Risk-weighted assets Maximum credit risk exposure under the Basel asset classes
Leverage Requirements	Leverage ratio Total exposure
Total Loss Absorbing Capacity (TLAC)	Key indicators – TLAC requirements Available TLAC TLAC ratio TLAC leverage ratio
Liquidity Adequacy Requirements	Liquid asset portfolio Encumbered assets and unencumbered assets Liquidity coverage ratio (LCR) High-quality liquid assets (HQLA) Cash inflows/outflows and net cash outflows Net stable funding ratio (NSFR) Available stable funding items Required stable funding items
Global Systemically Important Banks (G-SIBs) – Public Disclosure Requirements	G-SIB indicators

Reconciliation of Non-GAAP Financial Measures

Presentation of Results – Adjusted

(millions of Canadian dollars)

Quarter ended January 31

						2026 ⁽¹⁾	2025
	Personal and Commercial	Wealth Management	Capital Markets	USSF&I	Other	Total	Total
Operating results							
Net interest income	1,240	240	(497)	397	14	1,394	972
Non-interest income	288	659	1,487	37	28	2,499	2,211
Total revenues	1,528	899	990	434	42	3,893	3,183
Non-interest expenses	800	531	412	120	148	2,011	1,646
Income before provisions for credit losses and income taxes	728	368	578	314	(106)	1,882	1,537
Provisions for credit losses	139	(2)	26	80	1	244	254
Income before income taxes (recovery)	589	370	552	234	(107)	1,638	1,283
Income taxes (recovery)	162	98	109	49	(34)	384	286
Net income	427	272	443	185	(73)	1,254	997
Items that have an impact on results							
Net interest income							
Amortization of the subscription receipt issuance costs ⁽²⁾	–	–	–	–	–	–	(28)
Impact on net interest income	–	–	–	–	–	–	(28)
Non-interest income							
Gain on the fair value remeasurement of an equity interest ⁽³⁾	–	–	–	–	–	–	4
Management of the fair value changes related to the CWB acquisition ⁽⁴⁾	–	–	–	–	–	–	(23)
Impact on non-interest income	–	–	–	–	–	–	(19)
Non-interest expenses							
Integration and transaction-related charges ⁽⁵⁾	–	–	–	–	67	67	26
Amortization of intangible assets related to the CWB acquisition ⁽⁶⁾	21	3	–	–	–	24	–
Impact on non-interest expenses	21	3	–	–	67	91	26
Income taxes							
Income taxes on the amortization of the subscription receipt issuance costs ⁽²⁾	–	–	–	–	–	–	(8)
Income taxes on the gain on the fair value remeasurement of an equity interest ⁽³⁾	–	–	–	–	–	–	1
Income taxes on management of the fair value changes related to the CWB acquisition ⁽⁴⁾	–	–	–	–	–	–	(6)
Income taxes on the integration and transaction-related charges ⁽⁵⁾	–	–	–	–	(18)	(18)	(7)
Income taxes on the amortization of intangible assets related to the CWB acquisition ⁽⁶⁾	(6)	(1)	–	–	–	(7)	–
Impact on income taxes	(6)	(1)	–	–	(18)	(25)	(20)
Impact on net income	(15)	(2)	–	–	(49)	(66)	(53)
Operating results – Adjusted							
Net interest income – Adjusted	1,240	240	(497)	397	14	1,394	1,000
Non-interest income – Adjusted	288	659	1,487	37	28	2,499	2,230
Total revenues – Adjusted	1,528	899	990	434	42	3,893	3,230
Non-interest expenses – Adjusted	779	528	412	120	81	1,920	1,620
Income before provisions for credit losses and income taxes – Adjusted	749	371	578	314	(39)	1,973	1,610
Provisions for credit losses – Adjusted	139	(2)	26	80	1	244	254
Income before income taxes (recovery) – Adjusted	610	373	552	234	(40)	1,729	1,356
Income taxes (recovery) – Adjusted	168	99	109	49	(16)	409	306
Net income – Adjusted	442	274	443	185	(24)	1,320	1,050

(1) On February 3, 2025, the Bank completed the acquisition of CWB. CWB's results were consolidated from the closing date, which impacted the results, balances and ratios for the quarter ended January 31, 2026. For additional information on the impact of the CWB acquisition, see the Acquisition section.

(2) During the quarter ended January 31, 2025, the Bank had recorded an amount of \$28 million (\$20 million net of income taxes) to reflect the amortization of the issuance costs of the subscription receipts issued as part of the agreement to acquire CWB.

(3) During the quarter ended January 31, 2025, the Bank had recorded a gain of \$4 million upon the remeasurement at fair value of the interest already held in CWB.

(4) During the quarter ended January 31, 2025, the Bank had recorded a mark-to-market loss of \$23 million (\$17 million net of income taxes) on interest rate swaps used to manage the fair value changes of CWB's assets and liabilities that result in volatility of goodwill and capital on closing of the transaction.

(5) During the quarter ended January 31, 2026, the Bank recorded integration and transaction-related charges of \$65 million (\$47 million net of income taxes) related to the CWB transaction (2025: \$26 million, \$19 million net of income taxes) and charges of \$2 million related to the LBC transactions.

(6) During the quarter ended January 31, 2026, the Bank recorded an amount of \$24 million (\$17 million net of income taxes) to reflect the amortization of intangible assets related to the CWB acquisition.

Presentation of Basic and Diluted Earnings Per Share – Adjusted

(Canadian dollars)

	Quarter ended January 31		
	2026 ⁽¹⁾	2025	% Change
Basic earnings per share	\$ 3.12	\$ 2.81	11
Amortization of the subscription receipt issuance costs ⁽²⁾	–	0.06	
Gain on the fair value remeasurement of an equity interest ⁽³⁾	–	(0.01)	
Management of the fair value changes related to the CWB acquisition ⁽⁴⁾	–	0.05	
Integration and transaction-related charges ⁽⁵⁾	0.13	0.05	
Amortization of intangible assets related to the CWB acquisition ⁽⁶⁾	0.04	–	
Basic earnings per share – Adjusted	\$ 3.29	\$ 2.96	11
Diluted earnings per share	\$ 3.08	\$ 2.78	11
Amortization of the subscription receipt issuance costs ⁽²⁾	–	0.06	
Gain on the fair value remeasurement of an equity interest ⁽³⁾	–	(0.01)	
Management of the fair value changes related to the CWB acquisition ⁽⁴⁾	–	0.05	
Integration and transaction-related charges ⁽⁵⁾	0.13	0.05	
Amortization of intangible assets related to the CWB acquisition ⁽⁶⁾	0.04	–	
Diluted earnings per share – Adjusted	\$ 3.25	\$ 2.93	11

(1) On February 3, 2025, the Bank completed the acquisition of CWB. CWB's results were consolidated from the closing date, which impacted the results, balances and ratios for the quarter ended January 31, 2026. For additional information on the impact of the CWB acquisition, see the Acquisition section.

(2) During the quarter ended January 31, 2025, the Bank had recorded an amount of \$28 million (\$20 million net of income taxes) to reflect the amortization of the issuance costs of the subscription receipts issued as part of the agreement to acquire CWB.

(3) During the quarter ended January 31, 2025, the Bank had recorded a gain of \$4 million upon the remeasurement at fair value of the interest already held in CWB.

(4) During the quarter ended January 31, 2025, the Bank had recorded a mark-to-market loss of \$23 million (\$17 million net of income taxes) on interest rate swaps used to manage the fair value changes of CWB's assets and liabilities that resulted in volatility of goodwill and capital on closing of the transaction.

(5) During the quarter ended January 31, 2026, the Bank recorded integration and transaction-related charges of \$65 million (\$47 million net of income taxes) related to the CWB transaction (2025: \$26 million, \$19 million net of income taxes) and charges of \$2 million related to the LBC transactions.

(6) During the quarter ended January 31, 2026, the Bank recorded an amount of \$24 million (\$17 million net of income taxes) to reflect the amortization of intangible assets related to the CWB acquisition.

Highlights

(millions of Canadian dollars, except per share amounts)

Quarter ended January 31

	2026 ⁽¹⁾	2025	% Change
Operating results			
Total revenues	3,893	3,183	22
Income before provisions for credit losses and income taxes	1,882	1,537	22
Net income	1,254	997	26
Return on common shareholders' equity ⁽²⁾	15.7 %	16.7 %	
Operating leverage ⁽²⁾	0.1 %	3.9 %	
Efficiency ratio ⁽²⁾	51.7 %	51.7 %	
Earnings per share			
Basic	\$ 3.12	\$ 2.81	11
Diluted	\$ 3.08	\$ 2.78	11
Operating results – Adjusted⁽³⁾			
Total revenues – Adjusted ⁽³⁾	3,893	3,230	21
Income before provisions for credit losses and income taxes – Adjusted ⁽³⁾	1,973	1,610	23
Net income – Adjusted ⁽³⁾	1,320	1,050	26
Return on common shareholders' equity – Adjusted ⁽⁴⁾	16.6 %	17.6 %	
Operating leverage – Adjusted ⁽⁴⁾	2.0 %	7.4 %	
Efficiency ratio – Adjusted ⁽⁴⁾	49.3 %	50.2 %	
Diluted earnings per share – Adjusted ⁽³⁾	\$ 3.25	\$ 2.93	11
Common share information			
Dividends declared	\$ 1.24	\$ 1.14	9
Book value ⁽²⁾	\$ 78.81	\$ 68.15	
Share price			
High	\$ 175.57	\$ 140.76	
Low	\$ 156.88	\$ 128.79	
Close	\$ 162.25	\$ 128.99	
Number of common shares (thousands)	388,318	341,085	
Market capitalization	63,005	43,997	

(millions of Canadian dollars)

	As at January 31, 2026	As at October 31, 2025	% Change
Balance sheet and off-balance-sheet			
Total assets	605,871	576,919	5
Loans, net of allowances	304,120	302,623	–
Deposits	445,874	428,003	4
Equity attributable to common shareholders	30,603	30,655	–
Assets under administration ⁽²⁾	899,198	874,360	3
Assets under management ⁽²⁾	198,123	194,467	2
Regulatory ratios under Basel III⁽⁵⁾			
Capital ratios			
Common Equity Tier 1 (CET1)	13.7 %	13.8 %	
Tier 1	15.1 %	15.1 %	
Total	17.3 %	17.3 %	
Leverage ratio	4.3 %	4.5 %	
TLAC ratio ⁽⁵⁾	32.5 %	29.7 %	
TLAC leverage ratio ⁽⁵⁾	9.2 %	8.8 %	
Liquidity coverage ratio (LCR) ⁽⁵⁾	189 %	173 %	
Net stable funding ratio (NSFR) ⁽⁵⁾	120 %	124 %	
Other information			
Number of employees – Worldwide (full-time equivalent)	33,527	33,200	1
Number of branches in Canada	374	382	(2)
Number of banking machines in Canada	921	939	(2)

(1) On February 3, 2025, the Bank completed the acquisition of CWB. CWB's results were consolidated from the closing date, which impacted the results, balances and ratios for the quarter ended January 31, 2026. For additional information on the impact of the CWB acquisition, see the Acquisition section.

(2) See the Glossary section on pages 49 to 52 for details on the composition of these measures.

(3) See the Financial Reporting Method section on pages 6 to 12 for additional information on non-GAAP financial measures.

(4) See the Financial Reporting Method section on pages 6 to 12 for additional information on non-GAAP ratios.

(5) See the Financial Reporting Method section on pages 6 to 12 for additional information on capital management measures.

Financial Analysis

Consolidated Results

(millions of Canadian dollars)

Quarter ended January 31

	2026 ⁽¹⁾	2025	% Change
Operating results			
Net interest income	1,394	972	43
Non-interest income	2,499	2,211	13
Total revenues	3,893	3,183	22
Non-interest expenses	2,011	1,646	22
Income before provisions for credit losses and income taxes	1,882	1,537	22
Provisions for credit losses	244	254	(4)
Income before income taxes	1,638	1,283	28
Income taxes	384	286	34
Net income	1,254	997	26
Non-controlling interests	–	–	
Net income attributable to the Bank's shareholders and holders of other equity instruments	1,254	997	26
Dividends on preferred shares and distributions on other equity instruments	37	39	(5)
Net income attributable to common shareholders	1,217	958	27
Diluted earnings per share (<i>dollars</i>)	3.08	2.78	11
Specified items⁽²⁾			
Amortization of the subscription receipt issuance costs	–	(28)	
Gain on the fair value remeasurement of an equity interest	–	4	
Management of the fair value changes related to the CWB acquisition	–	(23)	
Integration and transaction-related charges	(67)	(26)	
Amortization of intangible assets related to the CWB acquisition	(24)	–	
Specified items before income taxes	(91)	(73)	
Income taxes related to specified items	(25)	(20)	
Specified items after income taxes	(66)	(53)	
Operating results – Adjusted⁽²⁾			
Net interest income – Adjusted	1,394	1,000	39
Non-interest income – Adjusted	2,499	2,230	12
Total revenues – Adjusted	3,893	3,230	21
Non-interest expenses – Adjusted	1,920	1,620	19
Income before provisions for credit losses and income taxes – Adjusted	1,973	1,610	23
Provisions for credit losses – Adjusted	244	254	(4)
Income before income taxes – Adjusted	1,729	1,356	28
Income taxes – Adjusted	409	306	34
Net income – Adjusted	1,320	1,050	26
Non-controlling interests	–	–	
Net income attributable to the Bank's shareholders and holders of other equity instruments – Adjusted	1,320	1,050	26
Dividends on preferred shares and distributions on other equity instruments	37	39	(5)
Net income attributable to common shareholders – Adjusted	1,283	1,011	27
Diluted earnings per share – Adjusted (<i>dollars</i>)	3.25	2.93	11
Average assets ⁽³⁾	603,457	488,208	24
Average loans ⁽³⁾	302,759	244,706	24
Average deposits ⁽³⁾	440,185	349,630	26
Operating leverage ⁽⁴⁾	0.1 %	3.9 %	
Operating leverage – Adjusted ⁽⁵⁾	2.0 %	7.4 %	
Efficiency ratio ⁽⁴⁾	51.7 %	51.7 %	
Efficiency ratio – Adjusted ⁽⁵⁾	49.3 %	50.2 %	

(1) On February 3, 2025, the Bank completed the acquisition of CWB. CWB's results were consolidated from the closing date, which impacted the results, balances and ratios for the quarter ended January 31, 2026. For additional information on the impact of the CWB acquisition, see the Acquisition section.

(2) See the Financial Reporting Method section on pages 6 to 12 for additional information on non-GAAP financial measures.

(3) Represents an average of the daily balances for the period.

(4) See the Glossary section on pages 49 to 52 for details on the composition of these measures.

(5) See the Financial Reporting Method section on pages 6 to 12 for additional information on non-GAAP ratios.

First quarter of 2026 versus first quarter of 2025

Financial Results

The Bank is reporting net income of \$1,254 million, up 26% from \$997 million. Diluted earnings per share stood at \$3.08 compared to \$2.78. These increases reflect good performance by all the business segments, as well as the inclusion of the results of CWB. Excluding specified items, adjusted net income stood at \$1,320 million up 26% from \$1,050 million. Adjusted diluted earnings per share stood at \$3.25, up 11%.

Return on common shareholders' equity was 15.7% compared to 16.7% last year. Adjusted return on common shareholders' equity was 16.6%, compared to 17.6% in 2025.

Total Revenues

The Bank's total revenues amounted to \$3,893 million, up \$710 million or 22%, of which the inclusion of CWB drove a 9% increase. In the Personal and Commercial segment, total revenues rose 27% due to the inclusion of CWB, which contributed to an increase of \$237 million or 20%. In addition, growth in personal and commercial loans and deposits, excluding CWB, more than offset the impact of a lower net interest margin, and internal commission revenues related to the distribution of Wealth Management products increased. The 16% growth in total revenues in the Wealth Management segment was mainly attributable to increases in fee-based revenues, notably revenues from investment management and trust service fees and mutual fund revenues. The growth was also due to an increase in net interest income and securities brokerage commissions, which was driven by an increase in client activity. Total revenues for the Capital Markets segment increased by 9% as a result of higher corporate and investment banking revenues, partly offset by the decrease in global markets revenues. In the USSF&I segment, total revenues were up 7% as a result of revenue growth at the ABA Bank subsidiary, stemming from business growth, and an increase in Credigy's revenues. Total revenues for the *Other* heading increased compared to last year, in particular as a result of a higher contribution from Treasury activities and the unfavourable impact of specified items related to the CWB acquisition recorded in 2025. Excluding specified items, adjusted total revenues were \$3,893 million compared to \$3,230 million in 2025, an increase of 21%.

Non-Interest Expenses

Non-interest expenses stood at \$2,011 million, up \$365 million or 22%, of which \$167 million or 10% was attributable to the inclusion of CWB. The increase was also due to specified items related to the CWB acquisition that were higher in 2026. Compensation and employee benefits were higher owing to salary growth as well as higher variable compensation related to revenue growth. In addition, occupancy expenses, including depreciation expense, were up, due to the inclusion of CWB expenses, expenses related to the Bank's head office building and the expansion of the banking network at the ABA Bank subsidiary. The increase in technology expenses, including depreciation expense, was attributable to significant investments made to support the Bank's technological evolution and business development plan. Professional fees rose, notably due to expenses related to the integration of CWB. Communication expenses were also higher compared to last year. In addition, the increase in other expenses was mainly due to the amortization of intangible assets, primarily related to the CWB acquisition. Excluding specified items related to the CWB acquisition, adjusted non-interest expenses stood at \$1,920 million, up 19% from \$1,620 million last year, of which 8% stems from the inclusion of CWB.

Provisions for Credit Losses

The Bank recorded provisions for credit losses of \$244 million compared to \$254 million last year. Provisions for credit losses on non-impaired loans decreased to \$25 million, reflecting mainly the growth in the loan portfolios offset by the favourable impact of updated macroeconomic scenarios. In addition, provisions for credit losses on impaired loans were up \$22 million, driven mainly by Personal Banking (including credit card receivables), the Capital Markets segment and the Credigy subsidiary. Provisions for credit losses on impaired loans excluding Credigy's POCI loans represented 0.28% of average loans, compared to 0.32% in 2025.

Income Taxes

Income taxes stood at \$384 million compared to \$286 million and the effective income tax rate was 23% compared to 22%. This is mainly due to a lower proportion of income from lower tax-rate jurisdictions in 2026.

Results by Segment

The Bank carries out its activities in four business segments: Personal and Commercial, Wealth Management, Capital Markets, and U.S. Specialty Finance and International, which mainly comprises the activities of the Credigy Ltd. (Credigy) and Advanced Bank of Asia Limited (ABA Bank) subsidiaries. Other operating activities, certain specified items, Treasury activities, and the operations of the Flinks Technology Inc. (Flinks) subsidiary are grouped in the *Other* heading of segment results. Each reportable segment is distinguished by services offered, type of clientele, and marketing strategy.

Personal and Commercial

(millions of Canadian dollars)

	Quarter ended January 31		
	2026 ⁽¹⁾	2025	% Change
Operating results			
Net interest income	1,240	944	31
Non-interest income	288	260	11
Total revenues	1,528	1,204	27
Non-interest expenses	800	641	25
Income before provisions for credit losses and income taxes	728	563	29
Provisions for credit losses	139	162	(14)
Income before income taxes	589	401	47
Income taxes	162	111	46
Net income	427	290	47
Less: Specified items after income taxes ⁽²⁾	(15)	–	
Net income – Adjusted⁽²⁾	442	290	52
Net interest margin ⁽³⁾	2.27 %	2.28 %	
Average interest-bearing assets ⁽³⁾	216,471	164,340	32
Average assets ⁽⁴⁾	220,069	165,861	33
Average loans ⁽⁴⁾	216,127	164,097	32
Net impaired loans ⁽³⁾	1,400	557	
Net impaired loans as a % of total loans ⁽³⁾	0.6 %	0.3 %	
Average deposits ⁽⁴⁾	111,293	92,032	21
Efficiency ratio ⁽³⁾	52.4 %	53.2 %	
Efficiency ratio – Adjusted ⁽⁵⁾	51.0 %	53.2 %	

(1) On February 3, 2025, the Bank completed the acquisition of CWB. CWB's results were consolidated from the closing date, which impacted the results, balances and ratios for the quarter ended January 31, 2026. For additional information on the impact of the CWB acquisition, see the Acquisition section.

(2) See the Financial Reporting Method section on pages 6 to 12 for additional information on non-GAAP financial measures. During the quarter ended January 31, 2026, the Bank recorded amortization of intangible assets of \$15 million net of income taxes related to the CWB acquisition.

(3) See the Glossary section on pages 49 to 52 for details on the composition of these measures.

(4) Represents an average of the daily balances for the period.

(5) See the Financial Reporting Method section on pages 6 to 12 for additional information on non-GAAP ratios.

First quarter of 2026 versus first quarter of 2025

In the Personal and Commercial segment, net income totalled \$427 million, up 47% from \$290 million last year. Adjusted net income was \$442 million, up 52%. The 31% increase in net interest income was driven in part by the inclusion of CWB, which drove a 23% increase, as well as by growth in personal and commercial loans and deposits, which more than offset the impact of a lower net interest margin. In addition, non-interest income increased by 11%, in particular due to the inclusion of CWB's revenues.

Personal Banking's total revenues increased by \$87 million. This increase was driven by the inclusion of CWB's revenues, and growth in loans and deposits, not including CWB, partly offset by a narrower net interest margin, as well as the increase in internal commission revenues related to the distribution of Wealth Management products. Commercial Banking's total revenues grew \$237 million, mainly due to the inclusion of CWB's revenues, as well as an increase in net interest income that was driven by loan growth and deposit growth, not including CWB, partly offset by a narrower net interest margin.

The segment's non-interest expenses stood at \$800 million, which include specified items of \$21 million related to the CWB acquisition, up 25%, due to the inclusion of CWB's non-interest expenses which drove a 20% increase. The increase in non-interest expenses was also due to higher compensation and employee benefits, mainly from salary increases, fees and greater investments made as part of the segment's technological evolution. The efficiency ratio of 52.4% has improved from 53.2% in 2025 partly as a result of cost synergies achieved from the acquisition of CWB. Adjusted non-interest expenses amounted to \$779 million, compared to \$641 million. The adjusted efficiency ratio stood at 51.0%, compared to 53.2%.

The segment recorded provisions for credit losses of \$139 million compared to \$162 million last year, down \$23 million. This decrease was mainly due to lower provisions for credit losses on non-impaired loans due to the favourable impact of updated macroeconomic scenarios. Provisions for credit losses on impaired loans were higher, notably as a result of impaired loans in Personal Banking (including credit card receivables).

Wealth Management

(millions of Canadian dollars)

	Quarter ended January 31		
	2026 ⁽¹⁾	2025	% Change
Operating results			
Net interest income	240	227	6
Fee-based revenues	533	450	18
Transaction-based and other revenues	126	99	27
Total revenues	899	776	16
Non-interest expenses	531	441	20
Income before provisions for credit losses and income taxes	368	335	10
Provisions for credit losses	(2)	2	
Income before income taxes	370	333	11
Income taxes	98	91	8
Net income	272	242	12
Less: Specified items after income taxes ⁽²⁾	(2)	–	
Net income – Adjusted⁽²⁾	274	242	13
Average assets ⁽³⁾	13,128	10,611	24
Average loans ⁽³⁾	11,220	9,443	19
Net impaired loans ⁽⁴⁾	34	17	100
Average deposits ⁽³⁾	60,244	43,463	39
Assets under administration ⁽⁴⁾	899,198	820,125	10
Assets under management ⁽⁴⁾	198,123	165,502	20
Efficiency ratio ⁽⁴⁾	59.1 %	56.8 %	
Efficiency ratio – Adjusted ⁽⁵⁾	58.7 %	56.8 %	

(1) On February 3, 2025, the Bank completed the acquisition of CWB. CWB's results were consolidated from the closing date, which impacted the results, balances and ratios for the quarter ended January 31, 2026. For additional information on the impact of the CWB acquisition, see the Acquisition section.

(2) See the Financial Reporting Method section on pages 6 to 12 for additional information on non-GAAP financial measures. During the quarter ended January 31, 2026, the Bank recorded amortization of intangible assets of \$2 million net of income taxes related to the CWB acquisition.

(3) Represents an average of the daily balances for the period.

(4) See the Glossary section on pages 49 to 52 for details on the composition of these measures.

(5) See the Financial Reporting Method section on pages 6 to 12 for additional information on non-GAAP ratios.

First quarter of 2026 versus first quarter of 2025

In the Wealth Management segment, net income totalled \$272 million, a 12% increase from \$242 million last year. The segment's total revenues amounted to \$899 million, up \$123 million or 16% from \$776 million in 2025. The 6% increase in net interest income was primarily due to higher loan and deposit volumes as well as the inclusion of CWB's revenues. The 18% increase in fee-based revenues was due to growth in assets under administration and assets under management, a reflection of the rise in stock markets and positive net inflows for the various solutions as well as, to a lesser extent, the inclusion of CWB's activities. Transaction and other revenues rose 27%, primarily due to increased client activity.

Non-interest expenses stood at \$531 million, up 20% from \$441 million in 2025. This increase was mainly a result of higher compensation and employee benefits, due in particular to variable compensation in line with revenue growth, higher technology expenses related to the segment's initiatives, and the inclusion of CWB's non-interest expenses. The efficiency ratio stood at 59.1%, down from 56.8% in 2025. Recoveries of credit losses of \$2 million were recorded, compared to provisions for credit losses of \$2 million in 2025.

Capital Markets

(millions of Canadian dollars)

	Quarter ended January 31		
	2026 ⁽¹⁾	2025	% Change
Operating results			
Global markets			
Equities	380	367	4
Interest rate and credit	133	170	(22)
Commodities and foreign exchange	58	58	–
	571	595	(4)
Corporate and investment banking	419	312	34
Total revenues	990	907	9
Non-interest expenses	412	367	12
Income before provisions for credit losses and income taxes	578	540	7
Provisions for credit losses	26	36	(28)
Income before income taxes	552	504	10
Income taxes	109	87	25
Net income	443	417	6
Average assets ⁽²⁾	250,483	211,793	18
Average loans ⁽²⁾ (Corporate Banking only)	31,681	31,472	1
Net impaired loans ⁽³⁾	138	129	7
Net impaired loans as a % of total loans ⁽³⁾	0.4 %	0.4 %	
Average deposits ⁽²⁾	91,372	74,330	23
Efficiency ratio ⁽³⁾	41.6 %	40.5 %	

(1) On February 3, 2025, the Bank completed the acquisition of CWB. CWB's results were consolidated from the closing date, which impacted the results, balances and ratios for the quarter ended January 31, 2026. For additional information on the impact of the CWB acquisition, see the Acquisition section.

