



Report to Shareholders

Second Quarter 2026

National Bank reports its results for the Second Quarter of 2026 and raises its quarterly dividend by 8 cents to \$1.32 per share

The financial information reported in this document is based on the unaudited interim condensed consolidated financial statements for the quarter and six-month period ended April 30, 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, May 27, 2026 – For the second quarter of 2026, National Bank is reporting net income of \$1,234 million, up 38% from \$896 million in the second quarter of 2025. Diluted earnings per share stood at \$3.06 in the second quarter of 2026, up 41% from \$2.17 in the second quarter of 2025. These increases reflect good performance across the business segments and lower provisions for credit losses, particularly due to the initial provisions for credit losses recorded in the second quarter of 2025 on acquired non-impaired Canadian Western Bank (CWB) loans. Excluding specified items⁽¹⁾ recorded in the second quarters of 2026 and 2025 mainly related to the acquisition of CWB, adjusted net income⁽¹⁾ stood at \$1,303 million, up 12% from \$1,166 million in the corresponding quarter of 2025. Adjusted diluted earnings per share⁽¹⁾ stood at \$3.23, up 13% from \$2.85 in the second quarter of 2025.

For the six-month period ended April 30, 2026, the Bank's net income totalled \$2,488 million, up 31% from \$1,893 million for the corresponding period of 2025. Diluted earnings per share stood at \$6.14 compared to \$4.91 for the corresponding period of 2025, an increase of 25%. This growth was driven by good performance across all business segments and the inclusion of CWB's results starting in the second quarter of 2025. Adjusted net income⁽¹⁾ for the six-month period ended April 30, 2026 totalled \$2,623 million, up 18% from \$2,216 million for the corresponding period of 2025, while adjusted diluted earnings per share⁽¹⁾ stood at \$6.48, up 12% from \$5.78 for the six-month period ended April 30, 2025.

"We delivered strong growth in the second quarter, reflecting the diversification of our business and continued client activity across our franchises. Our performance was further supported by credit discipline, CWB-related synergies and share buybacks," said Laurent Ferreira, President and Chief Executive Officer of National Bank of Canada. "In the context of heightened macroeconomic uncertainty, we remain well positioned to support our clients, and continue delivering strong earnings growth and return on equity, while maintaining robust capital levels," concluded Mr. Ferreira.

Highlights

(millions of Canadian dollars)		Quarter ended April 30			Six months ended April 30		
	2026	2025	% Change	2026	2025	% Change	
Net income	1,234	896	38	2,488	1,893	31	
Diluted earnings per share (dollars)	\$ 3.06	\$ 2.17	41	\$ 6.14	\$ 4.91	25	
Income before provisions for credit losses and income taxes	1,848	1,708	8	3,730	3,245	15	
Return on common shareholders' equity ⁽²⁾	15.9 %	11.9 %		15.8 %	14.0 %		
Dividend payout ratio ⁽²⁾	42.3 %	42.2 %		42.3 %	42.2 %		
Operating results – Adjusted⁽¹⁾							
Net income – Adjusted	1,303	1,166	12	2,623	2,216	18	
Diluted earnings per share – Adjusted (dollars)	\$ 3.23	\$ 2.85	13	\$ 6.48	\$ 5.78	12	
Income before provisions for credit losses and income taxes – Adjusted	1,936	1,850	5	3,909	3,460	13	
Return on common shareholders' equity – Adjusted ⁽³⁾	16.8 %	15.6 %		16.7 %	16.5 %		
				As at April 30, 2026	As at October 31, 2025		
CET1 capital ratio under Basel III ⁽⁴⁾				13.5 %	13.8 %		
Leverage ratio under Basel III ⁽⁴⁾				4.3 %	4.5 %		

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

(2) See the Glossary section on pages 45 to 48 for details on the composition of these measures.