(2) Represents an average of the daily balances for the period.

(3) See the Glossary section on pages 49 to 52 for details on the composition of these measures.

First quarter of 2026 versus first quarter of 2025

In the Capital Markets segment, net income totalled \$443 million, up 6% from \$417 million last year. Total revenues amounted to \$990 million, compared to \$907 million in 2025, an increase of \$83 million or 9%. Global markets revenues were down 4% as a result of a 22% decrease in interest rate and credit revenues, partly offset by a 4% increase in equities revenues. Corporate and investment banking revenues increased 34% due to growth in banking service revenues, revenues related to capital markets activity and revenues from merger and acquisition activity.

Non-interest expenses stood at \$412 million, a 12% increase, attributable to higher compensation and employee benefits, in particular due to variable compensation associated with revenue growth, as well as an increase in technology investment expenses and other expenses related to the segment's business growth. The efficiency ratio was 41.6%, up from 40.5% in 2025. Provisions for credit losses were down \$10 million due to a \$20 million decrease in provisions for credit losses on non-impaired loans related to the favourable impact of updated macroeconomic scenarios, partly offset by a \$10 million increase in provisions for credit losses on impaired loans.

USSF&I

(millions of Canadian dollars)

	Quarter ended January 31		
	2026	2025	% Change
Total revenues			
Credigy	160	145	10
ABA Bank	271	248	9
International	3	12	
	434	405	7
Non-interest expenses			
Credigy	37	40	(8)
ABA Bank	83	83	–
International	–	–	
	120	123	(2)
Income before provisions for credit losses and income taxes	314	282	11
Provisions for credit losses			
Credigy	42	30	40
ABA Bank	38	21	81
International	–	–	
	80	51	57
Income before income taxes	234	231	1
Income taxes			
Credigy	17	16	6
ABA Bank	32	30	7
International	–	2	
	49	48	2
Net income			
Credigy	64	59	8
ABA Bank	118	114	4
International	3	10	
	185	183	1
Average assets ⁽¹⁾	34,827	31,197	12
Average loans and receivables ⁽¹⁾	25,123	23,428	7
Net impaired loans ⁽²⁾	1,259	1,133	11
Average deposits ⁽¹⁾	17,380	15,145	15
Efficiency ratio ⁽²⁾	27.6 %	30.4 %	

(1) Represents an average of the daily balances for the period.

(2) See the Glossary section on pages 49 to 52 for details on the composition of these measures.

First quarter of 2026 versus first quarter of 2025

In the USSF&I segment, net income totalled \$185 million, up 1% from \$183 million in 2025. The \$29 million or 7% increase in the segment's total revenues was partly offset by the increase in provisions for credit losses.

Credigy

The Credigy subsidiary reported net income of \$64 million, up \$5 million or 8%. Total revenues were \$160 million, up 10%, an increase due to growth in loan volumes and to revenues recognized in the first quarter of 2026 following prepayments on credit facilities, partly offset by the impact of exchange rate fluctuations. Non-interest expenses stood at \$37 million, down \$3 million due to compensation and employee benefits and the impact of exchange rate fluctuations. Provisions for credit losses increased by \$12 million due to an increase in provisions for credit losses on impaired loans and non-impaired loans.

ABA Bank

The ABA Bank subsidiary recorded net income totalling \$118 million, up \$4 million or 4% from last year. Total revenues rose 9%, mainly attributable to sustained growth in assets, and lower interest expenses on deposits, partly offset by the impact of exchange rate fluctuations. Non-interest expenses were stable at \$83 million, as an increase in occupancy expenses driven by the subsidiary's business growth and the opening of new branches, was offset by the impact of exchange rate fluctuations. The subsidiary reported provisions for credit losses totalling \$38 million, up \$17 million. This increase was mainly due to higher provisions for credit losses on non-impaired loans.

Other

(millions of Canadian dollars)

	Quarter ended January 31	
	2026 ⁽¹⁾	2025
Operating results		
Net interest income	14	(60)
Non-interest income	28	(49)
Total revenues	42	(109)
Non-interest expenses	148	74
Income before provisions for credit losses and income taxes	(106)	(183)
Provisions for credit losses	1	3
Income before income taxes (recovery)	(107)	(186)
Income taxes (recovery)	(34)	(51)
Net loss	(73)	(135)
Non-controlling interests	–	–
Net loss attributable to the Bank's shareholders and holders of other equity instruments	(73)	(135)
Less: Specified items after income taxes ⁽²⁾	(49)	(53)
Net loss – Adjusted⁽²⁾	(24)	(82)
Average assets ⁽³⁾	84,950	68,746

(1) On February 3, 2025, the Bank completed the acquisition of CWB. CWB's results were consolidated from the closing date, which impacted the results, balances and ratios for the quarter ended January 31, 2026. For additional information on the impact of the CWB acquisition, see the Acquisition section.

(2) See the Financial Reporting Method section on pages 6 to 12 for additional information on non-GAAP financial measures. During the quarter ended January 31, 2026, the Bank recorded integration and transaction-related charges of \$49 million net of income taxes. During the quarter ended January 31, 2025, the Bank had recorded the amortization of the subscription receipt issuance costs of \$20 million net of income taxes, a gain of \$4 million resulting from the remeasurement at fair value of the CWB common shares already held by the Bank, the impact of managing fair value changes, representing a loss of \$17 million net of income taxes, as well as integration and transaction-related charges of \$19 million net of income taxes.

(3) Represents an average of the daily balances for the period.

First quarter of 2026 versus first quarter of 2025

For the *Other* heading of segment results, a net loss of \$73 million was posted compared to a net loss of \$135 million last year. The change in net loss was due to a higher contribution from Treasury activities and gains on investments, partly offset by the increase in non-interest expenses, stemming mainly from compensation and employee benefits as well as integration charges related to the CWB acquisition. The specified items mainly related to the acquisition of CWB had a \$47 million unfavourable impact on the net loss in 2026, compared to a \$53 million unfavourable impact in 2025. The adjusted net loss stood at \$24 million, compared to \$82 million in 2025.

Consolidated Balance Sheet

Consolidated Balance Sheet Summary

(millions of Canadian dollars)	As at January 31, 2026	As at October 31, 2025	% Change
Assets			
Cash and deposits with financial institutions	36,768	27,916	32
Securities	194,634	188,747	3
Securities purchased under reverse repurchase agreements and securities borrowed	39,846	27,091	47
Loans, net of allowances	304,120	302,623	–
Other	30,503	30,542	–
	605,871	576,919	5
Liabilities and equity			
Deposits	445,874	428,003	4
Other	123,350	111,715	10
Subordinated debt	3,430	3,432	–
Equity attributable to the Bank's shareholders and holders of other equity instruments	33,217	33,769	(2)
Non-controlling interests	–	–	
	605,871	576,919	5

As at January 31, 2026 versus as at October 31, 2025

Assets

The Bank had total assets of \$605.9 billion, up \$29.0 billion or 5% from \$576.9 billion. Cash and deposits with financial institutions stood at \$36.8 billion, up \$8.9 billion, owing primarily to an increase in deposits with the Bank of Canada and in deposits with regulated financial institutions, including the Federal Reserve.

Securities have risen \$5.9 billion owing to a \$3.5 billion or 2% increase in securities at fair value through profit or loss driven mainly by securities issued or guaranteed by the Canadian government and securities issued or guaranteed by provincial and municipal governments of Canada, partly offset by a decrease in equity securities. In addition, securities other than those measured at fair value through profit or loss rose \$2.4 billion. Securities purchased under reverse repurchase agreements and securities borrowed increased by \$12.7 billion, driven primarily by the Capital Markets segment and Treasury activities.

Loans, net of allowances for credit losses, totalled \$304.1 billion, up \$1.5 billion. The following table provides a breakdown of the main loan portfolios.

(millions of Canadian dollars)	As at January 31, 2026	As at October 31, 2025
Loans		
Residential mortgage and home equity lines of credit	146,497	145,509
Personal	18,298	18,593
Credit card	3,015	3,022
Business and government	138,519	137,630
	306,329	304,754
Allowances for credit losses	(2,209)	(2,131)
	304,120	302,623

Residential mortgages (including home equity lines of credit) rose \$1.0 billion, due to growing business activities in the Personal and Commercial segment, partly offset by lower activity in the Capital Markets segment. Personal loans decreased \$0.3 billion and credit card receivables were relatively stable. Business and government loans rose \$0.9 billion or 1%, mainly due to business growth in Commercial Banking.

Impaired loans include all loans classified in Stage 3 of the expected credit loss model and POCI loans. Gross impaired loans stood at \$3,742 million compared to \$3,712 million as at October 31, 2025. Net impaired loans totalled \$2,831 million compared to \$2,904 million. This decrease was mainly due to lower net impaired loans in the loan portfolios of Commercial Banking, in Wealth Management and Capital Markets segments as well as Credigy subsidiary, offset partly by a rise in net impaired loans in the loan portfolios of Personal Banking.

Other assets were relatively stable at \$30.5 billion.

Liabilities

The Bank had total liabilities of \$572.7 billion compared to \$543.2 billion, up from \$29.5 billion or 5%.

Deposits stood at \$445.9 billion compared to \$428.0 billion, up \$17.9 billion or 4%. Personal deposits amounted to \$125.9 billion, up \$1.5 billion. This increase was driven primarily by the business growth in the Wealth Management and Capital Markets segments and the ABA Bank subsidiary, partly offset by a decrease in deposits in Personal Banking.

Business and government deposits totalled \$313.9 billion, up \$16.4 billion or 6%. The increase is explained by the business growth, in the Wealth Management and Capital Markets segments as well as financing activities in Treasury, including a \$5.5 billion increase in deposits subject to bank recapitalization (bail-in) conversion regulations. The increase was partly offset by a decrease in deposits in Commercial Banking. Deposits from deposit-taking institutions were relatively stable at \$6.1 billion.

Other liabilities stood at \$123.4 billion, up \$11.7 billion, resulting essentially from a \$17.3 billion increase in obligations related to securities sold under repurchase agreements and securities loaned. This increase is offset by decreases of \$1.9 billion in obligations related to securities sold short, \$1.9 billion in liabilities associated with transferred receivables, as well as a \$1.3 billion reduction in other liabilities, notably accounts payable and accrued liabilities.

Equity

Equity attributable to the Bank's shareholders and holders of other equity instruments totalled \$33.2 billion, down \$0.6 billion. This decrease was mainly attributable to the repurchase of common shares for cancellation, the redemption of outstanding Limited Recourse Capital Notes Series 1 (LRCN – Series 1), totalling \$500 million and foreign currency translation adjustments. This decrease was partially offset by net income, net of dividends.

Laurentian Bank of Canada (LBC) Transactions

On December 2, 2025, the Bank entered into a definitive asset purchase agreement with LBC pursuant to which it will assume certain liabilities and acquire certain assets related to LBC's retail and SME business banking portfolios (Retail/SME Transaction), and the Bank will assume LBC's distribution agreement for certain mutual funds. Consideration of cash and cash equivalents to be received from LBC will be determined in reference to the value of liabilities assumed net of assets acquired, at the closing date.

The closing of the Retail/SME Transaction, expected to occur in late 2026, is conditional on all conditions precedent to the closing of the acquisition of LBC by Fairstone Bank (Acquisition Transaction) having been satisfied or waived, and to the closing of the Acquisition Transaction immediately following the Retail/SME Transaction. The Retail/SME Transaction is subject to customary closing conditions, including receipt of key regulatory approvals.

Separately, concurrently with the execution of the Retail/SME Transaction agreement, the Bank and LBC have also entered into a definitive loan purchase agreement in respect of the purchase by the Bank of LBC's syndicated loan portfolio (Syndicated Loan Transaction) for a purchase price which will be determined in reference to the value at the closing date.

On February 17, 2026, the closing of the Syndicated Loan Transaction occurred. The preliminary purchase price was \$646 million representing the estimated fair value of the loans acquired, net of related liabilities assumed, pending finalization of closing-date values.

Event after the Consolidated Balance Sheet Date

Repurchases of Common Shares

On February 24, 2026, the Bank's Board of Directors authorized an amendment to the normal course issuer bid, that began on September 25, 2025. This amendment is intended to increase the maximum number of the Bank's issued and outstanding common shares that may be repurchased for cancellation of up to 14,500,000 common shares (representing approximately 3.70% of the outstanding common shares as at September 11, 2025) over the 12-month period ending on September 24, 2026. This amendment to the normal course issuer bid is subject to the approval of OSFI and the Toronto Stock Exchange (TSX). For more information on the normal course issuer bid, see Note 10 to the Consolidated Financial Statements.

Related Party Transactions

The Bank's policies and procedures regarding related party transactions have not significantly changed since October 31, 2025. For additional information, see Note 28 to the audited annual consolidated financial statements for the year ended October 31, 2025.

Securitization and Off-Balance-Sheet Arrangements

In the normal course of business, the Bank is party to various financial arrangements that, under IFRS, are not required to be recorded on the Consolidated Balance Sheet or are recorded under amounts other than their notional or contractual values. These arrangements include, among others, transactions with structured entities, derivative financial instruments, the issuance of guarantees, credit instruments, and financial assets received as collateral. A complete analysis of these types of arrangements, including their nature, business purpose, and importance, is provided on pages 60 and 61 of the *2025 Annual Report*.

For additional information on financial assets transferred but not derecognized, guarantees, commitments, and structured entities, see Notes 9, 26, and 27 to the audited annual consolidated financial statements for the year ended October 31, 2025.

Capital Management

Capital management has a dual role of ensuring a competitive return to the Bank's shareholders while maintaining a solid capital foundation that covers the risks inherent to the Bank's business activities, supports its business segments, and protects its clients. The Bank's capital management policy defines the guiding principles as well as the roles and responsibilities of its internal capital adequacy assessment process. This process aims to determine the capital that the Bank needs to maintain to pursue its business activities and accommodate unexpected losses arising from extremely adverse economic and operational conditions. For additional information on the capital management framework, see the Capital Management section on pages 62 to 71 of the Bank's *2025 Annual Report*.

Basel Accord

The Bank and all other major Canadian banks have to maintain the following minimum capital ratios established by OSFI: a CET1 capital ratio of at least 11.5%, a Tier 1 capital ratio of at least 13.0%, and a Total capital ratio of at least 15.0%. For additional information on the ratio calculations, see pages 63 to 65 of the *2025 Annual Report*. All of these ratios include a capital conservation buffer of 2.5% established by the BCBS and OSFI, a 1.0% surcharge applicable solely to Domestic Systemically Important Banks (D-SIBs), and a 3.5% domestic stability buffer (DSB) established by OSFI. The DSB, which can vary from 0% to 4.0% of risk-weighted assets (RWA), consists exclusively of CET1 capital. A D-SIB that fails to meet this buffer requirement will not be subject to automatic constraints to reduce capital distributions but will have to provide a remediation plan to OSFI. The Bank also has to meet the requirements of the capital output floor which is set at 67.5%, under which its total RWA must not be lower than the capital output floor of the total RWA as calculated under the Basel III Standardized Approaches. If the capital requirement is less than the capital output floor requirement after applying the floor factor, the difference is added to the total RWA. Lastly, OSFI requires D-SIBs to maintain a Basel III leverage ratio of at least 3.5%, which includes a Tier 1 capital buffer of 0.5% applicable only to D-SIBs. For additional information on the leverage ratio calculation, see page 64 of the *2025 Annual Report*.

In addition, OSFI requires that regulatory capital instruments other than common equity must have a non-viability contingent capital (NVCC) clause to ensure that investors bear losses before taxpayers should the government determine that rescuing a non-viable financial institution is in the public interest. The Bank's regulatory capital instruments, other than common shares, all have an NVCC clause.

OSFI requires D-SIBs to maintain a risk-based *Total Loss Absorbing Capacity* (TLAC) ratio of at least 25.0% (including the DSB) of RWA and a TLAC leverage ratio of at least 7.25%. The TLAC ratio is calculated by dividing available TLAC by RWA, and the TLAC leverage ratio is calculated by dividing available TLAC by total exposure. As at January 31, 2026, outstanding liabilities of \$31.6 billion (\$26.1 billion as at October 31, 2025) were subject to conversion under the bail-in regulations.

Requirements – Regulatory Capital⁽¹⁾, Leverage⁽¹⁾, and TLAC⁽²⁾ Ratios

	Requirements as at January 31, 2026							Ratios as at January 31, 2026
	Minimum	Capital conservation buffer	Minimum set by BCBS	D-SIB surcharge	Minimum set by OSFI	Domestic stability buffer ⁽³⁾	Minimum set by OSFI, including the domestic stability buffer	
Capital ratios								
CET1	4.5 %	2.5 %	7.0 %	1.0 %	8.0 %	3.5 %	11.5 %	13.7 %
Tier 1	6.0 %	2.5 %	8.5 %	1.0 %	9.5 %	3.5 %	13.0 %	15.1 %
Total	8.0 %	2.5 %	10.5 %	1.0 %	11.5 %	3.5 %	15.0 %	17.3 %
Leverage ratio	3.0 %	n.a.	3.0 %	0.5 %	3.5 %	n.a.	3.5 %	4.3 %
TLAC ratio	21.5 %	n.a.	21.5 %	n.a.	21.5 %	3.5 %	25.0 %	32.5 %
TLAC leverage ratio	6.75 %	n.a.	6.75 %	0.5 %	7.25 %	n.a.	7.25 %	9.2 %

n.a. Not applicable

(1) The capital ratios and the leverage ratio are calculated in accordance with the Basel III rules, as set out in OSFI's *Capital Adequacy Requirements Guideline* and *Leverage Requirements Guideline*.

(2) The TLAC ratio and the TLAC leverage ratio are calculated in accordance with OSFI's *Total Loss Absorbing Capacity Guideline*.

(3) On December 18, 2025, OSFI confirmed that the domestic stability buffer was being maintained at 3.5%.

The Bank ensures that its capital levels are always above the minimum capital requirements set by OSFI, including the DSB. By maintaining a strong capital structure, the Bank can cover the risks inherent to its business activities, support its business segments, and protect its clients.

Other disclosure requirements pursuant to Pillar 3 of the Basel Accord and a set of recommendations defined by the Enhanced Disclosure Task Force (EDTF) are presented in the *Supplementary Regulatory Capital and Pillar 3 Disclosure* report published quarterly and available on the Bank's website at nbc.ca. Furthermore, a complete list of capital instruments and their main features is also available on the Bank's website.

Regulatory Developments

The Bank closely monitors regulatory developments and participates actively in various consultative processes. For additional information about the regulatory context as at October 31, 2025, refer to page 65 of the Capital Management section in the *2025 Annual Report*. In addition, since November 1, 2025, the below-described regulatory developments should also be considered.

OSFI finalized the *Capital and Liquidity Treatment of Crypto-asset Exposures (Banking) Guideline*, replacing the interim advisory and establishing a comprehensive framework aligned with Basel standards and introduces differentiated capital treatment based on asset classification, conservative requirements for higher-risk exposures, exposure limits relative to regulatory capital, and enhanced risk management, notification and disclosure expectations. The guideline and the disclosure requirements pursuant to Pillar 3 became effective November 1, 2025.

In addition, OSFI's *Capital Adequacy Requirements (CAR) Guideline* (2026) came into effect on November 1, 2025, incorporating clarifications and targeted adjustments across credit, market and counterparty credit risk frameworks. These changes include refinements to the treatment of certain residential real estate and combined loan products, updates to risk weights for selected exposure classes, and technical enhancements intended to improve consistency and risk alignment, without materially altering the overall capital framework.

Management Activities

On September 25, 2025, the Bank began a normal course issuer bid to repurchase for cancellation up to 8,000,000 common shares (representing approximately 2.04% of its then outstanding common shares) over a 12-month period ending no later than September 24, 2026. During the quarter ended January 31, 2026, the Bank repurchased 3,593,000 common shares at a price of \$619 million, which reduced *Common share capital* by \$90 million and *Retained earnings* by \$529 million. Under this program, the Bank repurchased a total of 4,978,400 common shares at a price of \$832 million.

On November 17, 2025, the Bank redeemed all of the issued and outstanding LRCN – Series 1, the redemption price was \$1,000 each, plus interest accrued and unpaid. The Bank redeemed 500,000 LRCN – Series 1 for a total amount of \$500 million. As part of the redemption of the LRCN – Series 1, the Bank redeemed all of the issued and outstanding Non-Cumulative 5-year Fixed Rate-Reset Series 44 First Preferred Shares issued by the Bank in conjunction with the LRCN – Series 1 and which were held by an independent trustee in a consolidated limited recourse trust.

Dividends

On February 24, 2026, the Board of Directors declared regular dividends on the various series of first preferred shares and a dividend of \$1.24, payable on May 1, 2026 to shareholders of record on March 30, 2026.

Shares, Other Equity Instruments, and Stock Options

	As at January 31, 2026	
	Number of shares or LRCN ⁽¹⁾	\$ million
First preferred shares		
Series 30	14,000,000	350
Series 38	16,000,000	400
Series 40	12,000,000	300
Series 42	12,000,000	300
Series 47	5,000,000	128
Series 49	5,000,000	136
	64,000,000	1,614
Other equity instruments		
LRCN – Series 2	500,000	500
LRCN – Series 3	500,000	500
	1,000,000	1,000
	65,000,000	2,614
Common shares	388,317,954	9,826
Stock options	10,508,142	

(1) Limited Recourse Capital Notes (LRCN).

As at February 20, 2026, there were 387,257,925 common shares and 10,448,488 stock options outstanding. NVCC provisions require the conversion of capital instruments into a variable number of common shares should OSFI deem a bank to be non-viable or should the government publicly announce that a bank has accepted or agreed to accept a capital injection. If an NVCC trigger event were to occur, all of the Bank's preferred shares, LRCNs, medium-term notes and subordinated debentures which are NVCC capital instruments, would be converted into common shares of the Bank according to an automatic conversion formula at a conversion price corresponding to the greater of the following amounts: (i) a \$5.00 contractual floor price; or (ii) the market price of the Bank's common shares on the date of the trigger event (10 day weighted average price). Based on a \$5.00 floor price and including an estimate for accrued dividends and interest, these NVCC capital instruments would be converted into a maximum of 1,568 million Bank common shares, which would have an 80.1% dilutive effect based on the number of Bank common shares outstanding as at January 31, 2026.

Movement in Regulatory Capital⁽¹⁾

	Quarter ended January 31, 2026
(millions of Canadian dollars)	
Common Equity Tier 1 (CET1) capital	
Balance at beginning	25,962
Issuance of common shares (including Stock Option Plan)	63
Impact of shares purchased or sold for trading	(23)
Repurchase of common shares	(619)
Other contributed surplus	7
Dividends on preferred and common shares and distributions on other equity instruments	(526)
Net income attributable to the Bank's shareholders and holders of other equity instruments	1,254
Removal of own credit spread (net of income taxes)	52
Other	(94)
Movements in accumulated other comprehensive income	
Translation adjustments	(171)
Debt securities at fair value through other comprehensive income	59
Other	–
Change in goodwill and intangible assets (net of related tax liability)	19
Other, including regulatory adjustments	
Change in defined benefit pension plan asset (net of related tax liability)	22
Change in amount exceeding 15% threshold	
Deferred tax assets	–
Significant investments in common shares of financial institutions	–
Deferred tax assets, unless they result from temporary differences (net of related tax liability)	(1)
Other deductions or regulatory adjustments to CET1 implemented by OSFI	1
Change in other regulatory adjustments	18
Balance at end	26,023
Additional Tier 1 capital	
Balance at beginning	2,597
New Tier 1 eligible capital issuances	–
Redeemed capital ⁽²⁾	–
Other, including regulatory adjustments	(1)
Balance at end	2,596
Total Tier 1 capital	28,619
Tier 2 capital	
Balance at beginning	4,098
New Tier 2 eligible capital issuances	–
Redeemed capital	–
Tier 2 instruments issued by subsidiaries and held by third parties	–
Change in certain allowances for credit losses	(9)
Other, including regulatory adjustments	10
Balance at end	4,099
Total regulatory capital	32,718

(1) See the Financial Reporting Method section on pages 6 to 12 for additional information on capital management measures.

(2) The redemption of LRCN – Series 1 completed on November 17, 2025, was included in the October 31, 2025 ratios.

Risk-Weighted Assets by Key Risk Drivers

Risk-weighted assets (RWA) amounted to \$189.4 billion as at January 31, 2026 compared to \$188.8 billion as at October 31, 2025, a \$0.6 billion increase resulting mainly from organic growth in RWA offset by foreign exchange movement impact. The changes in the Bank's RWA by risk type are presented in the following table.

Movement of Risk-Weighted Assets by Key Drivers⁽¹⁾

(millions of Canadian dollars)

			Quarter ended	
			January 31, 2026	October 31, 2025
	Non-counterparty credit risk	Counterparty credit risk	Total	Total
Credit risk – Risk-weighted assets at beginning	154,694	7,660	162,354	156,537
Book size	449	(42)	407	5,216
Book quality	261	(145)	116	234
Model updates	–	–	–	–
Methodology and policy	–	–	–	–
Acquisitions and disposals	–	–	–	–
Foreign exchange movements	(1,196)	(127)	(1,323)	367
Credit risk – Risk-weighted assets at end	154,208	7,346	161,554	162,354
Market risk – Risk-weighted assets at beginning			8,724	9,208
Movement in risk levels ⁽²⁾			892	(484)
Model updates			–	–
Methodology and policy			–	–
Acquisitions and disposals			–	–
Market risk – Risk-weighted assets at end			9,616	8,724
Operational risk – Risk-weighted assets at beginning			17,678	17,365
Movement in risk levels			506	313
Methodology and policy			–	–
Acquisitions and disposals			–	–
Operational risk – Risk-weighted assets at end			18,184	17,678
Risk-weighted assets at end			189,354	188,756

(1) See the Financial Reporting Method section on pages 6 to 12 for additional information on capital management measures.

(2) Also includes foreign exchange rate movements that are not considered material.

The table above provides risk-weighted asset movements by the key drivers underlying the different risk categories.

The *Book size* item reflects organic changes in book size and composition (including new loans and maturing loans). RWA movements attributable to book size include increases or decreases in exposures, measured by exposure at default, assuming a stable risk profile.

The *Book quality* item is the Bank's best estimate of changes in book quality related to experience, such as underlying customer behaviour or demographics, including changes resulting from model recalibrations or realignments and including risk mitigation factors.

The *Model updates* item is used to reflect implementations of new models, changes in model scope, or any other change applied to address model malfunctions.

The *Methodology and policy* item presents the impact of changes in calculation methods resulting from changes in regulatory policies or from new regulations.

Regulatory Capital Ratios, Leverage Ratio, and TLAC Ratios

As at January 31, 2026, the Bank's CET1, Tier 1, and Total capital ratios were, respectively, 13.7%, 15.1%, and 17.3% compared to ratios of 13.8%, 15.1% and 17.3%, respectively, as at October 31, 2025. Since October 31, 2025, the CET1 ratio slightly decreased whereas the Tier 1 and Total ratios were stable. The common share repurchases and the growth in RWA contributed to the decrease of the ratios offset by the net income, net of dividends.

As at January 31, 2026, the leverage ratio was 4.3% compared to 4.5% as at October 31, 2025. The decrease in the leverage ratio was mainly attributable to an increase in total exposure, partially offset by the growth in Tier 1 capital.

As at January 31, 2026 the Bank's TLAC ratio and TLAC leverage ratio were 32.5% and 9.2%, respectively, compared to 29.7% and 8.8%, respectively, as at October 31, 2025. The TLAC ratio and the TLAC leverage ratio increase primarily due to net issuances of instruments that met all of the TLAC eligibility criteria during the period.

During the quarter ended January 31, 2026, the Bank was compliant with all of OSFI's regulatory capital, leverage, and TLAC requirements.

Regulatory Capital⁽¹⁾, Leverage Ratio⁽¹⁾ and TLAC⁽²⁾

(millions of Canadian dollars)	As at January 31, 2026	As at October 31, 2025
Capital		
CET1	26,023	25,962
Tier 1 ⁽³⁾	28,619	28,559
Total ⁽³⁾	32,718	32,657
Risk-weighted assets	189,354	188,756
Total exposure	665,594	633,494
Capital ratios		
CET1	13.7 %	13.8 %
Tier 1 ⁽³⁾	15.1 %	15.1 %
Total ⁽³⁾	17.3 %	17.3 %
Leverage ratio⁽³⁾	4.3 %	4.5 %
Available TLAC	61,533	55,993
TLAC ratio	32.5 %	29.7 %
TLAC leverage ratio	9.2 %	8.8 %

(1) Capital, risk-weighted assets, total exposure, the capital ratios, and the leverage ratio are calculated in accordance with the Basel III rules, as set out in OSFI's *Capital Adequacy Requirements Guideline* and *Leverage Requirements Guideline*.

(2) Available TLAC, the TLAC ratio, and the TLAC leverage ratio are calculated in accordance with OSFI's *Total Loss Absorbing Capacity Guideline*.

(3) Data as at October 31, 2025 included the redemption of LRCN – Series 1 completed on November 17, 2025.

Public Disclosure Requirements for Global Systemically Important Banks

The BCBS developed an assessment methodology and additional loss absorbency requirements as well as indicators to be used by the BCBS and the Financial Stability Board to evaluate Global Systemically Important Banks (G-SIBs). The annual public disclosure requirements apply to large, globally active banks.

The most recent version of OSFI's advisory entitled *Global Systemically Important Banks – Public Disclosure Requirements* regarding the implementation of public disclosure requirements for G-SIBs in Canada took effect in 2022. Canadian banks, including the Bank, that have not been designated as G-SIBs and that have total exposure (as calculated using the Basel III leverage ratio) greater than 200 billion euros at fiscal year-end must publish the indicators annually. The indicators are calculated and presented in accordance with specific BCBS guidelines, which are updated annually. Consequently, the values obtained may not be comparable to the other measures presented in this report. The following table presents the indicators used in the BCBS's assessment methodology for evaluating G-SIBs.

Indicators – Global Systemically Important Banks (G-SIBs)⁽¹⁾

(millions of Canadian dollars)		As at October 31	
Category	Indicators	2025	2024
Cross-jurisdictional activity ⁽²⁾	Cross-jurisdictional claims	175,313	138,500
	Cross-jurisdictional liabilities	114,772	84,931
Size ⁽³⁾	Total exposures as defined for use in the Basel III leverage ratio ⁽⁴⁾	637,603	513,566
Interconnectedness ⁽⁵⁾	Intra-financial system assets ⁽⁴⁾	82,126	74,527
	Intra-financial system liabilities ⁽⁴⁾	57,221	41,491
	Securities outstanding ⁽⁴⁾	202,607	150,887
Substitutability / financial institutions infrastructure ⁽⁶⁾	Payment activity ⁽⁷⁾	18,241,845	14,480,595
	Assets under custody	874,067	765,929
	Underwritten transactions in debt and equity markets	49,244	46,856
	Trading volume ⁽⁸⁾		
	Fixed-income securities ⁽⁸⁾	757,530	924,734
	Equities and other securities ⁽⁸⁾	1,640,287	1,513,131
Complexity ⁽⁹⁾	Notional amount of over-the-counter derivative financial instruments ⁽⁴⁾	2,750,248	2,261,187
	Trading and investment securities	86,942	67,274
	Level 3 financial assets ⁽⁴⁾	1,339	1,360

(1) The G-SIB indicators are prepared using the methodology prescribed in the BCBS guidelines published in July 2018 and are calculated using the specific instructions updated by the BCBS each year.

(2) Represents the Bank's level of interaction outside Canada.

(3) Represents the Bank's total on-and-off balance sheet exposures, as determined by OSFI's Basel III leverage ratio rules before regulatory adjustments.

(4) Includes insurance activities.

(5) Represents transactions with other financial institutions.

(6) Represents the extent to which the Bank's services could be substituted by other institutions.

(7) For the fiscal years ended October 31, 2025 and 2024.

(8) This indicator consists of two sub-indicators: fixed-income securities as well as equities and other securities.

(9) Includes the level of complexity and volume of the Bank's trading activities represented through derivative financial instruments, trading securities, investment securities, and Level 3 financial assets.

Risk Management

Risk-taking is intrinsic to a financial institution's business. The Bank views risk as an integral part of its development and the diversification of its activities. It advocates a risk management approach that is consistent with its business strategy. The Bank voluntarily exposes itself to certain risk categories, particularly credit and market risk, in order to generate revenue. It also assumes certain risks that are inherent to its activities—to which it does not choose to expose itself—and that do not generate revenue, i.e., mainly operational risks.

Despite the exercise of stringent risk management and existing mitigation measures, risk cannot be eliminated entirely, and residual risks may occasionally cause losses. Certain risks are discussed hereafter. For additional information, see the Risk Management section on pages 72 to 118 of the *2025 Annual Report*. Risk management information is also provided in Note 6 to the Consolidated Financial Statements, which covers loans.

Credit Risk

Credit risk is the risk of incurring a financial loss if an obligor does not fully honour its contractual commitments to the Bank. Obligors may be borrowers, issuers, guarantors or counterparties. General economic and market conditions in Canada, the U.S. and other countries in which the Bank operates are currently difficult to predict due in part to measures affecting trade relations between Canada and its partners. The imposition of tariffs and the measures taken in response, as well as the possible impacts on our customers, could have an impact on a debtor's ability to repay. Credit risk is the most significant risk facing the Bank in the normal course of its business.

Regulatory Developments

The Bank closely monitors regulatory developments and is actively involved in the various consultation processes. For additional information about the regulatory context as at October 31, 2025, see page 87 of the Risk Management section of the *2025 Annual Report*. In addition, since November 1, 2025, there have been no new regulatory developments to consider.

The amounts in the following tables represent the Bank's maximum exposure to credit risk as at the financial reporting date without considering any collateral held or any other credit enhancements. These amounts do not include allowances for credit losses nor amounts pledged as collateral. The tables also exclude equity securities.

Maximum Credit Risk Exposure Under the Basel Asset Categories⁽¹⁾

(millions of Canadian dollars)						As at January 31, 2026		
	Drawn ⁽²⁾	Undrawn commitments	Repo-style transactions ⁽³⁾	Derivative financial instruments	Other off-balance-sheet items ⁽⁴⁾	Total	Standardized Approach ⁽⁵⁾	IRB Approach
Retail								
Residential mortgages	99,646	9,832	–	–	–	109,478	18 %	82 %
Qualifying revolving retail	4,503	13,616	–	–	–	18,119	– %	100 %
Other retail	23,914	3,025	–	–	39	26,978	30 %	70 %
	128,063	26,473	–	–	39	154,575		
Non-retail								
Corporate	126,594	37,161	63,895	86	10,716	238,452	29 %	71 %
Sovereign	85,098	6,217	111,235	263	645	203,458	3 %	97 %
Financial institutions	12,287	1,322	191,620	4,304	2,639	212,172	25 %	75 %
	223,979	44,700	366,750	4,653	14,000	654,082		
Trading portfolio	–	–	–	18,005	–	18,005	3 %	97 %
Securitization	2,959	–	–	–	7,668	10,627	100 %	– %
Total – Gross credit risk	355,001	71,173	366,750	22,658	21,707	837,289	20 %	80 %
Standardized Approach⁽⁵⁾	80,148	3,217	68,707	4,373	8,795	165,240		
IRB Approach	274,853	67,956	298,043	18,285	12,912	672,049		
Total – Gross credit risk	355,001	71,173	366,750	22,658	21,707	837,289	20 %	80 %

(millions of Canadian dollars)						As at October 31, 2025		
	Drawn ⁽²⁾	Undrawn commitments	Repo-style transactions ⁽³⁾	Derivative financial instruments	Other off-balance-sheet items ⁽⁴⁾	Total	Standardized Approach ⁽⁵⁾	IRB Approach
Retail								
Residential mortgages	97,507	9,715	–	–	–	107,222	18 %	82 %
Qualifying revolving retail	4,487	13,454	–	–	–	17,941	– %	100 %
Other retail	24,250	2,974	–	–	47	27,271	30 %	70 %
	126,244	26,143	–	–	47	152,434		
Non-retail								
Corporate	126,772	36,857	66,245	81	9,956	239,911	28 %	72 %
Sovereign	74,412	6,281	104,954	–	535	186,182	3 %	97 %
Financial institutions	14,229	1,227	192,041	3,146	2,625	213,268	23 %	77 %
	215,413	44,365	363,240	3,227	13,116	639,361		
Trading portfolio	–	–	–	18,250	–	18,250	3 %	97 %
Securitization	3,029	–	–	–	7,561	10,590	100 %	– %
Total – Gross credit risk	344,686	70,508	363,240	21,477	20,724	820,635	19 %	81 %
Standardized Approach⁽⁵⁾	79,532	3,196	64,806	3,387	8,629	159,550		
IRB Approach	265,154	67,312	298,434	18,090	12,095	661,085		
Total – Gross credit risk	344,686	70,508	363,240	21,477	20,724	820,635	19 %	81 %

(1) See the Financial Reporting Method section on pages 6 to 12 for additional information on capital management measures.

(2) Excludes equity securities and certain other assets such as investments in deconsolidated subsidiaries and joint ventures, right-of-use properties and assets, goodwill, deferred tax assets, and intangible assets.

(3) Securities purchased under reverse repurchase agreements and sold under repurchase agreements as well as securities loaned and borrowed.

(4) Letters of guarantee, documentary letters of credit, and securitized assets that represent the Bank's commitment to make payments in the event that an obligor cannot meet its financial obligations to third parties.

(5) Includes exposures to qualifying central counterparties (QCCP).

To meet OSFI's mortgage loan disclosure requirements, additional information has been provided in the documents *Supplementary Financial Information – First Quarter 2026* and *Supplementary Regulatory Capital and Pillar 3 Disclosure – First Quarter 2026*, which are available on the Bank's website at nbc.ca.

Market Risk

Market risk is the risk of financial losses arising from movements in market prices. The Bank is exposed to market risk through its participation in trading, investment, and asset/liability management activities.

The following tables provide a breakdown of the Bank's Consolidated Balance Sheet into assets and liabilities by those that carry market risk and those that do not carry market risk, distinguishing between trading positions whose main risk measures are Value-at-Risk (VaR) and non-trading positions that use other risk measures.

Reconciliation of Market Risk with Consolidated Balance Sheet Items

(millions of Canadian dollars)		As at January 31, 2026			
	Balance sheet	Market risk measures		Not subject to market risk	Non-traded risk primary risk sensitivity
		Trading ⁽¹⁾	Non-trading ⁽²⁾		
Assets					
Cash and deposits with financial institutions	36,768	380	29,032	7,356	Interest rate ⁽³⁾
Securities					
At fair value through profit or loss	151,613	149,033	2,580	–	Interest rate ⁽³⁾ and equity
At fair value through other comprehensive income	24,432	–	24,432	–	Interest rate ⁽³⁾ and equity ⁽⁴⁾
At amortized cost	18,589	–	18,589	–	Interest rate ⁽³⁾
Securities purchased under reverse repurchase agreements and securities borrowed	39,846	–	39,846	–	Interest rate ⁽³⁾⁽⁵⁾
Loans, net of allowances	304,120	14,219	289,901	–	Interest rate ⁽³⁾
Derivative financial instruments	12,578	11,771	807	–	Interest rate and exchange rate
Defined benefit asset	410	–	410	–	Other
Other	17,515	2,205	–	15,310	
	605,871	177,608	405,597	22,666	
Liabilities					
Deposits	445,874	42,116	403,758	–	Interest rate ⁽³⁾
Obligations related to securities sold short	11,448	11,448	–	–	
Obligations related to securities sold under repurchase agreements and securities loaned	58,661	–	58,661	–	Interest rate ⁽³⁾⁽⁵⁾
Derivative financial instruments	15,356	14,492	864	–	Interest rate and exchange rate
Liabilities related to transferred receivables	28,666	11,138	17,528	–	Interest rate ⁽³⁾
Defined benefit liability	96	–	96	–	Other
Other	9,123	–	–	9,123	Interest rate ⁽³⁾
Subordinated debt	3,430	–	3,430	–	Interest rate ⁽³⁾
	572,654	79,194	484,337	9,123	

(1) Trading positions whose risk measure is total VaR. For additional information, see the table in the pages ahead and in the Market Risk section of the 2025 Annual Report that shows the VaR distribution of the trading portfolios by risk category and their diversification effect.

(2) Non-trading positions that use other risk measures.

(3) For additional information, see the table in the pages ahead and in the Market Risk section of the 2025 Annual Report that shows the VaR distribution of the trading portfolios by risk category and their diversification effect, as well as the table that shows the interest rate sensitivity.

(4) The fair value of equity securities designated at fair value through other comprehensive income is presented in Notes 3 and 5 to the Consolidated Financial Statements.

(5) These instruments are recorded at amortized cost and are subject to credit risk for capital management purposes. For trading-related transactions with maturities of more than one day, interest rate risk is included in the VaR.

(millions of Canadian dollars)

As at October 31, 2025

	Balance sheet	Market risk measures		Not subject to market risk	Non-traded risk primary risk sensitivity
		Trading ⁽¹⁾	Non-trading ⁽²⁾		
Assets					
Cash and deposits with financial institutions	27,916	627	20,274	7,015	Interest rate ⁽³⁾
Securities					
At fair value through profit or loss	148,118	145,420	2,698	–	Interest rate ⁽³⁾ and equity ⁽⁴⁾
At fair value through other comprehensive income	24,024	–	24,024	–	Interest rate ⁽³⁾ and equity ⁽⁵⁾
At amortized cost	16,605	–	16,605	–	Interest rate ⁽³⁾
Securities purchased under reverse repurchase agreements and securities borrowed	27,091	–	27,091	–	Interest rate ⁽³⁾⁽⁶⁾
Loans, net of allowances	302,623	15,097	287,526	–	Interest rate ⁽³⁾
Derivative financial instruments	12,515	12,182	333	–	Interest rate ⁽⁷⁾ and exchange rate ⁽⁷⁾
Defined benefit asset	441	–	441	–	Other ⁽⁸⁾
Other	17,586	3,735	–	13,851	
	576,919	177,061	378,992	20,866	
Liabilities					
Deposits	428,003	39,898	388,105	–	Interest rate ⁽³⁾
Obligations related to securities sold short	13,257	13,257	–	–	
Obligations related to securities sold under repurchase agreements and securities loaned	41,356	–	41,356	–	Interest rate ⁽³⁾⁽⁶⁾
Derivative financial instruments	15,984	15,138	846	–	Interest rate ⁽⁷⁾ and exchange rate ⁽⁷⁾
Liabilities related to transferred receivables	30,577	12,713	17,864	–	Interest rate ⁽³⁾
Defined benefit liability	98	–	98	–	Other ⁽⁸⁾
Other	10,443	–	–	10,443	Interest rate ⁽³⁾
Subordinated debt	3,432	–	3,432	–	Interest rate ⁽³⁾
	543,150	81,006	451,701	10,443	

(1) Trading positions whose risk measure is total VaR. For additional information, see the table on the following page and in the Market Risk section of the 2025 Annual Report that shows the VaR distribution of the trading portfolios by risk category and their diversification effect.

(2) Non-trading positions that use other risk measures.

(3) For additional information, see the table in the pages ahead and in the Market Risk section of the 2025 Annual Report that shows the VaR distribution of the trading portfolios by risk category and their diversification effect, as well as the table that shows the interest rate sensitivity.

(4) For additional information, see Note 7 to the audited annual consolidated financial statements for the year ended October 31, 2025.

(5) The fair value of equity securities designated at fair value through other comprehensive income is presented in Notes 3 and 5 to the Consolidated Financial Statements.

(6) These instruments are recorded at amortized cost and are subject to credit risk for capital management purposes. For trading-related transactions with maturities of more than one day, interest rate risk is included in the VaR.

(7) For additional information, see Notes 17 and 18 to the audited annual consolidated financial statements for the year ended October 31, 2025.

(8) For additional information, see Note 23 to the audited annual consolidated financial statements for the year ended October 31, 2025.

Trading Activities

The table below shows the VaR distribution of trading portfolios by risk category and their diversification effect.

VaR of Trading Portfolios⁽¹⁾⁽²⁾

(millions of Canadian dollars)

	January 31, 2026				October 31, 2025		January 31, 2025	
	Low	High	Average	Period end	Average	Period end	Average	Period end
Interest rate	(12.3)	(22.4)	(16.7)	(15.7)	(15.5)	(16.3)	(12.8)	(13.0)
Exchange rate	(1.1)	(5.0)	(2.3)	(1.1)	(1.3)	(1.6)	(2.0)	(0.9)
Equity	(4.7)	(8.1)	(5.9)	(6.3)	(5.1)	(6.1)	(4.8)	(6.5)
Commodity	(1.2)	(2.1)	(1.5)	(1.5)	(2.5)	(1.5)	(1.6)	(1.2)
Diversification effect ⁽³⁾	n.m.	n.m.	12.0	10.8	10.8	10.9	9.1	8.0
Total trading VaR	(10.0)	(18.5)	(14.4)	(13.8)	(13.6)	(14.6)	(12.1)	(13.6)

n.m. Computation of a diversification effect for the high and low is not meaningful, as highs and lows may occur on different days and be attributable to different types of risk.

(1) See the Glossary section on pages 49 to 52 for details on the composition of these measures.

(2) Amounts are presented on a pre-tax basis and represent one-day VaR using a 99% confidence level.

(3) The total trading VaR is less than the sum of the individual risk factor VaR results due to the diversification effect.

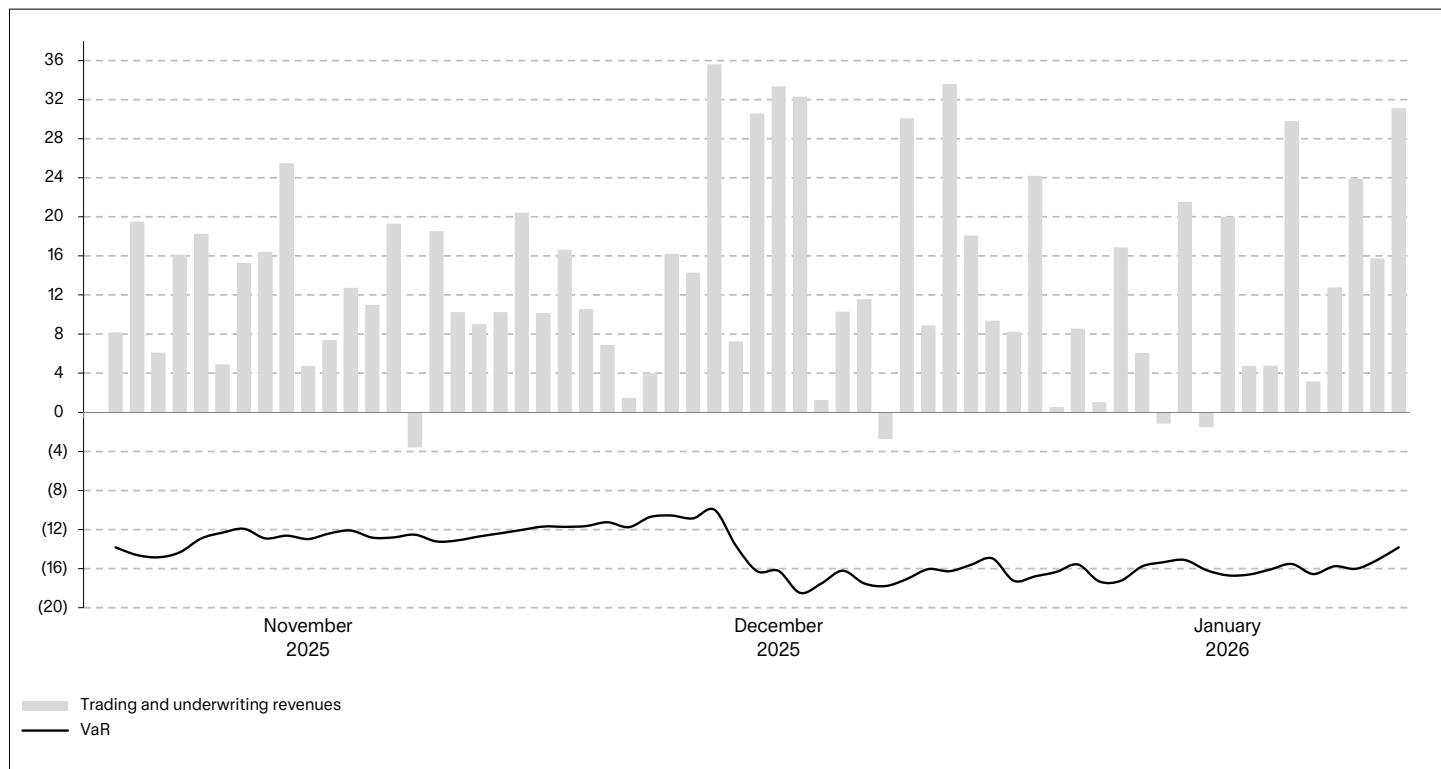
The average total VaR of the trading portfolios remained relatively stable from the fourth quarter of 2025 to the first quarter of 2026.

Daily Trading and Underwriting Revenues

The following chart shows daily trading and underwriting revenues and VaR. During the quarter ended January 31, 2026, daily trading and underwriting revenues were positive on 93% of the days. In addition, four days were marked by net daily trading and underwriting losses in excess of \$1 million. None of these losses exceeded VaR.

Quarter Ended January 31, 2026

(millions of Canadian dollars)



Interest Rate Sensitivity – Non-Trading Activities (Before Tax)

The following table presents the potential before-tax impact of an immediate and sustained 100-basis-point increase or of an immediate and sustained 100-basis-point decrease in interest rates on the economic value of equity and on the net interest income of the Bank's non-trading portfolios for the next 12 months, assuming no further hedging is undertaken and using a constant balance sheet.

(millions of Canadian dollars)	As at January 31, 2026			As at October 31, 2025		
	Canadian dollar	Other currencies	Total	Canadian dollar	Other currencies	Total
Impact on equity						
100-basis-point increase in the interest rate	(603)	(116)	(719)	(601)	(82)	(683)
100-basis-point decrease in the interest rate	598	91	689	605	83	688
Impact on net interest income						
100-basis-point increase in the interest rate	111	(30)	81	132	(46)	86
100-basis-point decrease in the interest rate	(131)	36	(95)	(148)	49	(99)

Liquidity and Funding Risk

Liquidity and funding risk is the risk that the Bank will be unable to honour daily cash and financial obligations without resorting to costly and untimely measures. Liquidity and funding risk arises when sources of funds become insufficient to meet scheduled payments under the Bank's commitments.

Liquidity risk refers to the possibility that an institution may not be able to meet its financial obligations as they fall due, due to a mismatch between cash inflows and outflows, without incurring unacceptable losses.

Funding risk is defined as the risk to the Bank's ongoing ability to raise sufficient funds to finance actual or proposed business activities on an unsecured or secured basis at an acceptable price. The funding management priority is to achieve an optimal balance between deposits, securitization, secured funding, and unsecured funding. This brings optimal stability to the funding and reduces vulnerability to unpredictable events.

Regulatory Developments

The Bank continues to closely monitor regulatory developments and participates actively in various consultative processes. For additional information about the regulatory context as at October 31, 2025, refer to page 101 of the Risk Management section in the *2025 Annual Report*. Furthermore, since November 1, 2025, the new regulatory development below is to be considered.

The revised guidelines for Chapters 2, 3 and 4 were published by the OSFI on January 29, 2026. This version clarifies which types of deposits—particularly those arising from partnerships—may be classified as retail funding and therefore benefit from preferential treatment under the liquidity standards. It also introduces two new retail structured note categories, as well as additional guidance on the assessment of the maturity of structured notes with early redemption features and on the circumstances in which contingent funding obligations must be applied. These revised guidelines will come into effect on May 1, 2026.

Liquidity Management

Liquid Assets

To protect depositors and creditors from unexpected crisis situations, the Bank holds a portfolio of unencumbered liquid assets that can be readily liquidated to meet financial obligations. The majority of the unencumbered liquid assets are held in Canadian or U.S. dollars. Moreover, all assets that can be quickly monetized are considered liquid assets. The Bank's liquidity reserves do not factor in the availability of the emergency liquidity facilities of central banks. The following tables provide information on the Bank's encumbered and unencumbered assets.