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

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

Report to Shareholders

Second quarter of 2026 versus second quarter of 2025

Personal and Commercial

- Net income totalled \$355 million versus \$132 million in 2025, a \$223 million increase. Adjusted net income⁽¹⁾ totalled \$373 million, up \$57 million or 18%.
- At \$1,488 million, second-quarter total revenues rose \$72 million or 5% mainly due to net interest income, in line with the growth in loan and deposit volumes, partly offset by a lower net interest margin.
- Compared to a year ago, personal lending grew 11% and commercial lending grew 5%, due to the good organic growth.
- Net interest margin⁽²⁾ stood at 2.26%, down from 2.30%.
- Non-interest expenses stood at \$829 million, up 3%.
- Provisions for credit losses were down \$257 million, mainly due to initial provisions for credit losses of \$230 million on acquired non-impaired CWB loans recorded in 2025.
- At 55.7%, the efficiency ratio⁽²⁾ improved compared to 56.8%.

Wealth Management

- Net income totalled \$274 million, an 18% increase from \$232 million in 2025.
- Total revenues amounted to \$905 million compared to \$791 million last year, a \$114 million or 14% increase driven by growth in all types of revenues, mainly fee-based revenues.
- Non-interest expenses stood at \$531 million versus \$476 million in 2025, a 12% increase associated with revenue growth.
- At 58.7%, the efficiency ratio⁽²⁾ improved compared to 60.2%.

Capital Markets

- Net income totalled \$488 million, versus \$501 million in 2025, a 3% decrease.
- Total revenues amounted to \$1,074 million, down 2%, mainly due to a decrease in global markets revenues, partly offset by an increase in corporate and investment banking revenues.
- Non-interest expenses stood at \$439 million compared to \$403 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 \$16 million compared to \$64 million, a decrease attributable to provisions for credit losses on impaired loans.
- At 40.9%, the efficiency ratio⁽²⁾ deteriorated compared to 36.6%.

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

- Net income totalled \$186 million, up 10% from \$169 million last year.
- Total revenues amounted to \$410 million, a 5% increase attributable to revenue growth at the ABA Bank subsidiary.
- Non-interest expenses stood at \$131 million, a 12% increase mainly attributable to the ABA Bank subsidiary.
- Provisions for credit losses were down \$15 million, a decrease attributable to the Credigy and ABA Bank subsidiaries.
- At 32.0%, the efficiency ratio⁽²⁾ compares to 30.0%.

Other

- The *Other* heading reported a net loss of \$69 million compared to a net loss of \$138 million in 2025, owing mainly to a higher contribution from Treasury activities, as well as the decrease in non-interest expenses.

Capital Management

- As at April 30, 2026, the Common Equity Tier 1 (CET1) capital ratio under Basel III⁽³⁾ stood at 13.5%, down from 13.8% as at October 31, 2025.

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

(2) See the Glossary section on pages 45 to 48 for details on the composition of these measures.

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

Management's Discussion and Analysis

May 26, 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 and six-month period ended April 30, 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 second quarter of 2026 and may be updated in the quarterly reports to shareholders filed thereafter.

Economic Review and Outlook ⁽¹⁾

Global Economy

In the global economy, the most significant event of the past quarter has undoubtedly been the conflict in the Middle East, which led to paralysis in the Strait of Hormuz, a transit route for approximately 20% of global oil supply as well as several other strategic commodities. Unsurprisingly, this situation triggered a surge in the prices of these products, which still remain well above their pre-war levels, as uncertainty surrounding the outcome of the conflict remains very high. Attempts at rapprochement between the United States and Iran have been unsuccessful, despite several initiatives. Although tensions have eased somewhat following ceasefire agreements, a return to normal will depend largely on the reopening of the Strait of Hormuz, the timing of which remains uncertain at this stage. The economic repercussions of these developments will nevertheless vary by country. Commodity-exporting economies are clearly benefitting from higher prices. However, even in those countries, households will feel the effects of higher inflation on their purchasing power. As for European and Asian economies, they appear particularly vulnerable, given their heavy dependence on energy supplies from the Middle East. These headwinds have led us to reduce our 2026 growth forecast to 3.0%⁽²⁾, representing a more modest increase than the 3.4% recorded in 2025.

In the United States, rising energy prices have added to inflation that was already above the U.S. Federal Reserve's (FED) target. Since commodity prices may take some time to normalize, and the labour market remains resilient, the recent inflationary surge may well generate second-round effects (i.e., inflationary pressure through wages). Moreover, inflation was already above target before the conflict began, and had been so for several months. This greatly limits the FED's leeway to lower its policy rate again this year. In this respect, the monetary policy committee appears increasingly divided. Governor Powell's last decision, before handing over his position to Kevin Warsh, was to keep rates unchanged. However, that decision was marked by one dissent in favour of a rate cut, while three other members opposed the accommodative bias of the statement. For our part, we find it difficult to see the FED cutting rates by year-end, since the inflationary surge is taking place in the context of an economy operating above potential. That said, it should be noted that economic growth at the beginning of the year fell short of expectations, as shown by weak growth in real personal consumption expenditures and real personal income. This was probably due in large part to weak population growth. What is really driving the U.S. economy at present is investment in artificial intelligence-related industries. As a result, the composition of growth is evolving, with household demand gradually giving way to investment. Still, we are not overly concerned about the consumer, given the highly expansionary fiscal stimulus measures associated with the One Big Beautiful Bill. Under our base-case scenario, this would translate into gross domestic product (GDP) growth of 2.3%⁽²⁾ in 2026, following 2.1% in 2025. This forecast nevertheless remains conditional on a rapid geopolitical de-escalation and, consequently, on central banks not overreacting to the current inflation shock.

Canadian Economy

The impact of the oil shock on the Canadian economy continues to generate debate. It is generally acknowledged that Canada is relatively better positioned than many other countries to cope with rising oil prices, given its status as a net exporter. That does not mean, however, that the Canadian economy will benefit in the short term from the tensions in the Middle East. To be sure, improved terms of trade support nominal GDP as well as public finances. In addition, higher prices are a positive factor for the energy sector. However, because this increase is currently viewed as temporary, it should not lead to a marked rebound in investment or job creation. Moreover, households may be forced to reduce discretionary spending because of higher prices at the pump. This risk is all the greater given that the labour market is currently showing little strength in the context of trade tensions with the United States, as evidenced by its recent deterioration and the low number of job vacancies. Added to this is a negative wealth effect linked to declining real estate prices, which could also weigh on household consumption. Fortunately, financial conditions remain relatively favourable despite the current uncertainty. In this context, and considering that inflation was broadly under control before the outbreak of hostilities in the Middle East, we believe it would be premature for the Bank of Canada to raise its policy rate in response to higher energy costs. Since the Canadian economy is currently operating with excess supply, second-round effects — particularly a resurgence of wage pressures — are less likely to materialize. All things considered, the current difficulties, combined with slower immigration, should limit economic growth in 2026. Growth should come in at 1.0%⁽²⁾, a modest pace but one that should still allow for a slight improvement in the labour market by year-end. This scenario nevertheless depends in part on a renegotiation of Canada–United States–Mexico Agreement (CUSMA). We believe it is unlikely that Washington will impose significant tariffs on Canada and Mexico in a context of renewed inflationary pressures, as the midterm elections approach.

Quebec Economy

The challenges posed by U.S. tariffs and the importance of the manufacturing sector remain significant for Quebec's economy. Following a year of hesitant economic growth, data from the Labour Force Survey (LFS) indicate that the labour market stumbled at the start of this year. The unemployment rate thus returned to a cyclical high of 6.2% in April, driven by a contraction in employment. Although this level remains enviable compared with the rest of the country — the national unemployment rate stood at 6.9% — it is still above the level observed before the current trade tensions (5.4%), if further data confirm this episode of weakness. Some deterioration was expected in the current environment, but its magnitude is surprising. Provincial data are generally more volatile, so the indicators may rally somewhat over the coming months. This is all the more true given that layoff notices published by the government do not point to a marked deterioration, and SME confidence is at a six-year high. We therefore remain relatively confident despite this soft patch, especially since the province has several strengths to get through this period, including as the country's most diversified economy. Quebec households also have a savings rate above the Canadian average (7.7% versus 4.4% in the fourth quarter of 2025), which provides them with a considerable cushion in a context of rising energy costs. In addition, according to the firm Léger, 67% of Quebec households consider their financial situation to be good or very good, compared with 57% for Canada as a whole. This consumer confidence is explained in part by the fact that they have been less affected by the fight against inflation launched in 2022 and the monetary tightening that followed. Quebec households are in fact less indebted than elsewhere in the country, while housing prices remain more affordable. Moreover, despite the current uncertainty, the Quebec housing market continues to show greater resilience than those of Ontario and British Columbia. We forecast economic growth of 0.9%⁽²⁾ for the province in 2026, following a 0.7% growth in 2025.