Liquid Asset Portfolio⁽¹⁾

(millions of Canadian dollars)	As at January 31, 2026					As at October 31, 2025
	Bank-owned liquid assets ⁽²⁾	Liquid assets received ⁽³⁾	Total liquid assets	Encumbered liquid assets ⁽⁴⁾	Unencumbered liquid assets	Unencumbered liquid assets
Cash and deposits with financial institutions	36,768	–	36,768	14,640	22,128	13,359
Securities						
Issued or guaranteed by the Canadian government, U.S. Treasury, other U.S. agencies and other foreign governments	52,535	86,403	138,938	81,419	57,519	54,180
Issued or guaranteed by Canadian provincial and municipal governments	21,303	15,508	36,811	23,501	13,310	14,032
Other debt securities	7,567	4,365	11,932	4,959	6,973	7,814
Equity securities	113,229	71,138	184,367	108,841	75,526	71,776
Loans						
Securities backed by insured residential mortgages	18,673	–	18,673	10,468	8,205	8,798
As at January 31, 2026	250,075	177,414	427,489	243,828	183,661	
As at October 31, 2025	234,925	164,738	399,663	229,704		169,959

(millions of Canadian dollars)	As at January 31, 2026	As at October 31, 2025
Unencumbered liquid assets by entity		
National Bank (parent)	118,182	117,051
Domestic subsidiaries	20,718	14,102
Foreign subsidiaries and branches	44,761	38,806
	183,661	169,959

(millions of Canadian dollars)	As at January 31, 2026	As at October 31, 2025
Unencumbered liquid assets by currency		
Canadian dollar	80,405	73,309
U.S. dollar	90,070	83,713
Other currencies	13,186	12,937
	183,661	169,959

Liquid Asset Portfolio⁽¹⁾ – Average⁽⁵⁾

(millions of Canadian dollars)	Quarter ended					
	January 31, 2026					October 31, 2025
	Bank-owned liquid assets ⁽²⁾	Liquid assets received ⁽³⁾	Total liquid assets	Encumbered liquid assets ⁽⁴⁾	Unencumbered liquid assets	Unencumbered liquid assets
Cash and deposits with financial institutions	34,905	–	34,905	14,498	20,407	17,374
Securities						
Issued or guaranteed by the Canadian government, U.S. Treasury, other U.S. agencies and other foreign governments	52,324	80,030	132,354	81,276	51,078	56,036
Issued or guaranteed by Canadian provincial and municipal governments	20,571	15,658	36,229	24,686	11,543	12,431
Other debt securities	8,665	4,724	13,389	4,924	8,465	8,888
Equity securities	122,054	71,413	193,467	109,805	83,662	67,211
Loans						
Securities backed by insured residential mortgages	18,345	–	18,345	10,255	8,090	9,211
	256,864	171,825	428,689	245,444	183,245	171,151

(1) See the Financial Reporting Method section on pages 6 to 12 for additional information on capital management measures.

(2) Bank-owned liquid assets include assets for which there are no legal or geographic restrictions.

(3) Securities received as collateral with respect to securities financing and derivative transactions and securities purchased under reverse repurchase agreements and securities borrowed.

(4) In the normal course of its funding activities, the Bank pledges assets as collateral in accordance with standard terms. Encumbered liquid assets include assets used to cover short sales, obligations related to securities sold under repurchase agreements and securities loaned, guarantees related to security-backed loans and borrowings, collateral related to derivative financial instrument transactions, asset-backed securities, and liquid assets legally restricted from transfers.

(5) The average is based on the sum of the end-of-period balances of the three months of the quarter divided by three.

Summary of Encumbered and Unencumbered Assets⁽¹⁾

(millions of Canadian dollars)

					As at January 31, 2026	
	Encumbered assets ⁽²⁾		Unencumbered assets		Total	Encumbered assets as a % of total assets
	Pledged as collateral	Other ⁽³⁾	Available as collateral	Other ⁽⁴⁾		
Cash and deposits with financial institutions	–	14,640	22,128	–	36,768	2.4
Securities	69,704	–	124,930	–	194,634	11.5
Securities purchased under reverse repurchase agreements and securities borrowed	–	11,448	28,398	–	39,846	1.9
Loans, net of allowances	40,860	–	8,205	255,055	304,120	6.7
Derivative financial instruments	–	–	–	12,578	12,578	–
Premises and equipment	–	–	–	2,159	2,159	–
Goodwill	–	–	–	3,098	3,098	–
Intangible assets	–	–	–	1,722	1,722	–
Other assets	1,840	–	–	9,106	10,946	0.3
	112,404	26,088	183,661	283,718	605,871	22.8

(millions of Canadian dollars)

					As at October 31, 2025	
	Encumbered assets ⁽²⁾		Unencumbered assets		Total	Encumbered assets as a % of total assets
	Pledged as collateral	Other ⁽³⁾	Available as collateral	Other ⁽⁴⁾		
Cash and deposits with financial institutions	–	14,557	13,359	–	27,916	2.5
Securities	54,779	–	133,968	–	188,747	9.5
Securities purchased under reverse repurchase agreements and securities borrowed	–	13,257	13,834	–	27,091	2.3
Loans, net of allowances	40,971	–	8,798	252,854	302,623	7.1
Derivative financial instruments	–	–	–	12,515	12,515	–
Premises and equipment	–	–	–	2,162	2,162	–
Goodwill	–	–	–	3,101	3,101	–
Intangible assets	–	–	–	1,748	1,748	–
Other assets	3,158	–	–	7,858	11,016	0.5
	98,908	27,814	169,959	280,238	576,919	21.9

(1) See the Financial Reporting Method section on pages 6 to 12 for additional information on capital management measures.

(2) In the normal course of its funding activities, the Bank pledges assets as collateral in accordance with standard terms. Encumbered assets include assets used to cover short sales, obligations related to securities sold under repurchase agreements and securities loaned, guarantees related to security-backed loans and borrowings, collateral related to derivative financial instrument transactions, asset-backed securities, residential mortgage loans securitized and transferred under the Canada Mortgage Bond program, assets held in consolidated trusts supporting the Bank's funding activities, and mortgage loans transferred under the covered bond program.

(3) Other encumbered assets include assets for which there are restrictions and that cannot therefore be used for collateral or funding purposes as well as assets used to cover short sales.

(4) Other unencumbered assets are assets that cannot be used for collateral or funding purposes in their current form. This category includes assets that are potentially eligible as funding program collateral (e.g., mortgages insured by the Canada Mortgage and Housing Corporation that can be securitized into mortgage-backed securities under the *National Housing Act* (Canada)).

Liquidity Coverage Ratio

The liquidity coverage ratio (LCR) was introduced primarily to ensure that banks could withstand periods of severe short-term stress. LCR is calculated by dividing the total amount of high-quality liquid assets (HQLA) by the total amount of net cash outflows. OSFI has been requiring Canadian banks to maintain a minimum LCR of 100%. An LCR above 100% ensures that banks are holding sufficient high-quality liquid assets to cover net cash outflows given a severe, 30-day liquidity crisis. The assumptions underlying the LCR scenario are established by the BCBS and OSFI's *Liquidity Adequacy Requirements Guideline*.

The table on the following page provides average LCR data calculated using the daily figures in the quarter. For the quarter ended January 31, 2026, the Bank's average LCR was 189%, well above the 100% regulatory requirement and demonstrating the Bank's solid short-term liquidity position.

LCR Disclosure Requirements⁽¹⁾⁽²⁾

(millions of Canadian dollars)

	Quarter ended	
	January 31, 2026	October 31, 2025
	Total unweighted value ⁽³⁾ (average)	Total weighted value ⁽⁴⁾ (average)
High-quality liquid assets (HQLA)		
Total HQLA	n.a.	109,759
Cash outflows		
Retail deposits and deposits from small business customers, of which:	87,858	8,084
Stable deposits	31,471	944
Less stable deposits	56,387	7,140
Unsecured wholesale funding, of which:	142,214	77,308
Operational deposits (all counterparties) and deposits in networks of cooperative banks	46,105	11,303
Non-operational deposits (all counterparties)	88,853	58,639
Unsecured debt	7,256	7,366
Secured wholesale funding	n.a.	36,110
Additional requirements, of which:	91,897	23,070
Outflows related to derivative exposures and other collateral requirements	31,500	13,180
Outflows related to loss of funding on secured debt securities	1,556	1,540
Backstop liquidity and credit enhancement facilities and commitments to extend credit	58,841	8,350
Other contractual commitments to extend credit	3,526	1,230
Other contingent commitments to extend credit	214,639	2,614
Total cash outflows	n.a.	148,416
Cash inflows		
Secured lending (e.g., reverse repos)	197,368	41,450
Inflows from fully performing exposures	14,216	7,951
Other cash inflows	37,400	37,072
Total cash inflows	248,984	86,473
	Total adjusted value ⁽⁵⁾	Total adjusted value ⁽⁵⁾
Total HQLA	109,759	107,109
Total net cash outflows	61,943	64,227
Liquidity coverage ratio (%)⁽⁶⁾	189 %	173 %

n.a. Not applicable

(1) See the Financial Reporting Method section on pages 6 to 12 for additional information on capital management measures.

(2) OSFI prescribed a table format in order to standardize disclosure throughout the banking industry.

(3) Unweighted values are calculated as outstanding balances maturing or callable within 30 days (for cash inflows and outflows).

(4) Weighted values are calculated after the application of respective haircuts (for HQLA) or inflow and outflow rates.

(5) Total adjusted values are calculated after the application of both haircuts and inflow and outflow rates and any applicable caps.

(6) The data in this table is calculated using averages of the daily figures in the quarter.

As at January 31, 2026, Level 1 liquid assets represented 81% of the Bank's HQLA, which includes cash, central bank deposits, and bonds issued or guaranteed by the Canadian government and Canadian provincial governments.

Cash outflows arise from the application of OSFI-prescribed assumptions on deposits, debt, secured funding, commitments and additional collateral requirements. The cash outflows are partly offset by cash inflows, which come mainly from secured loans and performing loans. The Bank expects some quarter-over-quarter variation between reported LCRs without such variation being necessarily indicative of a trend. The variation between the quarter ended January 31, 2026 and the preceding quarter was a result of normal business operations. The Bank's liquid asset buffer is well in excess of its total net cash outflows.

The LCR assumptions differ from the assumptions used for the liquidity disclosures presented in the tables on the previous pages or those used for internal liquidity management rules. While the liquidity disclosure framework is prescribed by the EDTF, the Bank's internal liquidity metrics use assumptions that are calibrated according to its business model and experience.

Net Stable Funding Ratio

The BCBS has developed the net stable funding ratio (NSFR) to promote a more resilient banking sector. The NSFR requires institutions to maintain a stable funding profile in relation to the composition of their assets and off-balance-sheet activities. A viable funding structure is intended to reduce the likelihood that disruptions to an institution's regular sources of funding would erode its liquidity position in a way that would increase the risk of its failure and potentially lead to broader systemic stress. The NSFR is calculated by dividing available stable funding by required stable funding. OSFI has been requiring Canadian banks to maintain a minimum NSFR of 100%.

The following table provides the available stable funding and required stable funding in accordance with OSFI's *Liquidity Adequacy Requirements Guideline*. As at January 31, 2026, the Bank's NSFR was 120%, well above the 100% regulatory requirement and demonstrating the Bank's solid long-term liquidity position.

NSFR Disclosure Requirements⁽¹⁾⁽²⁾

(millions of Canadian dollars)	As at January 31, 2026				As at October 31, 2025	
	Unweighted value by residual maturity				Weighted value ⁽³⁾	Weighted value ⁽³⁾
	No maturity	6 months or less	Over 6 months to 1 year	Over 1 year		
Available Stable Funding (ASF) Items						
Capital:	33,776	–	–	3,430	37,206	37,231
Regulatory capital	33,776	–	–	3,430	37,206	37,231
Other capital instruments	–	–	–	–	–	–
Retail deposits and deposits from small business customers:	84,950	13,606	11,922	33,712	133,758	133,311
Stable deposits	31,538	4,367	4,582	9,390	47,852	47,911
Less stable deposits	53,412	9,239	7,340	24,322	85,906	85,400
Wholesale funding:	96,376	126,252	42,884	76,509	169,197	143,883
Operational deposits	45,854	–	–	–	22,927	23,115
Other wholesale funding	50,522	126,252	42,884	76,509	146,270	120,768
Liabilities with matching interdependent assets ⁽⁴⁾	–	2,645	2,196	23,825	–	–
Other liabilities ⁽⁵⁾ :	16,046	18,952			1,029	1,136
NSFR derivative liabilities ⁽⁵⁾	n.a.	7,444			n.a.	n.a.
All other liabilities and equity not included in the above categories	16,046	3,731	294	7,483	1,029	1,136
Total ASF	n.a.	n.a.	n.a.	n.a.	341,190	315,561
Required Stable Funding (RSF) Items						
Total NSFR high-quality liquid assets (HQLA)	n.a.	n.a.	n.a.	n.a.	40,836	9,028
Deposits held at other financial institutions for operational purposes	–	–	–	–	–	–
Performing loans and securities:	88,564	83,855	41,675	113,897	206,794	206,535
Performing loans to financial institutions secured by Level 1 HQLA	291	15,555	29	–	807	642
Performing loans to financial institutions secured by non-Level-1 HQLA and unsecured performing loans to financial institutions	6,867	11,528	2,985	1,217	6,013	17,402
Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	42,986	41,680	25,124	44,119	107,048	107,040
With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk	751	2,817	505	1,239	2,954	3,085
Performing residential mortgages, of which:	9,460	14,020	12,743	67,030	65,939	65,333
With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk	9,460	14,020	12,743	67,030	65,939	65,333
Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	28,960	1,072	794	1,531	26,987	16,118
Assets with matching interdependent liabilities ⁽⁴⁾	–	2,645	2,196	23,825	–	–
Other assets ⁽⁵⁾ :	11,448	44,422			31,740	33,440
Physical traded commodities, including gold	1,834	n.a.	n.a.	n.a.	1,781	2,867
Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs ⁽⁵⁾	n.a.	14,838			12,613	13,174
NSFR derivative assets ⁽⁵⁾	n.a.	3,615			–	–
NSFR derivative liabilities before deduction of the variation margin posted ⁽⁵⁾	n.a.	16,768			838	900
All other assets not included in the above categories	9,614	4,089	647	4,465	16,508	16,499
Off-balance-sheet items ⁽⁵⁾	n.a.	149,118			5,704	5,660
Total RSF	n.a.	n.a.	n.a.	n.a.	285,074	254,663
Net Stable Funding Ratio (%)	n.a.	n.a.	n.a.	n.a.	120 %	124 %

n.a. Not applicable

(1) See the Financial Reporting Method section on pages 6 to 12 for additional information on capital management measures.

(2) OSFI prescribed a table format in order to standardize disclosure throughout the banking industry.

(3) Weighted values are calculated after application of the weightings set out in OSFI's *Liquidity Adequacy Requirements Guideline*.

(4) As per OSFI's specifications, liabilities arising from transactions involving the Canada Mortgage Bond program and their corresponding encumbered mortgages are given ASF and RSF weights of 0%, respectively.

(5) As per OSFI's specifications, there is no need to differentiate by maturity.

The NSFR represents the amount of ASF relative to the amount of RSF. ASF is defined as the portion of capital and liabilities expected to be reliable over the time horizon considered by the NSFR, which extends to one year. The amount of RSF of a specific institution is a function of the liquidity characteristics and residual maturities of the various assets held by that institution as well as those of its off-balance-sheet exposures. The amounts of ASF and RSF are calibrated to reflect the degree of stability of liabilities and liquidity of assets. The Bank expects some quarter-over-quarter variation between reported NSFRs without such variation being necessarily indicative of a trend.

The NSFR assumptions differ from the assumptions used for the liquidity disclosures provided in the tables on the preceding pages or those used for internal liquidity management rules. While the liquidity disclosure framework is prescribed by the EDTF, the Bank's internal liquidity metrics use assumptions that are calibrated according to its business model and experience.

Funding

The Bank continuously monitors and analyzes market trends as well as possibilities for accessing less expensive and more flexible funding, considering both the risks and opportunities observed. The deposit strategy remains a priority for the Bank, which continues to prefer deposits to institutional funding.

The table below presents the residual contractual maturities of the Bank's wholesale funding. The information has been presented in accordance with the categories recommended by the EDTF for comparison purposes with other banks.

Residual Contractual Maturities of Wholesale Funding

(millions of Canadian dollars)		As at January 31, 2026						
	1 month or less	Over 1 month to 3 months	Over 3 months to 6 months	Over 6 months to 12 months	Subtotal 1 year or less	Over 1 year to 2 years	Over 2 years	Total
Deposits from banks ⁽¹⁾	388	–	140	524	1,052	–	–	1,052
Certificates of deposit and commercial paper ⁽²⁾	5,274	11,112	11,804	17,703	45,893	1,157	–	47,050
Senior unsecured medium-term notes ⁽³⁾	1,253	3,767	3,786	14,409	23,215	12,792	16,395	52,402
Senior unsecured structured notes	68	60	992	664	1,784	785	2,864	5,433
Covered bonds and asset-backed securities								
Mortgage securitization	–	437	2,047	2,150	4,634	3,154	20,878	28,666
Covered bonds	–	–	1,399	2,794	4,193	2,182	5,237	11,612
Subordinated liabilities ⁽⁴⁾	–	–	–	–	–	–	3,430	3,430
	6,983	15,376	20,168	38,244	80,771	20,070	48,804	149,645
Secured funding	–	437	3,446	4,944	8,827	5,336	26,115	40,278
Unsecured funding	6,983	14,939	16,722	33,300	71,944	14,734	22,689	109,367
	6,983	15,376	20,168	38,244	80,771	20,070	48,804	149,645
As at October 31, 2025	10,285	12,964	19,895	34,712	77,856	16,811	44,955	139,622

(1) Deposits from banks include all non-negotiable term deposits from banks.

(2) Include bearer deposit notes.

(3) Include debts subject to bank recapitalization (bail-in) conversion regulations.

(4) Subordinated debt is presented in this table, but the Bank does not consider it as part of its wholesale funding.

As part of a comprehensive liquidity management framework, the Bank regularly reviews its contracts that stipulate that additional collateral could be required in the event of a downgrade of the Bank's credit rating. The Bank's liquidity position management approach already incorporates additional collateral requirements in the event of a one-notch to three-notch downgrade in credit rating. The table below presents the additional collateral requirements in the event of a one-, two-, or three-notch credit rating downgrade.

(millions of Canadian dollars)		As at January 31, 2026		
		One-notch downgrade	Two-notch downgrade	Three-notch downgrade
Derivatives ⁽¹⁾		26	107	123

(1) Contractual requirements related to agreements known as initial margins and variation margins.

Residual Contractual Maturities of Balance Sheet Items and Off-Balance-Sheet Commitments

The following tables present balance sheet items and off-balance-sheet commitments by residual contractual maturity as at January 31, 2026 with comparative figures as at October 31, 2025. The information gathered from this maturity analysis is a component of liquidity and funding management. However, this maturity profile does not represent how the Bank manages its interest rate risk or its liquidity risk and funding needs. The Bank considers factors other than contractual maturity when assessing liquid assets or determining expected future cash flows.

In the normal course of business, the Bank enters into various off-balance-sheet commitments. The credit instruments used to meet the funding needs of its clients represent the maximum amount of additional credit that the Bank could be obligated to extend if the commitments were fully drawn.

The Bank also has future minimum commitments under leases as well as under other contracts, mainly commitments to purchase loans and contracts for outsourced information technology services.

(millions of Canadian dollars)		As at January 31, 2026								
	1 month or less	Over 1 month to 3 months	Over 3 months to 6 months	Over 6 months to 9 months	Over 9 months to 12 months	Over 1 year to 2 years	Over 2 years to 5 years	Over 5 years	No specified maturity	Total
Assets										
Cash and deposits with financial institutions	21,792	1,385	1,218	761	1,103	242	–	–	10,267	36,768
Securities										
At fair value through profit or loss	341	690	1,889	1,136	1,424	7,192	14,380	11,621	112,940	151,613
At fair value through other comprehensive income	–	64	405	319	683	3,593	7,893	11,186	289	24,432
At amortized cost	14	62	1,019	1,057	1,099	2,426	8,715	4,197	–	18,589
	355	816	3,313	2,512	3,206	13,211	30,988	27,004	113,229	194,634
Securities purchased under reverse repurchase agreements and securities borrowed	28,799	321	2,722	710	–	340	–	–	6,954	39,846
Loans⁽¹⁾										
Residential mortgage	2,575	3,921	7,944	6,496	5,818	23,225	52,988	10,950	590	114,507
Personal	1,108	1,470	2,267	1,751	1,495	6,158	15,832	5,592	14,615	50,288
Credit card									3,015	3,015
Business and government	17,816	9,669	10,556	9,168	6,465	14,480	22,367	7,058	40,940	138,519
Allowances for credit losses									(2,209)	(2,209)
	21,499	15,060	20,767	17,415	13,778	43,863	91,187	23,600	56,951	304,120
Other										
Derivative financial instruments	1,895	1,992	1,256	711	1,128	1,299	1,846	2,451	–	12,578
Premises and equipment									2,159	2,159
Goodwill									3,098	3,098
Intangible assets									1,722	1,722
Other assets ⁽¹⁾	1,278	292	212	557	90	903	384	347	6,883	10,946
	3,173	2,284	1,468	1,268	1,218	2,202	2,230	2,798	13,862	30,503
	75,618	19,866	29,488	22,666	19,305	59,858	124,405	53,402	201,263	605,871

(1) Amounts collectible on demand are considered to have no specified maturity.

(millions of Canadian dollars)

As at January 31, 2026										Total
	1 month or less	Over 1 month to 3 months	Over 3 months to 6 months	Over 6 months to 9 months	Over 9 months to 12 months	Over 1 year to 2 years	Over 2 years to 5 years	Over 5 years	No specified maturity	
Liabilities and equity										
Deposits⁽¹⁾⁽²⁾										
Personal	2,952	3,118	5,868	5,626	4,130	10,411	15,224	11,686	66,863	125,878
Business and government	45,130	21,850	22,057	22,191	16,753	19,366	47,087	6,968	112,493	313,895
Deposit-taking institutions	1,424	608	1,009	437	113	6	4	–	2,500	6,101
	49,506	25,576	28,934	28,254	20,996	29,783	62,315	18,654	181,856	445,874
Other										
Obligations related to securities sold short ⁽³⁾	128	26	259	94	85	329	3,443	5,055	2,029	11,448
Obligations related to securities sold under repurchase agreements and securities loaned	27,521	7,617	4,766	–	–	9,405	–	–	9,352	58,661
Derivative financial instruments	1,932	2,017	1,349	514	1,079	2,600	1,756	4,109	–	15,356
Liabilities related to transferred receivables ⁽⁴⁾	–	437	2,047	816	1,334	3,154	10,702	10,176	–	28,666
Lease liabilities ⁽⁵⁾	7	15	21	22	20	81	196	291	–	653
Other liabilities – Other items ⁽¹⁾⁽⁵⁾	1,817	674	176	178	74	68	98	148	5,333	8,566
	31,405	10,786	8,618	1,624	2,592	15,637	16,195	19,779	16,714	123,350
Subordinated debt	–	–	–	–	–	–	–	3,430	–	3,430
Equity									33,217	33,217
	80,911	36,362	37,552	29,878	23,588	45,420	78,510	41,863	231,787	605,871
Off-balance-sheet commitments										
Letters of guarantee and documentary letters of credit	119	1,729	2,070	2,459	4,088	2,019	133	–	–	12,617
Credit card receivables ⁽⁶⁾	–	–	–	–	–	–	–	–	11,647	11,647
Backstop liquidity and credit enhancement facilities ⁽⁷⁾	–	–	15	–	15	5,552	–	–	6,476	12,058
Commitments to extend credit ⁽⁸⁾	3,841	14,567	12,401	7,007	9,116	7,498	3,526	268	59,429	117,653
Obligations related to:										
Lease commitments ⁽⁹⁾	1	1	2	2	2	6	7	16	–	37
Other contracts	4	8	12	12	12	153	100	4	142	447

(1) Amounts payable upon demand or notice are considered to have no specified maturity.

(2) Deposits are presented in greater detail than in the Consolidated Balance Sheet.

(3) Amounts are disclosed according to the remaining contractual maturity of the underlying security.

(4) These amounts mainly include liabilities related to the securitization of mortgage loans.

(5) Other liabilities are presented in greater detail than in the Consolidated Balance Sheet.

(6) These amounts are unconditionally revocable at the Bank's discretion at any time.

(7) In the event of payment on one of the backstop liquidity facilities, the Bank will receive as collateral government bonds in an amount up to \$5.6 billion.

(8) These amounts include \$56.5 billion that is unconditionally revocable at the Bank's discretion at any time.

(9) These amounts include leases for which the underlying asset is of low value and leases other than for real estate of less than one year.

(millions of Canadian dollars)

As at October 31, 2025

	1 month or less	Over 1 month to 3 months	Over 3 months to 6 months	Over 6 months to 9 months	Over 9 months to 12 months	Over 1 year to 2 years	Over 2 years to 5 years	Over 5 years	No specified maturity	Total
Assets										
Cash and deposits with financial institutions	13,916	1,537	1,660	680	569	–	–	–	9,554	27,916
Securities										
At fair value through profit or loss	180	149	585	688	981	3,696	12,533	12,056	117,250	148,118
At fair value through other comprehensive income	23	65	73	599	952	2,088	8,500	11,433	291	24,024
At amortized cost	466	400	134	1,036	1,242	2,456	7,551	3,320	–	16,605
	669	614	792	2,323	3,175	8,240	28,584	26,809	117,541	188,747
Securities purchased under reverse repurchase agreements and securities borrowed	17,810	1,641	2,268	–	–	–	–	–	5,372	27,091
Loans⁽¹⁾										
Residential mortgage	2,907	3,435	5,996	8,211	6,800	24,607	50,720	10,662	591	113,929
Personal	1,160	1,175	2,274	2,283	1,772	6,667	14,500	5,754	14,588	50,173
Credit card									3,022	3,022
Business and government	17,036	9,169	7,877	9,457	6,405	16,420	22,241	9,381	39,644	137,630
Allowances for credit losses									(2,131)	(2,131)
	21,103	13,779	16,147	19,951	14,977	47,694	87,461	25,797	55,714	302,623
Other										
Derivative financial instruments	2,915	1,595	1,156	749	412	1,382	1,691	2,615	–	12,515
Premises and equipment									2,162	2,162
Goodwill									3,101	3,101
Intangible assets									1,748	1,748
Other assets ⁽¹⁾	1,260	305	23	227	219	567	197	1,049	7,169	11,016
	4,175	1,900	1,179	976	631	1,949	1,888	3,664	14,180	30,542
	57,673	19,471	22,046	23,930	19,352	57,883	117,933	56,270	202,361	576,919

(1) Amounts collectible on demand are considered to have no specified maturity.

(millions of Canadian dollars)

As at October 31, 2025

	1 month or less	Over 1 month to 3 months	Over 3 months to 6 months	Over 6 months to 9 months	Over 9 months to 12 months	Over 1 year to 2 years	Over 2 years to 5 years	Over 5 years	No specified maturity	Total
Liabilities and equity										
Deposits⁽¹⁾⁽²⁾										
Personal	3,893	3,675	4,542	5,777	5,354	10,230	16,026	11,449	63,471	124,417
Business and government	49,094	14,091	22,662	23,596	12,484	15,717	39,727	6,977	113,164	297,512
Deposit-taking institutions	1,229	1,463	164	722	451	–	7	–	2,038	6,074
	54,216	19,229	27,368	30,095	18,289	25,947	55,760	18,426	178,673	428,003
Other										
Obligations related to securities sold short ⁽³⁾	28	579	373	295	154	999	3,045	5,205	2,579	13,257
Obligations related to securities sold under repurchase agreements and securities loaned	16,507	8,195	5,961	–	–	603	–	–	10,090	41,356
Derivative financial instruments	2,226	1,922	2,828	814	568	1,621	1,816	4,189	–	15,984
Liabilities related to transferred receivables ⁽⁴⁾	–	3,314	390	1,637	767	3,463	10,457	10,549	–	30,577
Securitization – Credit card ⁽⁵⁾	–	–	–	–	–	–	–	–	–	–
Lease liabilities ⁽⁵⁾	7	15	22	22	23	83	196	276	–	644
Other liabilities – Other items ⁽¹⁾⁽⁵⁾	2,111	374	428	84	138	116	103	228	6,315	9,897
	20,879	14,399	10,002	2,852	1,650	6,885	15,617	20,447	18,984	111,715
Subordinated debt	–	–	–	–	–	–	–	3,432	–	3,432
Equity									33,769	33,769
	75,095	33,628	37,370	32,947	19,939	32,832	71,377	42,305	231,426	576,919
Off-balance-sheet commitments										
Letters of guarantee and documentary letters of credit	106	2,837	2,436	1,680	2,202	2,030	251	7	17	11,566
Credit card receivables ⁽⁶⁾									11,472	11,472
Backstop liquidity and credit enhancement facilities ⁽⁷⁾	–	15	5,552	15	–	–	–	–	6,507	12,089
Commitments to extend credit ⁽⁸⁾	3,952	15,070	8,861	9,910	6,078	7,399	5,613	290	60,616	117,789
Obligations related to:										
Lease commitments ⁽⁹⁾	1	1	2	2	2	5	6	18	–	37
Other contracts	4	8	12	12	12	160	110	5	148	471

(1) Amounts payable upon demand or notice are considered to have no specified maturity.

(2) Deposits are presented in greater detail than in the Consolidated Balance Sheet.

(3) Amounts are disclosed according to the remaining contractual maturity of the underlying security.

(4) These amounts mainly include liabilities related to the securitization of mortgage loans.

(5) Other liabilities are presented in greater detail than in the Consolidated Balance Sheet.

(6) These amounts are unconditionally revocable at the Bank's discretion at any time.

(7) In the event of payment on one of the backstop liquidity facilities, the Bank will receive as collateral government bonds in an amount up to \$5.6 billion.

(8) These amounts include \$57.2 billion that is unconditionally revocable at the Bank's discretion at any time.

(9) These amounts include leases for which the underlying asset is of low value and leases other than for real estate of less than one year.

Environmental and Social Risk

Environmental and social risk is the possibility that environmental and social matters would result in a financial loss for the Bank or affect its business activities. For additional information on the ways the Bank addresses and mitigates this risk, see the Environmental and Social Risk section on pages 116 to 118 of the Bank's 2025 Annual Report.

Regulatory Developments

The Bank continues to closely monitor regulatory developments and participates actively in various consultative processes. Since November 1, 2025, this new regulatory development is to be considered.

On January 8, 2026, OSFI announced that it was continuing its regulatory relief exercise by postponing several planned works related to policies and guidance initiatives. Consultation on the disclosure expectation for financed emissions related to off-balance-sheet assets under management under Guideline B-15 entitled *Climate Risk Management* will be revisited in due course and implemented at a future date.

Risk Disclosures

One of the purposes of the 2025 Annual Report, the Report to Shareholders – First Quarter 2026, and the related supplementary information documents is to provide transparent, high-quality risk disclosures in accordance with the recommendations made by the Financial Stability Board's EDTF group. The following table lists the references where users can find information that responds to the EDTF's 32 recommendations.

			Pages	
		2025 Annual Report	Report to Shareholders ⁽¹⁾	Supplementary Regulatory Capital and Pillar 3 Disclosure ⁽¹⁾
General				
1	Location of risk disclosures	16	46	
	Management's Discussion and Analysis	62 to 118, 131 and 133 to 135	24 to 45	
	Consolidated Financial Statements	Notes 1, 8, 17, 23 and 29	Notes 6 and 11	
	Supplementary Financial Information			24 to 34 ⁽²⁾
	Supplementary Regulatory Capital and Pillar 3 Disclosure			5 to 64
2	Risk terminology and risk measures	72 to 118		
3	Top and emerging risks	28, 29 and 77 to 83	5 and 31 to 45	
4	New key regulatory ratios	63 to 65, 101 and 105 to 108	24, 25, 36 and 38 to 41	
Risk governance and risk management				
5	Risk management organization, processes and key functions	72 to 95, 101 to 103 and 108		
6	Risk management culture	72 and 73		
7	Key risks by business segment, risk management and risk appetite	71 to 73 and 77		
8	Stress testing	62, 73, 89, 99, 100 and 103		
Capital adequacy and risk-weighted assets (RWA)				
9	Minimum Pillar 1 capital requirements	63 to 65	24 and 25	
10	Reconciliation of the accounting balance sheet to the regulatory balance sheet			11 to 17, 20 and 21
11	Movements in regulatory capital	69	27	
12	Capital planning	62 to 71		
13	RWA by business segment and by risk type	71		7
14	Capital requirements by risk and the RWA calculation method	84 to 88		7
15	Banking book credit risk			7
16	Movements in RWA by risk type	70	28	7
17	Assessment of credit risk model performance	76, 85 to 88 and 94		41
Liquidity				
18	Liquidity management and components of the liquidity buffer	101 to 108	36 to 41	
Funding				
19	Summary of encumbered and unencumbered assets	104 and 105	37 and 38	
20	Residual contractual maturities of balance sheet items and off-balance-sheet commitments	240 to 244	42 to 45	
21	Funding strategy and funding sources	108 to 110	41	
Market risk				
22	Linkage of market risk measures to balance sheet	96 and 97	33 and 34	
23	Market risk factors	94 to 100, 228 and 229	33 to 36	
24	VaR: Assumptions, limitations and validation procedures	98		
25	Stress tests and backtesting	94 to 100		
Credit risk				
26	Credit risk exposures	93 and 187 to 199	32 and 68 to 76	22 to 50 and 24 to 32 ⁽²⁾
27	Policies for identifying impaired loans	90, 91, 158 and 159		
28	Movements in impaired loans and allowances for credit losses	131, 134, 135 and 187 to 199	68 to 76	29 to 32 ⁽²⁾
29	Counterparty credit risk relating to derivative transactions	89 to 92 and 208 to 211		42 to 50, 33 ⁽²⁾ and 34 ⁽²⁾
30	Credit risk mitigation	87 to 92, 184 and 192		24, 28, 29 and 48 to 58
Other risks				
31	Other risks: Governance, measurement and management	82, 83 and 110 to 118		
32	Publicly known risk events	28, 29, 110 and 111	5 and 45	

(1) First quarter 2026.

(2) These pages are included in the document entitled *Supplementary Financial Information – First Quarter 2026*.

Accounting Policies and Financial Disclosure

Material Accounting Policies and Accounting Estimates

The unaudited interim condensed consolidated financial statements for the quarter ended January 31, 2026 were prepared in accordance with IAS 34 – *Interim Financial Reporting* as issued by the International Accounting Standards Board (IASB) and use the same accounting policies as those described in Note 1 to the audited annual consolidated financial statements for the year ended October 31, 2025.

Judgment, Estimates and Assumptions

In preparing consolidated financial statements in accordance with IFRS, management must exercise judgment and make estimates and assumptions that affect the reporting date carrying values of assets and liabilities, net income, and related information. Some accounting policies are considered critical given their importance to the presentation of the Bank's financial position and operating results and require subjective and complex judgments and estimates on matters that are inherently uncertain. Any change in these judgments and estimates could have a significant impact on the Bank's consolidated financial statements. The material accounting policies and accounting estimates are the same as those described on pages 119 to 124 of the *2025 Annual Report*.

The global economic and geopolitical landscape, notably the measures affecting international trade relations, including the imposition of tariffs and related countermeasures, the ongoing Russia-Ukraine war and conflicts in the Middle East, together with inflationary pressures and an evolving interest rate environment, continue to create uncertainty. As a result, the establishment of reliable estimates and the use of judgment remain substantially complex. The uncertainty surrounding certain key inputs and assumptions used in the measurement of ECLs, including forward-looking macroeconomic scenarios and their associated probabilities, is described in Note 6 to these Consolidated Financial Statements.

Future Accounting Policy Changes

The Bank closely monitors both new accounting standards and amendments to existing accounting standards issued by the IASB. There have been no significant updates to the future accounting policy changes disclosed in Note 2 to the audited annual consolidated financial statements for the year ended October 31, 2025. The Bank is currently assessing the impact of applying these standards on the consolidated financial statements.

Financial Disclosure

During the first quarter of 2026, no changes were made to the policies, procedures, and other processes that comprise the Bank's internal control over financial reporting that had or could reasonably have a significant impact on the internal control over financial reporting.

Quarterly Financial Information

(millions of Canadian dollars,
except per share amounts)

	2026	2025				2024			2025	2024
	Q1 ⁽¹⁾	Q4 ⁽¹⁾	Q3 ⁽¹⁾	Q2 ⁽¹⁾	Q1	Q4	Q3	Q2	Total	Total
Total revenues	3,893	3,698	3,449	3,650	3,183	2,944	2,996	2,750	13,980	11,400
Net income	1,254	1,059	1,065	896	997	955	1,033	906	4,017	3,816
Earnings per share (\$)										
Basic	3.12	2.60	2.61	2.19	2.81	2.69	2.92	2.56	10.18	10.78
Diluted	3.08	2.57	2.58	2.17	2.78	2.66	2.89	2.54	10.07	10.68
Dividends per common share (\$)	1.24	1.18	1.18	1.14	1.14	1.10	1.10	1.06	4.64	4.32
Return on common shareholders' equity (%)⁽²⁾	15.7	13.3	13.6	11.9	16.7	16.4	18.4	16.9	13.7	17.2
Total assets	605,871	576,919	552,621	536,194	483,833	462,226	453,933	441,690		
Net impaired loans⁽²⁾	2,831	2,904	2,588	2,437	1,836	1,629	1,482	1,426		
Per common share (\$)										
Book value ⁽²⁾	78.81	78.39	77.20	76.13	68.15	65.74	64.64	62.28		
Share price										
High	175.57	156.70	144.96	127.44	140.76	134.23	118.17	114.68		
Low	156.88	143.40	121.09	107.01	128.79	111.98	106.21	101.24		

(1) On February 3, 2025, the Bank completed the acquisition of CWB. CWB's results were consolidated from the closing date, which impacted the results, balances and ratios for the quarters ended January 31, 2026, October 31, 2025, July 31, 2025 and April 30, 2025. For additional information on the impact of the CWB acquisition, see the Acquisition section.

(2) See the Glossary section on pages 49 to 52 for details on the composition of these measures.

Glossary

Acceptances

Acceptances and the customers' liability under acceptances constitute a guarantee of payment by a bank and can be traded in the money market. The Bank earns a "stamping fee" for providing this guarantee.

Allocated capital

Capital is allocated to business segments based on Basel III CET1 requirements (11.5%) and reflects the capital required to support their activities, with unallocated capital reported in the *Other* heading of segment disclosures.

Allowances for credit losses

Allowances for credit losses represent management's unbiased estimate of expected credit losses as at the balance sheet date. These allowances are primarily related to loans and off-balance-sheet items such as loan commitments and financial guarantees.

Assets under administration

Assets in respect of which a financial institution provides administrative services on behalf of the clients who own the assets. Such services include custodial services, collection of investment income, settlement of purchase and sale transactions, and record-keeping. Assets under administration are not reported on the balance sheet of the institution offering such services.

Assets under management

Assets managed by a financial institution and that are beneficially owned by clients. Management services are more comprehensive than administrative services and include selecting investments or offering investment advice. Assets under management, which may also be administered by the financial institution, are not reported on the balance sheet of the institution offering such services.

Available TLAC

Available TLAC includes total capital as well as certain senior unsecured debt subject to the federal government's bail-in regulations that satisfy all of the eligibility criteria in OSFI's Total Loss Absorbing Capacity (TLAC) Guideline.

Average interest-bearing assets

Average interest-bearing assets include interest-bearing deposits with financial institutions and certain cash items, securities, securities purchased under reverse repurchase agreements and securities borrowed, loans, while excluding other assets. The average is calculated based on the daily balances for the period.

Average interest-bearing assets, non-trading

Average interest-bearing assets, non-trading, include interest-bearing deposits with financial institutions and certain cash items, securities purchased under reverse repurchase agreements and securities borrowed, and loans, while excluding other assets and assets related to trading activities. The average is calculated based on the daily balances for the period.

Average volumes

Average volumes represent the average of the daily balances for the period of the consolidated balance sheet items.

Basic earnings per share

Basic earnings per share is calculated by dividing net income attributable to common shareholders by the weighted average basic number of common shares outstanding.

Basis point (bps)

Unit of measure equal to one one-hundredth of a percentage point (0.01%).

Book value of a common share

The book value of a common share is calculated by dividing common shareholders' equity by the number of common shares on a given date.

Common Equity Tier 1 (CET1) capital ratio

CET1 capital consists of common shareholders' equity less goodwill, intangible assets, and other capital deductions. The CET1 capital ratio is calculated by dividing total CET1 capital by the corresponding risk-weighted assets.

Compound annual growth rate (CAGR)

CAGR is a rate of growth that shows, for a period exceeding one year, the annual change as though the growth had been constant throughout the period.

Derivative financial instruments

Derivative financial instruments are financial contracts whose value is derived from an underlying interest rate, exchange rate, equity price, commodity price, credit instrument or index. Examples of derivatives include swaps, options, forward rate agreements, and futures. The notional amount of the derivative is the contract amount used as a reference point to calculate the payments to be exchanged between the two parties, and the notional amount itself is generally not exchanged by the parties.

Diluted earnings per share

Diluted earnings per share is calculated by dividing net income attributable to common shareholders by the weighted average number of common shares outstanding after taking into account the dilution effect of stock options using the treasury stock method and any gain (loss) on the redemption of preferred shares.

Dividend payout ratio

The dividend payout ratio represents the dividends of common shares (per share amount) expressed as a percentage of basic earnings per share.

Economic capital

Economic capital is the internal measure used by the Bank to determine the capital required for its solvency and to pursue its business operations. Economic capital takes into consideration the credit, market, operational, business and other risks to which the Bank is exposed as well as the risk diversification effect among them and among the business segments. Economic capital thus helps the Bank to determine the capital required to protect itself against such risks and ensure its long-term viability.

Efficiency ratio

The efficiency ratio represents non-interest expenses expressed as a percentage of total revenues. It measures the efficiency of the Bank's operations.

Fair value

The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal market at the measurement date under current market conditions (i.e., an exit price).

Gross impaired loans as a percentage of total loans

This measure represents gross impaired loans expressed as a percentage of the balance of loans.

Hedging

The purpose of a hedging transaction is to modify the Bank's exposure to one or more risks by creating an offset between changes in the fair value of, or the cash flows attributable to, the hedged item and the hedging instrument.

Impaired loans

The Bank considers a financial asset, other than a credit card receivable, to be credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred or when contractual payments are 90 days past due. Credit card receivables are considered credit-impaired and are fully written off at the earlier of the following dates: when a notice of bankruptcy is received, a settlement proposal is made, or contractual payments are 180 days past due.

Leverage ratio

The leverage ratio is calculated by dividing Tier 1 capital by total exposure. Total exposure is defined as the sum of on-balance-sheet assets (including derivative financial instrument exposures and securities financing transaction exposures) and off-balance-sheet items.

Liquidity coverage ratio (LCR)

The LCR is a measure designed to ensure that the Bank has sufficient high-quality liquid assets to cover net cash outflows given a severe, 30-day liquidity crisis.

Loan-to-value ratio

The loan-to-value ratio is calculated according to the total facility amount for residential mortgages and home equity lines of credit divided by the value of the related residential property.

Master netting agreement

Legal agreement between two parties that have multiple derivative contracts with each other that provides for the net settlement of all contracts through a single payment, in the event of default, insolvency or bankruptcy.

Net impaired loans

Net impaired loans are gross impaired loans presented net of allowances for credit losses on impaired loans.

Net impaired loans as a percentage of total loans

This measure represents net impaired loans as a percentage of the balance of loans.

Net interest income from trading activities

Net interest income from trading activities comprises dividends related to financial assets and liabilities associated with trading activities, net of interest expenses and interest income related to the financing of these financial assets and liabilities.

Net interest income, non-trading

Net interest income, non-trading, comprises revenues related to financial assets and liabilities associated with non-trading activities, net of interest expenses and interest income related to the financing of these financial assets and liabilities.

Net interest margin

Net interest margin is calculated by dividing net interest income by average interest-bearing assets.

Net stable funding ratio (NSFR)

The NSFR ratio is a measure that helps guarantee that the Bank is maintaining a stable funding profile to reduce the risk of funding stress.

Net write-offs as a percentage of average loans

This measure represents the net write-offs (net of recoveries) expressed as a percentage of average loans.

Non-interest income related to trading activities

Non-interest income related to trading activities consists of realized and unrealized gains and losses as well as interest income on securities measured at fair value through profit or loss, income from held-for-trading derivative financial instruments, changes in the fair value of loans at fair value through profit or loss, changes in the fair value of financial instruments designated at fair value through profit or loss, certain commission income, other trading activity revenues, and any applicable transaction costs.

Office of the Superintendent of Financial Institutions (Canada) (OSFI)

The mandate of OSFI is to regulate and supervise financial institutions and private pension plans subject to federal oversight, to help minimize undue losses to depositors and policyholders and, thereby, to contribute to public confidence in the Canadian financial system.

Operating leverage

Operating leverage is the difference between the growth rate for total revenues and the growth rate for non-interest expenses.

Provisioning rate

This measure represents the allowances for credit losses on impaired loans expressed as a percentage of gross impaired loans.

Provisions for credit losses

Amount charged to income necessary to bring the allowances for credit losses to a level deemed appropriate by management and is comprised of provisions for credit losses on impaired and non-impaired financial assets.

Provisions for credit losses as a percentage of average loans

This measure represents the provisions for credit losses expressed as a percentage of average loans.

Provisions for credit losses on impaired loans as a percentage of average loans

This measure represents the provisions for credit losses on impaired loans expressed as a percentage of average loans.

Return on average assets

Return on average assets represents net income expressed as a percentage of average assets. This ratio is used to measure the Bank's efficiency in using all its assets to generate profits.

Return on common shareholders' equity (ROE)

ROE represents net income attributable to common shareholders expressed as a percentage of average equity attributable to common shareholders. ROE for the business segments is calculated using net income attributable to common shareholders of the business segment expressed as a percentage of average allocated capital. It is a general measure of the Bank's and the business segments' efficiency in using equity.

Risk-weighted assets

Assets are risk weighted according to the guidelines established by OSFI. In the Standardized calculation approach, risk factors are applied directly to the face value of certain assets in order to reflect comparable risk levels. In the Advanced Internal Ratings-Based (AIRB) Approach, risk-weighted assets are derived from the Bank's internal models, which represent the Bank's own assessment of the risks it incurs. In the Foundation Internal Ratings-Based (FIRB) Approach, the Bank can use its own estimate of probability of default but must rely on OSFI estimates for the loss given default and exposure at default risk parameters. Off-balance-sheet instruments are converted to balance sheet (or credit) equivalents by adjusting the notional values before applying the appropriate risk-weighting factors.

Securities purchased under reverse repurchase agreements

Securities purchased by the Bank from a client pursuant to an agreement under which the securities will be resold to the same client on a specified date and at a specified price. Such an agreement is a form of short-term collateralized lending.

Securities sold under repurchase agreements

Financial obligations related to securities sold pursuant to an agreement under which the securities will be repurchased on a specified date and at a specified price. Such an agreement is a form of short-term funding.

Structured entity

A structured entity is an entity created to accomplish a narrow and well-defined objective and is designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate solely to administrative tasks and the relevant activities are directed by means of contractual arrangements.

Tier 1 capital ratio

Tier 1 capital ratio consists of Common Equity Tier 1 capital and Additional Tier 1 instruments, namely, qualifying non-cumulative preferred shares and the eligible amount of innovative instruments. The Tier 1 capital ratio is calculated by dividing Tier 1 capital, less regulatory adjustments, by the corresponding risk-weighted assets.

TLAC leverage ratio

The TLAC leverage ratio is an independent risk measure that is calculated by dividing available TLAC by total exposure, as set out in OSFI's *Total Loss Absorbing Capacity (TLAC) Guideline*.

TLAC ratio

The TLAC ratio is a measure used to assess whether a non-viable Domestic Systemically Important Bank (D-SIB) has sufficient loss-absorbing capacity to support its recapitalization. It is calculated by dividing available TLAC by risk weighted assets, as set out in OSFI's *Total Loss Absorbing Capacity (TLAC) Guideline*.

Total capital ratio

Total capital is the sum of Tier 1 and Tier 2 capital. Tier 2 capital consists of the eligible portion of subordinated debt and certain allowances for credit losses. The Total capital ratio is calculated by dividing Total capital, less regulatory adjustments, by the corresponding risk-weighted assets.

Total shareholder return (TSR)

TSR represents the average total return on an investment in the Bank's common shares. The return includes changes in share price and assumes that the dividends received were reinvested in additional common shares of the Bank.

Trading activity revenues

Trading activity revenues consist of the net interest income and the non-interest income related to trading activities. Net interest income comprises dividends related to financial assets and liabilities associated with trading activities, and some interest income related to the financing of these financial assets and liabilities net of interest expenses and interest income related to the financing of these financial assets and liabilities. Non-interest income consists of realized and unrealized gains and losses as well as interest income on securities measured at fair value through profit or loss, income from held-for-trading derivative financial instruments, changes in the fair value of loans at fair value through profit or loss, changes in the fair value of financial instruments designated at fair value through profit or loss, realized and unrealized gains and losses as well as interest expense on obligations related to securities sold short, certain commission income, other trading activity revenues, and any applicable transaction costs.

Value-at-Risk (VaR)

VaR is a statistical measure of risk that is used to quantify market risks across products, per types of risks, and aggregate risk on a portfolio basis. VaR is defined as the maximum loss at a specific confidence level over a certain horizon under normal market conditions. The VaR method has the advantage of providing a uniform measurement of financial instrument-related market risks based on a single statistical confidence level and time horizon.

Interim Condensed Consolidated Financial Statements

(unaudited)

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Consolidated Balance Sheets

(unaudited) (millions of Canadian dollars)

	As at January 31, 2026	As at October 31, 2025
Assets		
Cash and deposits with financial institutions	36,768	27,916
Securities (Notes 4 and 5)		
At fair value through profit or loss	151,613	148,118
At fair value through other comprehensive income	24,432	24,024
At amortized cost	18,589	16,605
	194,634	188,747
Securities purchased under reverse repurchase agreements and securities borrowed	39,846	27,091
Loans (Note 6)		
Residential mortgage	114,507	113,929
Personal	50,288	50,173
Credit card	3,015	3,022
Business and government	138,519	137,630
	306,329	304,754
Allowances for credit losses	(2,209)	(2,131)
	304,120	302,623
Other		
Derivative financial instruments	12,578	12,515
Premises and equipment	2,159	2,162
Goodwill	3,098	3,101
Intangible assets	1,722	1,748
Other assets (Note 7)	10,946	11,016
	30,503	30,542
	605,871	576,919
Liabilities and equity		
Deposits (Notes 4 and 8)	445,874	428,003
Other		
Obligations related to securities sold short	11,448	13,257
Obligations related to securities sold under repurchase agreements and securities loaned	58,661	41,356
Derivative financial instruments	15,356	15,984
Liabilities related to transferred receivables (Note 4)	28,666	30,577
Other liabilities (Note 9)	9,219	10,541
	123,350	111,715
Subordinated debt	3,430	3,432
Equity		
Equity attributable to the Bank's shareholders and holders of other equity instruments		
Preferred shares and other equity instruments (Note 10)	2,614	3,114
Common shares (Note 10)	9,826	9,865
Contributed surplus	133	137
Retained earnings	20,471	20,366
Accumulated other comprehensive income	173	287
	33,217	33,769
Non-controlling interests	-	-
	33,217	33,769
	605,871	576,919

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

Consolidated Statements of Income

(unaudited) (millions of Canadian dollars)

	Quarter ended January 31	
	2026	2025
Interest income		
Loans	4,313	3,896
Securities at fair value through profit or loss	511	533
Securities at fair value through other comprehensive income	208	168
Securities at amortized cost	166	138
Deposits with financial institutions	248	314
	5,446	5,049
Interest expense		
Deposits	3,119	3,187
Liabilities related to transferred receivables	187	195
Subordinated debt	40	19
Other	706	676
	4,052	4,077
Net interest income⁽¹⁾	1,394	972
Non-interest income		
Underwriting and advisory fees	156	96
Securities brokerage commissions	76	57
Mutual fund revenues	201	178
Investment management and trust service fees	392	320
Credit fees	98	82
Card revenues	49	50
Deposit and payment service charges	78	72
Trading revenues (losses)	1,240	1,181
Gains (losses) on non-trading securities, net	38	27
Insurance revenues, net	22	22
Foreign exchange revenues, other than trading	72	66
Share in the net income of associates and joint ventures	2	2
Other	75	58
	2,499	2,211
Total revenues	3,893	3,183
Non-interest expenses		
Compensation and employee benefits	1,260	1,037
Occupancy	119	97
Technology	330	285
Communications	17	16
Professional fees	110	93
Other	175	118
	2,011	1,646
Income before provisions for credit losses and income taxes	1,882	1,537
Provisions for credit losses (Note 6)	244	254
Income before income taxes	1,638	1,283
Income taxes	384	286
Net income	1,254	997
Net income attributable to		
Preferred shareholders and holders of other equity instruments	37	39
Common shareholders	1,217	958
Bank shareholders and holders of other equity instruments	1,254	997
Non-controlling interests	—	—
	1,254	997
Earnings per share (dollars) (Note 14)		
Basic	3.12	2.81
Diluted	3.08	2.78
Dividends per common share (dollars) (Note 10)	1.24	1.14

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

(1) Net interest income includes dividend income. For additional information, see Note 1 to the audited annual consolidated financial statements for the year ended October 31, 2025.

Consolidated Statements of Comprehensive Income

(unaudited) (millions of Canadian dollars)

	Quarter ended January 31	
	2026	2025
Net income	1,254	997
Other comprehensive income, net of income taxes		
Items that may be subsequently reclassified to net income		
Net foreign currency translation adjustments		
Net unrealized foreign currency translation gains (losses) on investments in foreign operations	(347)	453
Impact of hedging net foreign currency translation gains (losses)	176	(204)
	(171)	249
Net change in debt securities at fair value through other comprehensive income		
Net unrealized gains (losses) on debt securities at fair value through other comprehensive income	64	22
Net (gains) losses on debt securities at fair value through other comprehensive income reclassified to net income	(5)	(18)
	59	4
Net change in cash flow hedges		
Net gains (losses) on derivative financial instruments designated as cash flow hedges	(14)	(15)
Net (gains) losses on designated derivative financial instruments reclassified to net income	12	(22)
	(2)	(37)
Items that will not be subsequently reclassified to net income		
Remeasurements of pension plans and other post-employment benefit plans	(41)	4
Net gains (losses) on equity securities designated at fair value through other comprehensive income	6	17
Net fair value change attributable to the credit risk on financial liabilities designated at fair value through profit or loss	(63)	18
	(98)	39
Total other comprehensive income, net of income taxes	(212)	255
Comprehensive income	1,042	1,252
Comprehensive income attributable to		
Bank shareholders and holders of other equity instruments	1,042	1,252
Non-controlling interests	–	–
	1,042	1,252

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

Consolidated Statements of Comprehensive Income (cont.)

(unaudited) (millions of Canadian dollars)

Income Taxes – Other Comprehensive Income

The following table presents the income tax expense or recovery for each component of other comprehensive income.

	Quarter ended January 31	
	2026	2025
Items that may be subsequently reclassified to net income		
Net foreign currency translation adjustments		
Net unrealized foreign currency translation gains (losses) on investments		
in foreign operations	3	(15)
Impact of hedging net foreign currency translation gains (losses)	62	(64)
	65	(79)
Net change in debt securities at fair value through other comprehensive income		
Net unrealized gains (losses) on debt securities at fair value through other comprehensive income	25	9
Net (gains) losses on debt securities at fair value through other comprehensive income reclassified to net income	(3)	(7)
	22	2
Net change in cash flow hedges		
Net gains (losses) on derivative financial instruments designated as cash flow hedges	(5)	(5)
Net (gains) losses on designated derivative financial instruments reclassified to net income	5	(9)
	-	(14)
Items that will not be subsequently reclassified to net income		
Remeasurements of pension plans and other post-employment benefit plans	(16)	1
Net gains (losses) on equity securities designated at fair value through other comprehensive income	2	6
Net fair value change attributable to the credit risk on financial liabilities designated at fair value through profit or loss	(24)	7
	(38)	14
	49	(77)

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

Consolidated Statements of Changes in Equity

(unaudited) (millions of Canadian dollars)

	Quarter ended January 31	
	2026	2025
Preferred shares and other equity instruments at beginning	3,114	3,150
Redemption of Limited Recourse Capital Notes, Series 1 (Note 10)	(500)	–
Preferred shares and other equity instruments at end	2,614	3,150
Common shares at beginning	9,865	3,463
Issuances of common shares pursuant to the Stock Option Plan	74	28
Repurchases of common shares for cancellation (Note 10)	(90)	–
Impact of shares purchased or sold for trading	(23)	(6)
Common shares at end	9,826	3,485
Contributed surplus at beginning	137	85
Stock option expense (Note 12)	6	5
Stock options exercised	(11)	(3)
Other	1	(3)
Contributed surplus at end	133	84
Retained earnings at beginning	20,366	18,633
Net income attributable to the Bank's shareholders and holders of other equity instruments	1,254	997
Dividends on preferred shares and distributions on other equity instruments (Note 10)	(42)	(45)
Dividends on common shares (Note 10)	(484)	(389)
Premium paid on common shares repurchased for cancellation (Note 10)	(529)	–
Remeasurements of pension plans and other post-employment benefit plans	(41)	4
Net gains (losses) on equity securities designated at fair value through other comprehensive income	6	17
Net fair value change attributable to the credit risk on financial liabilities designated at fair value through profit or loss	(63)	18
Other	4	6
Retained earnings at end	20,471	19,241
Accumulated other comprehensive income at beginning	287	219
Net foreign currency translation adjustments	(171)	249
Net change in unrealized gains (losses) on debt securities at fair value through other comprehensive income	59	4
Net change in gains (losses) on instruments designated as cash flow hedges	(2)	(37)
Accumulated other comprehensive income at end	173	435
Equity attributable to the Bank's shareholders and holders of other equity instruments	33,217	26,395
Non-controlling interests at beginning	–	–
Net income attributable to non-controlling interests	–	–
Other	–	1
Non-controlling interests at end	–	1
Equity	33,217	26,396

Accumulated Other Comprehensive Income

	As at January 31, 2026	As at January 31, 2025
Accumulated other comprehensive income		
Net foreign currency translation adjustments	183	569
Net unrealized gains (losses) on debt securities at fair value through other comprehensive income	102	(22)
Net gains (losses) on instruments designated as cash flow hedges	(114)	(114)
Share in the other comprehensive income of associates and joint ventures	2	2
	173	435

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

Consolidated Statements of Cash Flows

(unaudited) (millions of Canadian dollars)

	Quarter ended January 31	
	2026	2025
Cash flows from operating activities		
Net income	1,254	997
Adjustments for		
Provisions for credit losses (Note 6)	244	254
Amortization of premises and equipment, including right-of-use assets	71	63
Amortization of intangible assets	95	75
Deferred taxes	5	35
Losses (gains) on sales of non-trading securities, net	(38)	(23)
Share in the net income of associates and joint ventures	(2)	(2)
Stock option expense	6	5
Gain on the fair value remeasurement of an equity interest (Note 15)	–	(4)
Change in operating assets and liabilities		
Securities at fair value through profit or loss	(3,495)	(10,601)
Securities purchased under reverse repurchase agreements and securities borrowed	(12,755)	1,036
Loans, net of securitization	(3,652)	(4,107)
Deposits	17,871	17,550
Obligations related to securities sold short	(1,809)	702
Obligations related to securities sold under repurchase agreements and securities loaned	17,305	(818)
Derivative financial instruments, net	(691)	1,109
Securitization – Credit cards	–	(49)
Interest and dividends receivable and interest payable	(240)	(108)
Current tax assets and liabilities	(107)	(31)
Other items	(167)	(1,498)
	13,895	4,585
Cash flows from financing activities		
Redemption of preferred shares and other equity instruments for cancellation (Note 10)	(500)	–
Issuances of common shares (including the impact of shares purchased for trading)	40	19
Repurchases of common shares for cancellation (Note 10)	(619)	–
Issuance of subordinated debt	–	1,000
Repayments of lease liabilities	(26)	(24)
Dividends paid on shares and distributions on other equity instruments	(526)	(434)
	(1,631)	561
Cash flows from investing activities		
Net change in investments in associates and joint ventures	–	(2)
Business acquisition	2	–
Purchases of non-trading securities	(8,501)	(10,956)
Maturities of non-trading securities	3,052	1,460
Sales of non-trading securities	2,618	6,683
Net change in premises and equipment, excluding right-of-use assets	(34)	(65)
Net change in intangible assets	(69)	(64)
	(2,932)	(2,944)
Impact of currency rate movements on cash and cash equivalents	(480)	857
Increase (decrease) in cash and cash equivalents	8,852	3,059
Cash and cash equivalents at beginning	27,916	31,549
Cash and cash equivalents at end⁽¹⁾	36,768	34,608
Supplementary information about cash flows from operating activities		
Interest paid	4,310	4,341
Interest and dividends received	5,464	5,205
Income taxes paid	315	68

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

- (1) This item represents the balance of *Cash and deposits with financial institutions* in the Consolidated Balance Sheet. It includes an amount of \$14.6 billion as at January 31, 2026 (\$14.6 billion as at October 31, 2025) for which there are restrictions and of which \$7.1 billion (\$7.1 billion as at October 31, 2025) represents the balances that the Bank must maintain with central banks, other regulatory agencies, and certain counterparties.

Notes to the Interim Condensed Consolidated Financial Statements

(unaudited) (millions of Canadian dollars)

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Note 1 – Basis of Presentation

On February 24, 2026, the Board of Directors authorized the publication of the Bank's unaudited interim condensed consolidated financial statements (the Consolidated Financial Statements) for the quarter ended January 31, 2026.

The Bank's Consolidated Financial Statements were prepared in accordance with IAS 34 – *Interim Financial Reporting* as issued by the International Accounting Standards Board (IASB), using the same accounting policies as those described in Note 1 to the audited annual consolidated financial statements for the year ended October 31, 2025. As the Consolidated Financial Statements do not include all of the information required for full annual financial statements, they should be read in conjunction with the audited annual consolidated financial statements for the year ended October 31, 2025.

Judgment, Estimates and Assumptions

In preparing consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as issued by the IASB, management must exercise judgment and make estimates and assumptions that affect the reporting date carrying values of assets and liabilities, net income, and related information. Some of the Bank's accounting policies, such as measurement of expected credit losses (ECLs), require particularly complex judgments and estimates. See Note 1 to the audited annual consolidated financial statements for the year ended October 31, 2025 for a summary of the most significant estimation processes used to prepare the Consolidated Financial Statements and for the valuation techniques used to determine the carrying values and fair values of assets and liabilities.

The global economic and geopolitical landscape, notably the measures affecting international trade relations, including the imposition of tariffs and related countermeasures, the ongoing Russia-Ukraine war and conflicts in the Middle East, together with inflationary pressures and an evolving interest rate environment, continue to create uncertainty. As a result, the establishment of reliable estimates and the use of judgment remain substantially complex. The uncertainty surrounding certain key inputs and assumptions used in the measurement of ECLs, including forward looking macroeconomic scenarios and their associated probabilities, is described in Note 6 to these Consolidated Financial Statements.

Unless otherwise indicated, all amounts are expressed in Canadian dollars, which is the Bank's functional and presentation currency.

Note 2 – Future Accounting Policy Changes

The Bank closely monitors both new accounting standards and amendments to existing accounting standards issued by the IASB. There have been no significant updates to the future accounting policy changes disclosed in Note 2 to the audited annual consolidated financial statements for the year ended October 31, 2025. The Bank is currently assessing the impact of applying these standards on the consolidated financial statements.

Note 3 – Fair Value of Financial Instruments

Fair Value and Carrying Value of Financial Instruments by Category

Financial assets and financial liabilities are recognized on the Consolidated Balance Sheet at fair value or at amortized cost in accordance with the categories set out in the accounting framework for financial instruments.

As at January 31, 2026							
	Carrying value and fair value				Carrying value	Fair value	
	Financial instruments classified as at fair value through profit or loss	Financial instruments designated at fair value through profit or loss	Debt securities classified as at fair value through other comprehensive income	Equity securities designated at fair value through other comprehensive income	Financial instruments at amortized cost, net	Financial instruments at amortized cost, net	Total carrying value Total fair value
Financial assets							
Cash and deposits with financial institutions	–	–	–	–	36,768	36,768	36,768 36,768
Securities	151,253	360	24,143	289	18,589	18,776	194,634 194,821
Securities purchased under reverse repurchase agreements and securities borrowed	–	–	–	–	39,846	39,846	39,846 39,846
Loans, net of allowances	15,668	–	–	–	288,452	292,753	304,120 308,421
Other							
Derivative financial instruments	12,578	–	–	–	–	–	12,578 12,578
Other assets	67	–	–	–	4,849	4,849	4,916 4,916
Financial liabilities							
Deposits⁽¹⁾	–	33,623			412,251	413,889	445,874 447,512
Other							
Obligations related to securities sold short	11,448	–			–	–	11,448 11,448
Obligations related to securities sold under repurchase agreements and securities loaned	–	–			58,661	58,661	58,661 58,661
Derivative financial instruments	15,356	–			–	–	15,356 15,356
Liabilities related to transferred receivables	–	11,617			17,049	16,960	28,666 28,577
Other liabilities	–	4			4,117	4,117	4,121 4,121
Subordinated debt	–	–			3,430	3,515	3,430 3,515

(1) Includes embedded derivative financial instruments.

Note 3 – Fair Value of Financial Instruments (cont.)

As at October 31, 2025								
	Carrying value and fair value				Carrying value	Fair value		
	Financial instruments classified as at fair value through profit or loss	Financial instruments designated at fair value through profit or loss	Debt securities classified as at fair value through other comprehensive income	Equity securities designated at fair value through other comprehensive income	Financial instruments at amortized cost, net	Financial instruments at amortized cost, net	Total carrying value	Total fair value
Financial assets								
Cash and deposits with financial institutions	–	–	–	–	27,916	27,916	27,916	27,916
Securities	147,756	362	23,733	291	16,605	16,869	188,747	189,011
Securities purchased under reverse repurchase agreements and securities borrowed	–	–	–	–	27,091	27,091	27,091	27,091
Loans, net of allowances	16,662	–	–	–	285,961	289,791	302,623	306,453
Other								
Derivative financial instruments	12,515	–	–	–	–	–	12,515	12,515
Other assets	67	–	–	–	3,657	3,657	3,724	3,724
Financial liabilities								
Deposits⁽¹⁾	–	32,740			395,263	395,685	428,003	428,425
Other								
Obligations related to securities sold short	13,257	–			–	–	13,257	13,257
Obligations related to securities sold under repurchase agreements and securities loaned	–	–			41,356	41,356	41,356	41,356
Derivative financial instruments	15,984	–			–	–	15,984	15,984
Liabilities related to transferred receivables	–	13,191			17,386	17,302	30,577	30,493
Other liabilities	–	5			4,814	4,814	4,819	4,819
Subordinated debt	–	–			3,432	3,529	3,432	3,529

(1) Includes embedded derivative financial instruments.

Establishing Fair Value

The fair value of a financial instrument is the price that would be received to sell a financial asset or paid to transfer a financial liability in an orderly transaction in the principal market at the measurement date under current market conditions (i.e., an exit price).

Unadjusted quoted prices in active markets provide the best evidence of fair value. When there is no quoted price in an active market, the Bank applies other valuation techniques that maximize the use of relevant observable inputs and that minimize the use of unobservable inputs. Such valuation techniques include the following: using information available from recent market transactions, referring to the current fair value of a comparable financial instrument, applying discounted cash flow analysis, applying option pricing models, or relying on any other valuation technique that is commonly used by market participants and has proven to yield reliable estimates. Judgment is required when applying many of the valuation techniques. The Bank's valuations were based on its assessment of the conditions prevailing as at January 31, 2026 and may change in the future. Furthermore, there may be measurement uncertainty resulting from the choice of valuation model used.

Fair value is established in accordance with a rigorous control framework. The Bank has policies and procedures that govern the process for determining fair value. The Bank's valuation governance structure has remained largely unchanged from that described in Note 4 to the audited annual consolidated financial statements for the year ended October 31, 2025. The valuation techniques used to determine the fair value of financial assets and financial liabilities are also described in this note, and no significant changes have been made to the valuation techniques.

Financial Instruments Recorded at Fair Value in the Consolidated Balance Sheet

Hierarchy of Fair Value Measurements

IFRS establishes a fair value measurement hierarchy that classifies the inputs used in financial instrument fair value measurement techniques according to three levels. This fair value hierarchy requires observable inputs to be used whenever such inputs exist. According to the hierarchy, the highest level of inputs are unadjusted quoted prices in active markets for identical instruments and the lowest level of inputs are unobservable inputs. In some cases, the inputs used to measure the fair value of a financial instrument might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. For additional information, see Note 4 to the audited annual consolidated financial statements for the year ended October 31, 2025.

Transfers of financial instruments between Levels 1 and 2 and transfers to (or from) Level 3 are deemed to have taken place at the beginning of the quarter in which the transfer occurred. Significant transfers can occur between the fair value hierarchy levels due to new information on inputs used to determine fair value and the observable nature of those inputs.

During the quarter ended January 31, 2026, \$5 million in securities classified as at fair value through profit or loss were transferred from Level 2 to Level 1 as a result of changing market conditions (\$8 million in securities classified as at fair value through profit or loss and \$1 million in obligations related to securities sold short during the quarter ended January 31, 2025). Also, during the quarter ended January 31, 2026, \$11 million in securities classified as at fair value through profit or loss and \$1 million in obligations related to securities sold short were transferred from Level 1 to Level 2 as a result of changing market conditions (\$2 million in securities classified as at fair value through profit or loss and \$1 million in obligations related to securities sold short during the quarter ended January 31, 2025). During the quarters ended January 31, 2026 and 2025, financial instruments were transferred to (or from) Level 3 due to changes in the availability of observable market inputs as a result of changing market conditions.

The following tables show financial instruments recorded at fair value on the Consolidated Balance Sheet according to the fair value hierarchy.

As at January 31, 2026			
	Level 1	Level 2	Level 3
Total financial assets/liabilities at fair value			
Financial assets			
Securities			
At fair value through profit or loss			
Securities issued or guaranteed by			
Canadian government	6,458	13,018	–
Canadian provincial and municipal governments	–	11,493	–
U.S. Treasury, other U.S. agencies and other foreign governments	992	2,408	–
Other debt securities	–	4,271	33
Equity securities	109,985	2,111	844
	117,435	33,301	877
At fair value through other comprehensive income			
Securities issued or guaranteed by			
Canadian government	2,582	4,984	–
Canadian provincial and municipal governments	–	4,989	–
U.S. Treasury, other U.S. agencies and other foreign governments	10,243	224	–
Other debt securities	–	1,121	–
Equity securities	–	218	71
	12,825	11,536	71
Loans	–	15,429	239
Other			
Derivative financial instruments	360	12,126	92
Other assets – Other items	–	–	67
	130,620	72,392	1,346
Financial liabilities			
Deposits⁽¹⁾	–	42,136	–
Other			
Obligations related to securities sold short	4,811	6,637	–
Derivative financial instruments	566	14,690	100
Liabilities related to transferred receivables	–	11,617	–
Other liabilities - Accounts payable and accrued expenses	–	4	–
	5,377	75,084	100
			80,561

(1) Includes the embedded derivative financial instruments related to deposits measured at amortized cost.

Note 3 – Fair Value of Financial Instruments (cont.)

				As at October 31, 2025
	Level 1	Level 2	Level 3	Total financial assets/liabilities at fair value
Financial assets				
Securities				
At fair value through profit or loss				
Securities issued or guaranteed by				
Canadian government	6,019	10,959	–	16,978
Canadian provincial and municipal governments	–	7,667	–	7,667
U.S. Treasury, other U.S. agencies and other foreign governments	973	1,695	–	2,668
Other debt securities	–	3,450	105	3,555
Equity securities	114,055	2,444	751	117,250
	121,047	26,215	856	148,118
At fair value through other comprehensive income				
Securities issued or guaranteed by				
Canadian government	1,723	5,384	–	7,107
Canadian provincial and municipal governments	–	4,849	–	4,849
U.S. Treasury, other U.S. agencies and other foreign governments	10,210	428	–	10,638
Other debt securities	–	1,139	–	1,139
Equity securities	–	220	71	291
	11,933	12,020	71	24,024
Loans	–	16,421	241	16,662
Other				
Derivative financial instruments	2,052	10,359	104	12,515
Other assets – Other items	–	–	67	67
	135,032	65,015	1,339	201,386
Financial liabilities				
Deposits⁽¹⁾	–	39,917	–	39,917
Other				
Obligations related to securities sold short	7,044	6,213	–	13,257
Derivative financial instruments	1,798	14,100	86	15,984
Liabilities related to transferred receivables	–	13,191	–	13,191
Other liabilities - Accounts payable and accrued expenses	–	5	–	5
	8,842	73,426	86	82,354

(1) Includes the embedded derivative financial instruments related to deposits measured at amortized cost.

Financial Instruments Classified in Level 3

The Bank classifies financial instruments in Level 3 when the valuation technique is based on at least one significant input that is not observable in the markets. The Bank maximizes the use of observable inputs to determine the fair value of financial instruments.

For a description of the valuation techniques and significant unobservable inputs used in determining the fair value of financial instruments classified in Level 3, see Note 4 to the audited annual consolidated financial statements for the year ended October 31, 2025. For the quarter ended January 31, 2026, no significant change was made to the valuation techniques and significant unobservable inputs used in determining fair value.

Sensitivity Analysis of Financial Instruments Classified in Level 3

The Bank performs sensitivity analyses for the fair value measurements of Level 3 financial instruments, substituting unobservable inputs with one or more reasonably possible alternative assumptions. For additional information on how a change in an unobservable input might affect the fair value measurements of Level 3 financial instruments, see Note 4 to the audited annual consolidated financial statements for the year ended October 31, 2025. For the quarter ended January 31, 2026, there were no significant changes in the sensitivity analyses of Level 3 financial instruments.

Change in the Fair Value of Financial Instruments Classified in Level 3

The Bank may hedge the fair value of financial instruments classified in the various levels through offsetting hedge positions. Gains and losses on financial instruments classified in Level 3 presented in the following tables do not reflect the inverse gains and losses on financial instruments used for economic hedging purposes that may have been classified in Level 1 or Level 2 by the Bank. In addition, the Bank may hedge the fair value of financial instruments classified in Level 3 using other financial instruments classified in Level 3. The effect of these hedges is not included in the net amount presented in the following tables. The gains and losses presented hereafter may comprise changes in fair value based on observable and unobservable inputs.

	Quarter ended January 31, 2026			
	Securities at fair value through profit or loss	Securities at fair value through other comprehensive income	Loans and other assets	Derivative financial instruments ⁽¹⁾
Fair value as at October 31, 2025	856	71	308	18
Total realized and unrealized gains (losses) included in <i>Net income</i> ⁽²⁾	7	–	2	8
Total realized and unrealized gains (losses) included in <i>Other comprehensive income</i>	–	1	–	–
Purchases	22	–	–	–
Sales	(8)	(1)	(6)	–
Issuances	–	–	12	–
Settlements and other	–	–	(10)	(12)
Financial instruments transferred into Level 3	–	–	–	–
Financial instruments transferred out of Level 3	–	–	–	(22)
Fair value as at January 31, 2026	877	71	306	(8)
Change in unrealized gains and losses included in <i>Net income</i> with respect to financial assets and financial liabilities held as at January 31, 2026 ⁽³⁾	6	–	2	8

	Quarter ended January 31, 2025			
	Securities at fair value through profit or loss	Securities at fair value through other comprehensive income	Loans and other assets	Derivative financial instruments ⁽¹⁾
Fair value as at October 31, 2024	668	307	288	71
Total realized and unrealized gains (losses) included in <i>Net income</i> ⁽⁴⁾	21	–	(2)	26
Total realized and unrealized gains (losses) included in <i>Other comprehensive income</i>	–	3	–	–
Purchases	11	–	–	–
Sales	(4)	–	(2)	–
Issuances	–	–	5	–
Settlements and other	–	–	6	(4)
Financial instruments transferred into Level 3	–	–	–	–
Financial instruments transferred out of Level 3	–	–	–	2
Fair value as at January 31, 2025	696	310	295	95
Change in unrealized gains and losses included in <i>Net income</i> with respect to financial assets and financial liabilities held as at January 31, 2025 ⁽⁵⁾	19	–	(2)	26

(1) The derivative financial instruments include assets and liabilities presented on a net basis.

(2) Total gains (losses) included in *Non-interest income* was a gain of \$17 million.

(3) Total unrealized gains (losses) included in *Non-interest income* was an unrealized gain of \$16 million.

(4) Total gains (losses) included in *Non-interest income* was a gain of \$45 million.

(5) Total unrealized gains (losses) included in *Non-interest income* was an unrealized gain of \$43 million.

Note 4 – Financial Instruments Designated at Fair Value Through Profit or Loss

The Bank chose to designate certain financial instruments at fair value through profit or loss according to the criteria presented in Note 1 to the audited annual consolidated financial statements for the year ended October 31, 2025. Consistent with its risk management strategy and in accordance with the fair value option, which permits the designation if it eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring financial assets and liabilities or recognizing the gains and losses thereon on different bases, the Bank designated certain securities, certain liabilities related to transferred receivables, and certain other liabilities at fair value through profit or loss. The fair value of liabilities related to transferred receivables and other liabilities does not include credit risk, as the holders of these liabilities are not exposed to the Bank's credit risk. The Bank also designated certain deposits that include embedded derivative financial instruments at fair value through profit or loss.

To determine a change in fair value arising from a change in the credit risk of deposits designated at fair value through profit or loss, the Bank calculates, at the beginning of the period, the present value of the instrument's contractual cash flows using the following rates: first, an observed discount rate for similar securities that reflects the Bank's credit spread and, then, a rate that excludes the Bank's credit spread. The difference obtained between the two values is then compared to the difference obtained using the same rates at the end of the period.

Information about the financial assets and financial liabilities designated at fair value through profit or loss is provided in the following tables.

	Carrying value as at January 31, 2026	Unrealized gains (losses) for the quarter ended January 31, 2026	Unrealized gains (losses) since the initial recognition of the instrument
Financial assets designated at fair value through profit or loss			
Securities	360	(2)	8
Financial liabilities designated at fair value through profit or loss			
Deposits ⁽¹⁾⁽²⁾	33,623	(317)	410
Liabilities related to transferred receivables	11,617	71	1
Other liabilities	4	–	–
	45,244	(246)	411

	Carrying value as at January 31, 2025	Unrealized gains (losses) for the quarter ended January 31, 2025	Unrealized gains (losses) since the initial recognition of the instrument
Financial assets designated at fair value through profit or loss			
Securities	361	3	11
Financial liabilities designated at fair value through profit or loss			
Deposits ⁽¹⁾⁽²⁾	27,936	51	1,438
Liabilities related to transferred receivables	10,593	(94)	33
	38,529	(43)	1,471

(1) For the quarter ended January 31, 2026, the change in the fair value of deposits designated at fair value through profit or loss attributable to credit risk, and recorded in *Other comprehensive income*, resulted in a loss of \$87 million (\$25 million gain for the quarter ended January 31, 2025).

(2) The amount at maturity that the Bank will be contractually required to pay to the holders of these deposits varies and will differ from the reporting date fair value.

Note 5 – Securities

Credit Quality

As at January 31, 2026 and as at October 31, 2025, securities at fair value through other comprehensive income and securities at amortized cost were mainly classified in Stage 1, with their credit quality falling mostly in the “Excellent” category according to the Bank’s internal risk-rating categories. For additional information on the reconciliation of allowances for credit losses, see Note 6 to these Consolidated Financial Statements.

Gross Unrealized Gains (Losses) on Securities at Fair Value Through Other Comprehensive Income⁽¹⁾

	As at January 31, 2026			
	Amortized cost	Gross unrealized gains	Gross unrealized losses	Carrying value ⁽²⁾
Securities issued or guaranteed by				
Canadian government	7,443	126	(3)	7,566
Canadian provincial and municipal governments	4,963	66	(40)	4,989
U.S. Treasury, other U.S. agencies and other foreign governments	10,314	161	(8)	10,467
Other debt securities	1,135	8	(22)	1,121
Equity securities	239	50	–	289
	24,094	411	(73)	24,432

	As at October 31, 2025			
	Amortized cost	Gross unrealized gains	Gross unrealized losses	Carrying value ⁽²⁾
Securities issued or guaranteed by				
Canadian government	6,939	172	(4)	7,107
Canadian provincial and municipal governments	4,777	100	(28)	4,849
U.S. Treasury, other U.S. agencies and other foreign governments	10,466	180	(8)	10,638
Other debt securities	1,149	13	(23)	1,139
Equity securities	246	45	–	291
	23,577	510	(63)	24,024

(1) Excludes the impact of hedging.

(2) The allowances for credit losses on securities at fair value through other comprehensive income (excluding equity securities), representing \$3 million as at January 31, 2026 (\$3 million as at October 31, 2025), are reported in *Other comprehensive income*. For additional information, see Note 6 to these Consolidated Financial Statements.

Equity Securities Designated at Fair Value Through Other Comprehensive Income

The Bank designated certain equity securities, the main business objective of which is to generate dividend income, at fair value through other comprehensive income without subsequent reclassification of gains and losses to net income. During the quarter ended January 31, 2026, a dividend income amount of \$3 million was recognized for these investments (\$14 million for the quarter ended January 31, 2025), including a negligible amount for investments that were sold during the quarters ended January 31, 2026 and 2025.

	Quarter ended January 31, 2026			Quarter ended January 31, 2025		
	Equity securities of private companies	Equity securities of public companies	Total	Equity securities of private companies	Equity securities of public companies	Total
Fair value at beginning	71	220	291	307	359	666
Change in fair value	–	8	8	3	20	23
Designated at fair value through other comprehensive income	–	5	5	–	40	40
Sales ⁽¹⁾	–	(15)	(15)	–	(166)	(166)
Fair value at end	71	218	289	310	253	563

(1) The Bank disposed of private and public company equity securities for economic reasons.

Note 5 – Securities (cont.)

Securities at Amortized Cost

	As at January 31, 2026	As at October 31, 2025
Securities issued or guaranteed by		
Canadian government	11,404	10,505
Canadian provincial and municipal governments	4,821	4,075
U.S. Treasury, other U.S. agencies and other foreign governments	222	339
Other debt securities	2,163	1,699
Gross carrying value	18,610	16,618
Allowances for credit losses	21	13
Carrying value	18,589	16,605

Gains (Losses) on Disposals of Securities at Amortized Cost

During the quarters ended January 31, 2026 and 2025, the Bank disposed of certain debt securities measured at amortized cost. The carrying value of these securities upon disposal was \$50 million for the quarter ended January 31, 2026 (\$43 million for the quarter ended January 31, 2025), and the Bank recognized negligible gains for the quarter ended January 31, 2026 (\$3 million for the quarter ended January 31, 2025) under *Non-interest income – Gains (losses) on non-trading securities, net* in the Consolidated Statement of Income.

Note 6 – Loans and Allowances for Credit Losses

Determining and Measuring Expected Credit Losses (ECL)

Determining Expected Credit Losses

Expected credit losses are determined using a three-stage impairment approach that is based on the change in the credit quality of financial assets since initial recognition.

Non-impaired loans

Stage 1

Financial assets that have experienced no significant increase in credit risk between initial recognition and the reporting date, and for which 12-month expected credit losses are recorded at the reporting date, are classified in Stage 1.

Stage 2

Financial assets that have experienced a significant increase in credit risk between initial recognition and the reporting date, and for which lifetime expected credit losses are recorded at the reporting date, are classified in Stage 2.

Impaired loans

Loans classified as impaired loans are divided into the following two categories:

Stage 3

Financial assets for which there is objective evidence of impairment, for which one or more events have had a detrimental impact on the estimated future cash flows of these financial assets at the reporting date, and for which lifetime expected credit losses are recorded.

POCI

Financial assets that are credit-impaired when purchased or originated (POCI).

For additional information, see Notes 1 and 8 to the audited annual consolidated financial statements for the year ended October 31, 2025.

Credit Quality of Loans

The following tables present the gross carrying amounts of loans as at January 31, 2026 and as at October 31, 2025, according to credit quality and ECL impairment stage of each loan category at amortized cost, and according to credit quality for loans at fair value through profit or loss. For additional information on credit quality according to the Internal Ratings-Based (IRB) categories, see the Internal Default Risk Ratings table on page 87 in the Credit Risk section of the 2025 Annual Report.

As at January 31, 2026					
	Non-impaired loans		Impaired loans	Loans at fair value through profit or loss ⁽¹⁾	Total
	Stage 1	Stage 2			
Residential mortgage					
Excellent	38,861	4	–	–	38,865
Good	18,566	84	–	–	18,650
Satisfactory	16,035	3,740	–	–	19,775
Special mention	449	736	–	–	1,185
Substandard	90	280	–	–	370
Default	–	–	227	–	227
IRB Approach	74,001	4,844	227	–	79,072
Standardized Approach	20,717	503	989	13,226	35,435
Gross carrying amount	94,718	5,347	1,216	13,226	114,507
Allowances for credit losses ⁽²⁾	104	61	119	–	284
Carrying amount	94,614	5,286	1,097	13,226	114,223
Personal					
Excellent	23,166	9	–	–	23,175
Good	8,860	603	–	–	9,463
Satisfactory	8,262	1,473	–	–	9,735
Special mention	2,259	882	–	–	3,141
Substandard	43	300	–	–	343
Default	–	–	260	–	260
IRB Approach	42,590	3,267	260	–	46,117
Standardized Approach	3,790	108	273	–	4,171
Gross carrying amount	46,380	3,375	533	–	50,288
Allowances for credit losses ⁽²⁾	125	141	198	–	464
Carrying amount	46,255	3,234	335	–	49,824
Credit card					
Excellent	336	–	–	–	336
Good	468	–	–	–	468
Satisfactory	931	29	–	–	960
Special mention	580	286	–	–	866
Substandard	42	158	–	–	200
Default	–	–	–	–	–
IRB Approach	2,357	473	–	–	2,830
Standardized Approach	179	6	–	–	185
Gross carrying amount	2,536	479	–	–	3,015
Allowances for credit losses ⁽²⁾	42	118	–	–	160
Carrying amount	2,494	361	–	–	2,855
Business and government					
Excellent	7,182	4	–	1,148	8,334
Good	28,921	18	–	27	28,966
Satisfactory	39,956	13,262	–	142	53,360
Special mention	278	1,965	–	–	2,243
Substandard	–	581	–	–	581
Default	–	–	788	–	788
IRB Approach	76,337	15,830	788	1,317	94,272
Standardized Approach	37,478	4,439	1,205	1,125	44,247
Gross carrying amount	113,815	20,269	1,993	2,442	138,519
Allowances for credit losses ⁽²⁾	388	319	594	–	1,301
Carrying amount	113,427	19,950	1,399	2,442	137,218
Total loans					
Gross carrying amount	257,449	29,470	3,742	15,668	306,329
Allowances for credit losses ⁽²⁾	659	639	911	–	2,209
Carrying amount	256,790	28,831	2,831	15,668	304,120

(1) Not subject to expected credit losses.

(2) The allowances for credit losses do not include the amounts related to undrawn commitments reported in the *Other liabilities* item of the Consolidated Balance Sheet.

Note 6 – Loans and Allowances for Credit Losses (cont.)

As at October 31, 2025

	Non-impaired loans		Impaired loans	Loans at fair value through profit or loss ⁽¹⁾	Total
	Stage 1	Stage 2			
Residential mortgage					
Excellent	37,897	9	–	–	37,906
Good	18,734	104	–	–	18,838
Satisfactory	15,712	3,269	–	–	18,981
Special mention	453	719	–	–	1,172
Substandard	91	240	–	–	331
Default	–	–	223	–	223
IRB Approach	72,887	4,341	223	–	77,451
Standardized Approach	20,840	671	957	14,010	36,478
Gross carrying amount	93,727	5,012	1,180	14,010	113,929
Allowances for credit losses ⁽²⁾	88	69	102	–	259
Carrying amount	93,639	4,943	1,078	14,010	113,670
Personal					
Excellent	22,936	19	–	–	22,955
Good	8,231	893	–	–	9,124
Satisfactory	8,159	1,838	–	–	9,997
Special mention	2,339	921	–	–	3,260
Substandard	51	308	–	–	359
Default	–	–	244	–	244
IRB Approach	41,716	3,979	244	–	45,939
Standardized Approach	3,845	97	292	–	4,234
Gross carrying amount	45,561	4,076	536	–	50,173
Allowances for credit losses ⁽²⁾	119	141	180	–	440
Carrying amount	45,442	3,935	356	–	49,733
Credit card					
Excellent	357	–	–	–	357
Good	491	–	–	–	491
Satisfactory	909	29	–	–	938
Special mention	563	278	–	–	841
Substandard	44	156	–	–	200
Default	–	–	–	–	–
IRB Approach	2,364	463	–	–	2,827
Standardized Approach	189	6	–	–	195
Gross carrying amount	2,553	469	–	–	3,022
Allowances for credit losses ⁽²⁾	43	114	–	–	157
Carrying amount	2,510	355	–	–	2,865
Business and government					
Excellent	7,116	2	–	1,251	8,369
Good	28,915	4	–	27	28,946
Satisfactory	40,097	12,453	–	146	52,696
Special mention	303	1,986	–	–	2,289
Substandard	–	550	–	–	550
Default	–	–	864	–	864
IRB Approach	76,431	14,995	864	1,424	93,714
Standardized Approach	36,650	4,906	1,132	1,228	43,916
Gross carrying amount	113,081	19,901	1,996	2,652	137,630
Allowances for credit losses ⁽²⁾	365	384	526	–	1,275
Carrying amount	112,716	19,517	1,470	2,652	136,355
Total loans					
Gross carrying amount	254,922	29,458	3,712	16,662	304,754
Allowances for credit losses ⁽²⁾	615	708	808	–	2,131
Carrying amount	254,307	28,750	2,904	16,662	302,623

(1) Not subject to expected credit losses.

(2) The allowances for credit losses do not include the amounts related to undrawn commitments reported in the *Other liabilities* item of the Consolidated Balance Sheet.

The following table presents the credit risk exposures of off-balance-sheet commitments as at January 31, 2026 and as at October 31, 2025 according to credit quality and ECL impairment stage.

	As at January 31, 2026				As at October 31, 2025			
	Stage 1	Stage 2	Impaired	Total	Stage 1	Stage 2	Impaired	Total
Off-balance-sheet commitments⁽¹⁾								
Retail								
Excellent	16,648	14	–	16,662	16,332	13	–	16,345
Good	5,138	234	–	5,372	5,083	321	–	5,404
Satisfactory	1,852	207	–	2,059	1,771	236	–	2,007
Special mention	487	137	–	624	468	133	–	601
Substandard	19	43	–	62	20	44	–	64
Default	–	–	2	2	–	–	2	2
Non-retail								
Excellent	13,340	–	–	13,340	13,887	–	–	13,887
Good	26,001	–	–	26,001	25,144	8	–	25,152
Satisfactory	18,196	7,227	–	25,423	17,682	6,376	–	24,058
Special mention	24	256	–	280	29	193	–	222
Substandard	3	154	–	157	8	125	–	133
Default	–	–	15	15	–	–	25	25
IRB Approach	81,708	8,272	17	89,997	80,424	7,449	27	87,900
Standardized Approach	26,788	201	25	27,014	28,306	406	83	28,795
Total exposure	108,496	8,473	42	117,011	108,730	7,855	110	116,695
Allowances for credit losses	195	101	1	297	178	84	6	268
Total exposure, net of allowances	108,301	8,372	41	116,714	108,552	7,771	104	116,427

(1) Represent letters of guarantee and documentary letters of credit, undrawn commitments, and backstop liquidity and credit enhancement facilities.

Loans Past Due But Not Impaired⁽¹⁾

	As at January 31, 2026				As at October 31, 2025			
	Residential mortgage	Personal	Credit card	Business and government	Residential mortgage	Personal	Credit card	Business and government
Past due but not impaired								
31 to 60 days	191	176	32	147	366	126	34	194
61 to 90 days	162	63	19	151	101	52	18	68
Over 90 days ⁽²⁾	–	–	44	–	–	–	41	–
	353	239	95	298	467	178	93	262

(1) Loans less than 31 days past due are not presented as they are not considered past due from an administrative standpoint.

(2) All loans more than 90 days past due, except for credit card receivables, are considered impaired (Stage 3).

Impaired Loans

	As at January 31, 2026			As at October 31, 2025		
	Gross	Allowances for credit losses	Net	Gross	Allowances for credit losses	Net
Residential mortgage	1,216	119	1,097	1,180	102	1,078
Personal	533	198	335	536	180	356
Credit card ⁽¹⁾	–	–	–	–	–	–
Business and government	1,993	594	1,399	1,996	526	1,470
	3,742	911	2,831	3,712	808	2,904

(1) Credit card receivables are considered impaired, at the latest, when payment is 180 days past due, and they are written off at that time.

Note 6 – Loans and Allowances for Credit Losses (cont.)

Allowances for Credit Losses

The following tables present a reconciliation of the allowances for credit losses by Consolidated Balance Sheet item and by type of off-balance-sheet commitment.

	Quarter ended January 31, 2026					Allowances for credit losses as at January 31, 2026
	Allowances for credit losses as at October 31, 2025	Provisions for credit losses	Write-offs ⁽¹⁾	Disposals	Recoveries and other	
Balance sheet						
Cash and deposits with financial institutions⁽²⁾⁽³⁾	11	1	–	–	–	12
Securities⁽³⁾						
At fair value through other comprehensive income ⁽⁴⁾	3	–	–	–	–	3
At amortized cost ⁽²⁾	13	8	–	–	–	21
Securities purchased under reverse repurchase agreements and securities borrowed⁽²⁾⁽³⁾	–	–	–	–	–	–
Loans⁽⁵⁾						
Residential mortgage	259	35	(7)	–	(3)	284
Personal	440	67	(43)	–	–	464
Credit card	157	34	(36)	–	5	160
Business and government	1,275	70	(57)	–	13	1,301
	2,131	206	(143)	–	15	2,209
Other assets⁽²⁾⁽³⁾	–	–	–	–	–	–
Off-balance-sheet commitments⁽⁶⁾						
Letters of guarantee and documentary letters of credit	25	7	–	–	–	32
Undrawn commitments	236	21	–	–	–	257
Backstop liquidity and credit enhancement facilities	7	1	–	–	–	8
	268	29	–	–	–	297
	2,426	244	(143)	–	15	2,542

	Quarter ended January 31, 2025					Allowances for credit losses as at January 31, 2025
	Allowances for credit losses as at October 31, 2024	Provisions for credit losses	Write-offs ⁽¹⁾	Disposals	Recoveries and other	
Balance sheet						
Cash and deposits with financial institutions⁽²⁾⁽³⁾	9	2	–	–	–	11
Securities⁽³⁾						
At fair value through other comprehensive income ⁽⁴⁾	3	1	–	–	–	4
At amortized cost ⁽²⁾	6	–	–	–	–	6
Securities purchased under reverse repurchase agreements and securities borrowed⁽²⁾⁽³⁾	–	–	–	–	–	–
Loans⁽⁵⁾						
Residential mortgage	197	14	(1)	–	5	215
Personal	360	66	(38)	–	7	395
Credit card	156	28	(31)	–	4	157
Business and government	628	130	(45)	–	3	716
	1,341	238	(115)	–	19	1,483
Other assets⁽²⁾⁽³⁾	–	–	–	–	–	–
Off-balance-sheet commitments⁽⁶⁾						
Letters of guarantee and documentary letters of credit	21	1	–	–	–	22
Undrawn commitments	188	12	–	–	–	200
Backstop liquidity and credit enhancement facilities	5	–	–	–	–	5
	214	13	–	–	–	227
	1,573	254	(115)	–	19	1,731

- (1) The contractual amount outstanding on financial assets that were written off during the quarter ended January 31, 2026 and that are still subject to enforcement activity was \$68 million (\$51 million for the quarter ended January 31, 2025).
- (2) These financial assets are presented net of the allowances for credit losses on the Consolidated Balance Sheet.
- (3) As at January 31, 2026 and 2025, these financial assets were mainly classified in Stage 1 and their credit quality fell mostly within the *Excellent* category.
- (4) The allowances for credit losses are reported in the *Accumulated other comprehensive income* item of the Consolidated Balance Sheet.
- (5) The allowances for credit losses are reported in the *Allowances for credit losses* item of the Consolidated Balance Sheet.
- (6) The allowances for credit losses are reported in the *Other liabilities* item of the Consolidated Balance Sheet.

The following tables present a reconciliation of allowances for credit losses for each loan category at amortized cost according to ECL impairment stage.

	Quarter ended January 31, 2026				Quarter ended January 31, 2025			
	Allowances for credit losses on non-impaired loans		Allowances for credit losses on impaired loans ⁽¹⁾	Total	Allowances for credit losses on non-impaired loans		Allowances for credit losses on impaired loans ⁽¹⁾	Total
	Stage 1	Stage 2			Stage 1	Stage 2		
Residential mortgage								
Balance at beginning	88	69	102	259	62	85	50	197
Originations or purchases	9	-	-	9	4	-	-	4
Transfers ⁽²⁾ :								
to Stage 1	11	(11)	-	-	13	(12)	(1)	-
to Stage 2	(2)	8	(6)	-	(2)	6	(4)	-
to Stage 3	-	(4)	4	-	-	(5)	5	-
Net remeasurement of loss allowances ⁽³⁾	-	1	29	30	(15)	11	18	14
Derecognitions ⁽⁴⁾	(1)	(1)	(2)	(4)	(1)	(1)	(2)	(4)
Changes to models	-	-	-	-	-	-	-	-
Provisions for credit losses	17	(7)	25	35	(1)	(1)	16	14
Write-offs	-	-	(7)	(7)	-	-	(1)	(1)
Disposals	-	-	-	-	-	-	-	-
Recoveries	-	-	2	2	-	-	1	1
Foreign exchange movements and other	(1)	(1)	(3)	(5)	2	2	-	4
Balance at end	104	61	119	284	63	86	66	215
Includes:								
Amounts drawn	104	61	119	284	63	86	66	215
Undrawn commitments ⁽⁵⁾	-	-	-	-	-	-	-	-
Personal								
Balance at beginning	125	146	180	451	107	127	135	369
Originations or purchases	15	-	-	15	10	-	-	10
Transfers ⁽²⁾ :								
to Stage 1	29	(27)	(2)	-	26	(24)	(2)	-
to Stage 2	(10)	11	(1)	-	(11)	12	(1)	-
to Stage 3	-	(23)	23	-	-	(20)	20	-
Net remeasurement of loss allowances ⁽³⁾	(23)	43	40	60	(21)	47	37	63
Derecognitions ⁽⁴⁾	(3)	(4)	(2)	(9)	(2)	(3)	(2)	(7)
Changes to models	-	-	-	-	-	-	-	-
Provisions for credit losses	8	-	58	66	2	12	52	66
Write-offs	-	-	(43)	(43)	-	-	(38)	(38)
Disposals	-	-	-	-	-	-	-	-
Recoveries	-	-	4	4	-	-	4	4
Foreign exchange movements and other	(2)	(1)	(1)	(4)	2	1	-	3
Balance at end	131	145	198	474	111	140	153	404
Includes:								
Amounts drawn	125	141	198	464	106	136	153	395
Undrawn commitments ⁽⁵⁾	6	4	-	10	5	4	-	9

(1) No POCI loans were acquired during the quarters ended January 31, 2026 and 2025.

(2) Represent stage transfers deemed to have taken place at the beginning of the quarter in which the transfer occurred.

(3) Includes the net remeasurement of loss allowances (after transfers) attributable mainly to changes in volumes and in the credit quality of existing loans as well as to changes in risk parameters.

(4) Represent reversals to loss allowances arising from full loan repayments (excluding write-offs and disposals).

(5) The allowances for credit losses on undrawn commitments are reported in the *Other liabilities* item of the Consolidated Balance Sheet.

Note 6 – Loans and Allowances for Credit Losses (cont.)

	Quarter ended January 31, 2026				Quarter ended January 31, 2025			
	Allowances for credit losses on non-impaired loans		Allowances for credit losses on impaired loans ⁽¹⁾	Total	Allowances for credit losses on non-impaired loans		Allowances for credit losses on impaired loans ⁽¹⁾	Total
	Stage 1	Stage 2			Stage 1	Stage 2		
Credit card								
Balance at beginning	81	154	–	235	70	141	–	211
Originations or purchases	6	–	–	6	3	–	–	3
Transfers ⁽²⁾ :								
to Stage 1	39	(39)	–	–	27	(27)	–	–
to Stage 2	(7)	7	–	–	(6)	6	–	–
to Stage 3	–	(21)	21	–	–	(13)	13	–
Net remeasurement of loss allowances ⁽³⁾	(36)	59	10	33	(15)	36	14	35
Derecognitions ⁽⁴⁾	(1)	(1)	–	(2)	(1)	–	–	(1)
Changes to models	–	–	–	–	–	–	–	–
Provisions for credit losses	1	5	31	37	8	2	27	37
Write-offs	–	–	(36)	(36)	–	–	(31)	(31)
Disposals	–	–	–	–	–	–	–	–
Recoveries	–	–	5	5	–	–	4	4
Foreign exchange movements and other	–	–	–	–	–	–	–	–
Balance at end	82	159	–	241	78	143	–	221
Includes:								
Amounts drawn	42	118	–	160	46	111	–	157
Undrawn commitments ⁽⁵⁾	40	41	–	81	32	32	–	64
Business and government								
Balance at beginning	473	417	532	1,422	308	215	229	752
Originations or purchases	46	–	–	46	37	–	–	37
Transfers ⁽²⁾ :								
to Stage 1	20	(14)	(6)	–	14	(14)	–	–
to Stage 2	(25)	33	(8)	–	(12)	15	(3)	–
to Stage 3	(1)	(1)	2	–	–	(5)	5	–
Net remeasurement of loss allowances ⁽³⁾	11	(52)	121	80	(22)	39	101	118
Derecognitions ⁽⁴⁾	(16)	(17)	(4)	(37)	(9)	(12)	(1)	(22)
Changes to models	–	–	–	–	–	–	–	–
Provisions for credit losses	35	(51)	105	89	8	23	102	133
Write-offs	–	–	(57)	(57)	–	–	(45)	(45)
Disposals	–	–	–	–	–	–	–	–
Recoveries	–	–	19	19	–	–	2	2
Foreign exchange movements and other	(1)	(1)	(4)	(6)	2	–	(1)	1
Balance at end	507	365	595	1,467	318	238	287	843
Includes:								
Amounts drawn	388	319	594	1,301	221	209	286	716
Undrawn commitments ⁽⁵⁾	119	46	1	166	97	29	1	127
Total allowances for credit losses at end⁽⁶⁾	824	730	912	2,466	570	607	506	1,683
Includes:								
Amounts drawn	659	639	911	2,209	436	542	505	1,483
Undrawn commitments ⁽⁵⁾	165	91	1	257	134	65	1	200

(1) No POCI loans were acquired during the quarters ended January 31, 2026, and 2025.

(2) Represent stage transfers deemed to have taken place at the beginning of the quarter in which the transfer occurred.

(3) Includes the net remeasurement of loss allowances (after transfers) attributable mainly to changes in volumes and in the credit quality of existing loans as well as to changes in risk parameters.

(4) Represent reversals to loss allowances arising from full loan repayments (excluding write-offs and disposals).

(5) The allowances for credit losses on undrawn commitments are reported in the *Other liabilities* item of the Consolidated Balance Sheet.

(6) Excludes allowances for credit losses on other financial assets at amortized cost and on off-balance-sheet commitments other than undrawn commitments.

Main Macroeconomic Factors

The following tables show the main macroeconomic factors used to estimate the allowances for credit losses on loans. For each scenario, namely, the base scenario, upside scenario, and downside scenario, the average values of the macroeconomic factors over the next 12 months (used for Stage 1 credit loss calculations) and over the remaining forecast period (used for Stage 2 credit loss calculations) are presented.

	As at January 31, 2026					
	Base scenario		Upside scenario		Downside scenario	
	Next 12 months	Remaining forecast period	Next 12 months	Remaining forecast period	Next 12 months	Remaining forecast period
Macroeconomic factors ⁽¹⁾						
GDP growth ⁽²⁾	1.6 %	1.8 %	2.2 %	1.9 %	(6.3) %	2.7 %
Unemployment rate	6.5 %	6.1 %	6.2 %	5.6 %	8.9 %	8.2 %
Housing price index growth ⁽²⁾	2.3 %	2.6 %	9.7 %	2.4 %	(13.9) %	0.3 %
BBB spread ⁽³⁾	1.5 %	1.6 %	1.4 %	1.4 %	3.3 %	2.4 %
S&P/TSX growth ⁽²⁾⁽⁴⁾	8.4 %	2.8 %	11.0 %	3.2 %	(30.5) %	7.5 %
WTI oil price ⁽⁵⁾ (US\$ per barrel)	60	68	74	75	35	43

As at October 31, 2025						
Base scenario			Upside scenario		Downside scenario	
	Next 12 months	Remaining forecast period	Next 12 months	Remaining forecast period	Next 12 months	Remaining forecast period
Macroeconomic factors⁽¹⁾						
GDP growth ⁽²⁾	1.5 %	1.9 %	1.8 %	2.1 %	(6.3) %	2.7 %
Unemployment rate	7.2 %	6.6 %	6.7 %	5.9 %	9.2 %	8.4 %
Housing price index growth ⁽²⁾	0.3 %	2.4 %	9.7 %	2.4 %	(13.9) %	0.3 %
BBB spread ⁽³⁾	1.6 %	1.6 %	1.4 %	1.4 %	3.3 %	2.4 %
S&P/TSX growth ⁽²⁾⁽⁴⁾	5.0 %	2.8 %	12.1 %	3.2 %	(30.5) %	7.5 %
WTI oil price ⁽⁵⁾ (US\$ per barrel)	62	69	74	75	39	47

- (1) All macroeconomic factors are based on the Canadian economy unless otherwise indicated.
(2) Growth rate is annualized.
(3) Yield on corporate BBB bonds less yield on Canadian federal government bonds with 10-year maturity.
(4) Main stock index in Canada.
(5) The West Texas Intermediate (WTI) index is commonly used as a benchmark for the price of oil.

The main macroeconomic factors used for the personal credit portfolio are unemployment rate and growth in the housing price index, based on the economy of Canada or Quebec. The main macroeconomic factors used for the business and government credit portfolio are unemployment rate, spread on corporate BBB bonds, S&P/TSX growth, and WTI oil price. An increase in unemployment rate or BBB spread will generally lead to higher allowances for credit losses, whereas an increase in the other macroeconomic factors (GDP, S&P/TSX, housing price index, and WTI oil price) will generally lead to lower allowances for credit losses.

Note 6 – Loans and Allowances for Credit Losses (cont.)

During the quarter ended January 31, 2026, developments in the macroeconomic factors were generally favourable for financial variables and the economy. Overall, the environment remains perilous and uncertainty is running high.

Despite ongoing uncertainty surrounding trade relations with the United States, the Canadian economy performed better than expected in the second half of the year 2025. With this economic upturn, the labour market has improved in recent months. However, the outlook remains fragile. Business hiring and investment intentions continue to be weak. Rather than easing, trade tensions with the United States have escalated at the start of this crucial year for the renewal of the Canada–United States–Mexico Agreement (CUSMA). This casts doubt on the possibility of a painless renewal of CUSMA. In the U.S., the labour market has shown some signs of weakness, but we do not believe that this will last long. The economy is being supported by considerable fiscal stimulus and accommodative financial conditions. Furthermore, major investments in artificial intelligence could continue in 2026, an exuberance that may represent a risk in the medium term. Such an environment should help keep inflation above the central bank's target for a fifth consecutive year.

In the base scenario, Canada's unemployment rate stands at 6.4% after 12 months, a decrease of 0.3 percentage point. Alongside this improvement in the labour market, real estate prices are slightly higher. In fact, housing prices rise 2.3% year-over-year. The S&P/TSX sits at 33,344 points after one year, and the price of oil is at US\$63.

In the upside scenario, trade tensions fade and geopolitical conflicts are resolved, lifting confidence. Inflation continues to subside, as central bankers managed to curb it without causing significant damage to the economy. This allows them to further cut interest rates. The Canadian and U.S. governments continue to expand spending. House prices appreciate strongly against a backdrop of respectable economic growth and an improving labour market that supports consumption. After one year, the unemployment rate in this scenario is more favourable than in the base scenario (0.4 percentage point lower). Housing prices rise 9.7%, the S&P/TSX sits at 34,128 points after one year, and the price of oil is at US\$75.

In the downside scenario, the Americans impose much higher tariffs on Canada and a global trade war intensifies. The central bank cuts interest rates sharply, but falling demand and uncertainty translate into sharply reduced investment by businesses, which consequently reduce staffing levels. Given budgetary constraints, governments are unable to support households and businesses as they did during the pandemic. The geopolitical situation continues to cause concern, with the risk of conflicts escalating. After 12 months, economic contraction pushes unemployment to 9.7%. House prices fall sharply (-13.9%). The S&P/TSX sits at 21,367 points after one year, and the price of oil is at US\$30.

Given the uncertainty surrounding key inputs used to measure credit losses, the Bank has applied expert credit judgment to adjust the modelled expected credit loss results.

Sensitivity Analysis of Allowances for Credit Losses on Non-Impaired Loans

Scenarios

The following table shows a comparison of the Bank's allowances for credit losses on non-impaired loans (Stages 1 and 2) as at January 31, 2026 based on the probability weightings of three scenarios with allowances for credit losses resulting from simulations of each scenario weighted at 100%.

	Allowances for credit losses on non-impaired loans
Balance as at January 31, 2026	1,554
Simulations	
100% upside scenario	985
100% base scenario	1,107
100% downside scenario	2,097

Note 7 – Other Assets

	As at January 31, 2026	As at October 31, 2025
Receivables, prepaid expenses and other items	1,977	1,768
Interest and dividends receivable	1,826	1,844
Due from clients, dealers and brokers	2,307	1,168
Defined benefit asset	410	441
Deferred tax assets	1,061	1,131
Current tax assets	1,054	819
Reinsurance contract assets	20	20
Insurance contract assets	39	40
Investments in associates and joint ventures	47	46
Commodities ⁽¹⁾	2,205	3,739
	10,946	11,016

(1) Commodities include precious metals and other commodities that are recorded at fair value based on quoted prices in active markets and are classified in Level 1 of the fair value measurement hierarchy.

Note 8 – Deposits

	As at January 31, 2026				As at October 31, 2025
	On demand ⁽¹⁾	After notice ⁽²⁾	Fixed term ⁽³⁾	Total	Total
Personal	6,534	60,329	59,015	125,878	124,417
Business and government	78,493	34,000	201,402	313,895	297,512
Deposit-taking institutions	2,065	435	3,601	6,101	6,074
	87,092	94,764	264,018	445,874	428,003

(1) Demand deposits are deposits for which the Bank does not have the right to require a notice of withdrawal and consist essentially of deposits in chequing accounts.

(2) Notice deposits are deposits for which the Bank may legally require a notice of withdrawal and consist mainly of deposits in savings accounts.

(3) Fixed-term deposits are deposits that can be withdrawn by the holder on a specified date and include term deposits, guaranteed investment certificates, savings accounts and plans, covered bonds, and other similar instruments.

The *Deposits – Business and government* item includes, among other items, covered bonds for which the balance was \$11.6 billion as at January 31, 2026 (\$10.0 billion as at October 31, 2025). During the quarter ended January 31, 2026, the Bank issued an amount of 1.0 billion euros in covered bonds (US\$255 million in covered bonds matured during the quarter ended January 31, 2025). For additional information on covered bonds, see Note 27 to the audited annual consolidated financial statements for the year ended October 31, 2025.

In addition, as at January 31, 2026, the *Deposits – Business and government* item also includes deposits of \$31.6 billion (\$26.1 billion as at October 31, 2025) that are subject to the bank bail-in conversion regulations issued by the Government of Canada. These regulations provide certain powers to the Canada Deposit Insurance Corporation (CDIC), notably the power to convert certain eligible Bank shares and liabilities into common shares should the Bank become non-viable.

Note 9 – Other Liabilities

	As at January 31, 2026	As at October 31, 2025
Accounts payable and accrued expenses	3,095	4,192
Subsidiaries' debts to third parties	273	313
Interest and dividends payable	2,217	2,475
Lease liabilities	653	644
Due to clients, dealers and brokers	1,022	1,065
Defined benefit liability	96	98
Allowances for credit losses – Off-balance-sheet commitments (Note 6)	297	268
Deferred tax liabilities	245	324
Current tax liabilities	313	185
Insurance contract liabilities	21	27
Other items ⁽¹⁾⁽²⁾⁽³⁾	987	950
	9,219	10,541

(1) As at January 31, 2026, *Other items* included provisions for litigation of \$13 million (\$13 million as at October 31, 2025).

(2) As at January 31, 2026, *Other items* included provisions for onerous contracts of \$9 million (\$10 million as at October 31, 2025).

(3) As at January 31, 2026, *Other items* included the financial liability resulting from put options written to non-controlling interests of Flinks Technology Inc. (Flinks) for an amount of \$5 million (\$5 million as at October 31, 2025).

Note 10 – Share Capital and Other Equity Instruments

Shares and Other Equity Instruments Outstanding

	As at January 31, 2026		As at October 31, 2025	
	Number of shares or LRCN ⁽¹⁾	Shares or LRCN \$	Number of shares or LRCN	Shares or LRCN \$
First Preferred Shares				
Series 30	14,000,000	350	14,000,000	350
Series 38	16,000,000	400	16,000,000	400
Series 40	12,000,000	300	12,000,000	300
Series 42	12,000,000	300	12,000,000	300
Series 47	5,000,000	128	5,000,000	128
Series 49	5,000,000	136	5,000,000	136
	64,000,000	1,614	64,000,000	1,614
Other equity instruments				
LRCN – Series 1	–	–	500,000	500
LRCN – Series 2	500,000	500	500,000	500
LRCN – Series 3	500,000	500	500,000	500
	1,000,000	1,000	1,500,000	1,500
Preferred shares and other equity instruments	65,000,000	2,614	65,500,000	3,114
Common shares at beginning of fiscal year	391,065,541	9,865	340,743,876	3,463
Issued pursuant to the Stock Option Plan	988,072	74	1,508,524	114
Issued as part of the CWB acquisition				
Exchange of common shares	–	–	41,010,378	5,290
Automatic exchange of subscription receipts	–	–	9,262,500	1,040
Repurchases of common shares for cancellation	(3,593,000)	(90)	(1,385,400)	(35)
Impact of shares purchased or sold for trading ⁽²⁾	(142,659)	(23)	(74,337)	(7)
Common shares at end of period	388,317,954	9,826	391,065,541	9,865

(1) Limited Recourse Capital Notes (LRCN).

(2) As at January 31, 2026, a total of 28,625 shares were held for trading, representing an amount of \$4 million (114,034 shares were sold short for trading, representing an amount of \$19 million as at October 31, 2025).

Dividends Declared and Distributions on Other Equity Instruments

	2026		Quarter ended January 31 2025	
	Dividends or interest \$	Dividends per share	Dividends or interest \$	Dividends per share
First Preferred Shares				
Series 30	5	0.3869	5	0.3869
Series 32	–	–	3	0.2399
Series 38	7	0.4392	7	0.4392
Series 40	5	0.3636	5	0.3636
Series 42	5	0.4410	5	0.4410
Series 47	2	0.3982	–	–
Series 49	2	0.4782	–	–
	26		25	
Other equity instruments				
LRCN – Series 1 ⁽¹⁾	1		5	
LRCN – Series 2 ⁽²⁾	5		5	
LRCN – Series 3 ⁽³⁾	10		10	
	16		20	
Preferred shares and other equity instruments	42		45	
Common shares	484	1.2400	389	1.1400
	526		434	

(1) The LRCN – Series 1 bore interest at a fixed rate of 4.30% per annum.

(2) The LRCN – Series 2 bear interest at a fixed rate of 4.05% per annum.

(3) The LRCN – Series 3 bear interest at a fixed rate of 7.50% per annum.

Redemption of Limited Recourse Capital Notes

On November 17, 2025, the first business day after the November 15, 2025 set redemption date, the Bank redeemed all of the issued and outstanding LRCN – Series 1. Pursuant to the LRCN – Series 1 conditions, the redemption price was \$1,000 per LRCN plus the interest accrued and unpaid. The Bank redeemed 500,000 LRCN – Series 1 for a total amount of \$500 million, which reduced *Preferred shares and other equity instruments*. In connection with the redemption of LRCN – Series 1, the Bank redeemed all of the Non-Cumulative 5-Year Fixed Rate Reset Series 44 First Preferred Shares, issued by the Bank in conjunction with the LRCN – Series 1 and held by an independent trustee in a limited recourse consolidated trust.

Repurchases of Common Shares

On September 25, 2025, the Bank began a normal course issuer bid to repurchase for cancellation up to 8,000,000 common shares (representing approximately 2.04% of its then outstanding common shares) over the 12-month period ending on September 24, 2026. Any repurchase through the Toronto Stock Exchange is done at market prices. The common shares may also be repurchased through other means authorized by the Toronto Stock Exchange and applicable regulations, including private agreements or share repurchase programs under issuer bid exemption orders issued by the securities regulators. A private purchase made under an exemption order issued by a securities regulator will be done at a discount to the prevailing market price. The amounts that are paid above the average book value of the common shares, including tax, are charged to *Retained earnings*. During the quarter ended January 31, 2026, the Bank repurchased 3,593,000 common shares for \$619 million, including tax, which reduced *Common shares* by \$90 million and *Retained earnings* by \$529 million. During the quarter ended January 31, 2025, the Bank had not repurchased any common shares.

Note 11 – Capital Disclosure

The Bank and all other major Canadian banks have to maintain the following minimum capital ratios established by OSFI: a CET1 capital ratio of at least 11.5%, a Tier 1 capital ratio of at least 13.0%, and a Total capital ratio of at least 15.0%. All of these ratios include a capital conservation buffer of 2.5% established by the Basel Committee on Banking Supervision (BCBS) and OSFI, a 1.0% surcharge applicable solely to Domestic Systemically Important Banks (D-SIBs), and a 3.5% domestic stability buffer (DSB) established by OSFI. The DSB, which can vary from 0% to 4.0% of risk-weighted assets (RWA), consists exclusively of CET1 capital. A D-SIB that fails to meet this buffer requirement will not be subject to automatic constraints to reduce capital distributions but must provide a remediation plan to OSFI. The Bank also has to meet the requirements of the capital output floor which is set at 67.5%, under which its total RWA must not be lower than the output floor for the total RWA as calculated under the Basel III Standardized Approaches. If the capital requirement is less than the capital output floor requirement after applying the floor factor, the difference is added to the total RWA. Lastly, OSFI requires D-SIBs to maintain a Basel III leverage ratio of at least 3.5%, which includes a Tier 1 capital buffer of 0.5% applicable only to D-SIBs.

OSFI also requires D-SIBs to maintain a risk-based total loss-absorbing capacity (TLAC) ratio of at least 25.0% (including the DSB) of RWA and a TLAC leverage ratio of at least 7.25%.

During the quarter ended January 31, 2026, the Bank was compliant with all of OSFI's regulatory capital, leverage, and TLAC requirements.

Note 11 – Capital Disclosure (cont.)

Regulatory Capital⁽¹⁾, Leverage Ratio⁽¹⁾ and TLAC⁽²⁾

	As at January 31, 2026	As at October 31, 2025
Capital		
CET1	26,023	25,962
Tier 1 ⁽³⁾	28,619	28,559
Total ⁽³⁾	32,718	32,657
Risk-weighted assets	189,354	188,756
Total exposure	665,594	633,494
Capital ratios		
CET1	13.7 %	13.8 %
Tier 1 ⁽³⁾	15.1 %	15.1 %
Total ⁽³⁾	17.3 %	17.3 %
Leverage ratio⁽³⁾	4.3 %	4.5 %
Available TLAC	61,533	55,993
TLAC ratio	32.5 %	29.7 %
TLAC leverage ratio	9.2 %	8.8 %

(1) Capital, risk-weighted assets, total exposure, the capital ratios, and the leverage ratio are calculated in accordance with the Basel III rules, as set out in OSFI's *Capital Adequacy Requirements Guideline* and *Leverage Requirements Guideline*.

(2) Available TLAC, the TLAC ratio, and the TLAC leverage ratio are calculated in accordance with OSFI's *Total Loss Absorbing Capacity Guideline*.

(3) Data as at October 31, 2025 included the redemption of LRCN – Series 1 completed on November 17, 2025.

Note 12 – Share-Based Payments

Stock Option Plan

During the quarter ended January 31, 2026, the Bank awarded 922,520 stock options (1,004,492 stock options during the quarter ended January 31, 2025) with an average fair value of \$28.87 per option (\$23.26 in 2025).

As at January 31, 2026, there were 10,508,142 stock options outstanding (10,580,306 stock options as at October 31, 2025).

The average fair value of the options awarded was estimated on the award date using the Black-Scholes model as well as the following accounting assumptions.

	Quarter ended January 31	
	2026	2025
Risk-free interest rate	2.94%	2.63%
Expected life of options	7 years	7 years
Expected volatility	22.06%	24.43%
Expected dividend yield	3.36%	3.54%

During the quarter ended January 31, 2026, a \$6 million compensation expense was recorded for this plan (\$5 million for the quarter ended January 31, 2025).

Note 13 – Employee Benefits – Pension Plans and Other Post-Employment Benefit Plans

The Bank offers pension plans that have a defined benefit component and a defined contribution component. The Bank also offers other post-employment benefit plans to eligible retirees. The cost associated with these plans, including the remeasurements recognized in *Other comprehensive income*, is presented in the following table.

Cost for Pension Plans and Other Post-Employment Benefit Plans

Quarter ended January 31				
	Pension plans		Other post-employment benefit plans	
	2026	2025	2026	2025
Current service cost	27	27		
Interest expense (income), net	(4)	(5)	1	1
Administrative costs	1	1		
Expense of the defined benefit component	24	23	1	1
Expense of the defined contribution component	16	7		
Expense recognized in Net income	40	30	1	1
Remeasurements⁽¹⁾				
Actuarial (gains) losses on the defined benefit obligation	(114)	112	(2)	2
Return on plan assets ⁽²⁾	173	(119)		
Remeasurements recognized in Other comprehensive income	59	(7)	(2)	2
	99	23	(1)	3

(1) Changes related to the discount rate and to the return on plan assets are reviewed and updated on a quarterly basis. All other assumptions are updated annually.

(2) Excludes interest income.

Note 14 – Earnings Per Share

Diluted earnings per share is calculated by dividing net income attributable to common shareholders by the weighted average number of common shares outstanding after taking into account the dilution effect of stock options using the treasury stock method and any gain (loss) on the redemption of preferred shares.

Quarter ended January 31		
	2026	2025
Basic earnings per share		
Net income attributable to the Bank's shareholders and holders of other equity instruments	1,254	997
Dividends on preferred shares and distributions on other equity instruments, net of income taxes	37	39
Net income attributable to common shareholders	1,217	958
Weighted average basic number of common shares outstanding (<i>thousands</i>)	390,047	340,739
Basic earnings per share (dollars)	3.12	2.81
Diluted earnings per share		
Net income attributable to common shareholders	1,217	958
Weighted average basic number of common shares outstanding (<i>thousands</i>)	390,047	340,739
Adjustment to average number of common shares (<i>thousands</i>)		
Stock options ⁽¹⁾	4,696	4,215
Weighted average diluted number of common shares outstanding (<i>thousands</i>)	394,743	344,954
Diluted earnings per share (dollars)	3.08	2.78

(1) For the quarter ended January 31, 2026, the calculation of diluted earnings per share excluded an average number of 551,507 options outstanding with a weighted average exercise price of \$170.76 as the exercise price of these options was greater than the average price of the Bank's common shares. For the quarter ended January 31, 2025, as the exercise price of the options was lower than the average price of the Bank's common shares, no options were excluded from the diluted earnings per share calculation.

Note 15 – Segment Disclosures

The Bank carries out its activities in four business segments: Personal and Commercial, Wealth Management, Capital Markets as well as U.S. Specialty Finance and International (USSF&I), which comprises the activities of the Credigy Ltd. (Credigy) and Advanced Bank of Asia Limited (ABA Bank) subsidiaries. For presentation purposes, other activities are grouped in the *Other* heading. Each reportable segment is distinguished by services offered, type of clientele, and marketing strategy. For additional information, see Note 30 to the audited annual consolidated financial statements for the year ended October 31, 2025.

Quarter ended January 31 ⁽¹⁾												
	Personal and Commercial		Wealth Management		Capital Markets		USSF&I		Other		Total	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
Net interest income ⁽²⁾	1,240	944	240	227	(497)	(509)	397	370	14	(60)	1,394	972
Non-interest income ⁽³⁾	288	260	659	549	1,487	1,416	37	35	28	(49)	2,499	2,211
Total revenues	1,528	1,204	899	776	990	907	434	405	42	(109)	3,893	3,183
Non-interest expenses ⁽⁴⁾⁽⁵⁾	800	641	531	441	412	367	120	123	148	74	2,011	1,646
Income before provisions for credit losses and income taxes	728	563	368	335	578	540	314	282	(106)	(183)	1,882	1,537
Provisions for credit losses	139	162	(2)	2	26	36	80	51	1	3	244	254
Income before income taxes (recovery)	589	401	370	333	552	504	234	231	(107)	(186)	1,638	1,283
Income taxes (recovery)	162	111	98	91	109	87	49	48	(34)	(51)	384	286
Net income	427	290	272	242	443	417	185	183	(73)	(135)	1,254	997
Non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	—
Net income attributable to the Bank's shareholders and holders of other equity instruments	427	290	272	242	443	417	185	183	(73)	(135)	1,254	997
Average assets ⁽⁶⁾	220,069	165,861	13,128	10,611	250,483	211,793	34,827	31,197	84,950	68,746	603,457	488,208
Total assets	222,913	167,754	12,847	11,047	244,352	203,943	35,449	32,891	90,310	68,198	605,871	483,833

- (1) On February 3, 2025, the Bank completed the acquisition of CWB. CWB's results were consolidated from the closing date, which impacted the results, balances and ratios for the quarter ended January 31, 2026. For additional information on the impact of the CWB acquisition, see the Acquisition section in the Management Discussion and Analysis.
- (2) During the quarter ended January 31, 2025, the Bank had recorded an amount of \$28 million (\$20 million net of income taxes) in the *Other* heading to reflect the amortization of the issuance costs of the subscription receipts issued as part of the agreement to acquire CWB.
- (3) During the quarter ended January 31, 2025, the Bank had recorded a gain of \$4 million upon the remeasurement at fair value of the interest already held in CWB. Also, during the quarter ended January 31, 2025, the Bank had recorded a mark-to-market loss of \$23 million (\$17 million net of income taxes) on interest rate swaps used to manage the fair value changes of CWB's assets and liabilities that resulted in volatility of goodwill and capital on closing of the transaction. All these items had been recorded in the *Other* heading.
- (4) During the quarter ended January 31, 2026, the Bank recorded integration and transaction-related charges of \$65 million (\$47 million net of income taxes) related to the CWB acquisition (\$26 million (\$19 million net of income taxes) during the quarter ended January 31, 2025) and charges of \$2 million related to the Laurentian Bank of Canada transactions. All these items were recorded in the *Other* heading.
- (5) During the quarter ended January 31, 2026, the Bank recorded an expense of \$24 million (\$17 million net of income taxes), allocated between the Personal and Commercial (\$21 million) and the Wealth Management (\$3 million) segments, to reflect the amortization of intangible assets related to the CWB acquisition.
- (6) Represents the average of the daily balances for the period, which is also the basis on which segment assets are reported in the business segments.

Note 16 – Significant Transactions

Laurentian Bank of Canada (LBC) Transactions

On December 2, 2025, the Bank entered into a definitive asset purchase agreement with LBC pursuant to which it will assume certain liabilities and acquire certain assets related to LBC's retail and SME business banking portfolios (Retail/SME Transaction), and the Bank will assume LBC's distribution agreement for certain mutual funds. Consideration of cash and cash equivalents to be received from LBC will be determined in reference to the value of liabilities assumed net of assets acquired, at the closing date.

The closing of the Retail/SME Transaction, expected to occur in late 2026, is conditional on all conditions precedent to the closing of the acquisition of LBC by FirstStone Bank (Acquisition Transaction) having been satisfied or waived, and to the closing of the Acquisition Transaction immediately following the Retail/SME Transaction. The Retail/SME Transaction is subject to customary closing conditions, including receipt of key regulatory approvals.

Separately, concurrently with the execution of the Retail/SME Transaction agreement, the Bank and LBC have also entered into a definitive loan purchase agreement in respect of the purchase by the Bank of LBC's syndicated loan portfolio (Syndicated Loan Transaction) for a purchase price which will be determined in reference to the value at the closing date.

On February 17, 2026, the closing of the Syndicated Loan Transaction occurred. The preliminary purchase price was \$646 million representing the estimated fair value of the loans acquired, net of related liabilities assumed, pending finalization of closing-date values.

Note 17 – Event After the Consolidated Balance Sheet Date

Repurchases of Common Shares

On February 24, 2026, the Bank's Board of Directors authorized an amendment to the normal course issuer bid, that began on September 25, 2025. This amendment is intended to increase the maximum number of the Bank's issued and outstanding common shares that may be repurchased for cancellation of up to 14,500,000 common shares (representing approximately 3.70% of the outstanding common shares as at September 11, 2025) over the 12-month period ending on September 24, 2026. This amendment to the normal course issuer bid is subject to the approval of OSFI and the Toronto Stock Exchange (TSX). For more information on the normal course issuer bid, see Note 10.

Information for Shareholders and Investors

Investor Relations

Financial analysts and investors who want to obtain financial information on the Bank may contact the Investor Relations Department.

800 Saint-Jacques Street, 33rd Floor
Montreal, Quebec H3C 1A3
Toll-free: 1-866-517-5455
Email: investorrelations@nbc.ca
Website: nbc.ca/investorrelations

Media Relations

800 Saint-Jacques Street, 32nd Floor
Montreal, Quebec H3C 1A3
Telephone: 514-394-6500
Email: pa@nbc.ca

Quarterly Report Publication Dates for Fiscal 2026

(subject to approval by the Board of Directors of the Bank)

First quarter	February 25
Second quarter	May 27
Third quarter	August 26
Fourth quarter	December 2

Disclosure of First Quarter 2026 Results

Conference Call

- A conference call for analysts and institutional investors will be held on Wednesday, February 25, 2026 at 11:00 a.m. ET.
- Access by telephone in listen-only mode: 1-800-715-9871 or 647-932-3411. The access code is 4380484#.
- A recording of the conference call can be heard until May 25, 2026 by dialing 1-800-770-2030 or 647-362-9199. The access code is 4380484#.

Webcast

- The conference call will be webcast live at nbc.ca/investorrelations.
- A recording of the webcast will also be available on National Bank's website after the call.

Financial Documents

- The *Report to Shareholders* (which includes the quarterly Consolidated Financial Statements) is available at all times on National Bank's website at nbc.ca/investorrelations.
- The *Report to Shareholders*, the *Supplementary Financial Information*, the *Supplementary Regulatory Capital and Pillar 3 Disclosure*, and a slide presentation will be available on the Investor Relations page of National Bank's website on the morning of the day of the conference call.

Transfer Agent and Registrar

For information about stock transfers, address changes, dividends, lost certificates, tax forms, and estate transfers, shareholders of record may contact the transfer agent, Computershare Trust Company of Canada, at the address or telephone number below.

Computershare Trust Company of Canada

Share Ownership Management
100 University Avenue, 8th Floor
Toronto, Ontario M5J 2Y1
Telephone: 1-888-838-1407
Fax: 1-888-453-0330
Email: service@computershare.com
Website: computershare.com

Shareholders whose shares are held by a market intermediary are asked to contact the market intermediary concerned.

Direct Deposit Service for Dividends

Shareholders may elect to have their dividend payments deposited directly via electronic funds transfer to their bank account at any financial institution that is a member of the Canadian Payments Association. To do so, they must send a written request to the transfer agent, Computershare Trust Company of Canada.

Dividend Reinvestment and Share Purchase Plan

National Bank has a Dividend Reinvestment and Share Purchase Plan for holders of its common and preferred shares under which they can acquire common shares of the Bank without paying commissions or administration fees. Participants acquire common shares through the reinvestment of cash dividends paid on the shares they hold or through optional cash payments of at least \$1 per payment, up to a maximum of \$5,000 per quarter.

For additional information, shareholders may contact National Bank's registrar and transfer agent, Computershare Trust Company of Canada, at 1-888-838-1407. To participate in the plan, National Bank's beneficial or non-registered common shareholders must contact their financial institution or broker.

Dividends

Dividends paid are "eligible dividends" in accordance with the *Income Tax Act* (Canada).