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

(2) Economic Forecasts, National Bank'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.

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 10 to 12 and in the Consolidated Results table on page 14. It should be noted that, for the quarter and six-month period ended April 30, 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 transactions-related charges, amortization of intangible assets related to the CWB acquisition and initial provisions for credit losses on non-impaired loans acquired from LBC. For the quarter and six-month period ended April 30, 2025, several CWB acquisition-related items had been excluded from results (in particular, integration and transaction-related charges, amortization of intangible assets related to the CWB acquisition and initial provisions for credit losses on acquired non-impaired CWB loans). In addition, for the six-month period ended April 30, 2025, 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 were excluded from results.

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 – Second 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, interest income related to the financing of these financial assets and liabilities, net of interest expenses, 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. (Credigy) 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 – Second 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 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 ratio

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 or coverage ratio of gross impaired loans 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 45 to 48 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 April 30

						2026	2025
	Personal and Commercial	Wealth Management	Capital Markets	USSF&I	Other	Total	Total
Operating results							
Net interest income	1,212	241	(483)	373	(34)	1,309	1,205
Non-interest income	276	664	1,557	37	64	2,598	2,445
Total revenues	1,488	905	1,074	410	30	3,907	3,650
Non-interest expenses	829	531	439	131	129	2,059	1,942
Income before provisions for credit losses and income taxes	659	374	635	279	(99)	1,848	1,708
Provisions for credit losses	169	1	16	44	3	233	545
Income before income taxes (recovery)	490	373	619	235	(102)	1,615	1,163
Income taxes (recovery)	135	99	131	49	(33)	381	267
Net income	355	274	488	186	(69)	1,234	896
Items that have an impact on results							
Non-interest expenses							
Integration and transaction-related charges ⁽¹⁾	–	–	–	–	64	64	118
Amortization of intangible assets related to the CWB acquisition ⁽²⁾	20	4	–	–	–	24	24
Impact on non-interest expenses	20	4	–	–	64	88	142
Provisions for credit losses							
Initial provisions for credit losses on non-impaired loans acquired ⁽³⁾	4	–	2	–	–	6	230
Impact on provisions for credit losses	4	–	2	–	–	6	230
Income taxes							
Income taxes on the integration and transaction-related charges ⁽¹⁾	–	–	–	–	(18)	(18)	(32)
Income taxes on the amortization of intangible assets related to the CWB acquisition ⁽²⁾	(5)	(1)	–	–	–	(6)	(6)
Income taxes on initial provisions for credit losses on non-impaired loans acquired ⁽³⁾	(1)	–	–	–	–	(1)	(64)
Impact on income taxes	(6)	(1)	–	–	(18)	(25)	(102)
Impact on net income	(18)	(3)	(2)	–	(46)	(69)	(270)
Operating results – Adjusted							
Net interest income – Adjusted	1,212	241	(483)	373	(34)	1,309	1,205
Non-interest income – Adjusted	276	664	1,557	37	64	2,598	2,445
Total revenues – Adjusted	1,488	905	1,074	410	30	3,907	3,650
Non-interest expenses – Adjusted	809	527	439	131	65	1,971	1,800
Income before provisions for credit losses and income taxes – Adjusted	679	378	635	279	(35)	1,936	1,850
Provisions for credit losses – Adjusted	165	1	14	44	3	227	315
Income before income taxes (recovery) – Adjusted	514	377	621	235	(38)	1,709	1,535
Income taxes (recovery) – Adjusted	141	100	131	49	(15)	406	369
Net income – Adjusted	373	277	490	186	(23)	1,303	1,166

- (1) During the quarter ended April 30, 2026, the Bank recorded integration and transaction-related charges of \$57 million (\$41 million net of income taxes) related to the CWB transaction (2025: \$118 million, \$86 million net of income taxes) and charges of \$7 million (\$5 million net of income taxes) related to the LBC transactions.
- (2) During the quarter ended April 30, 2026, the Bank recorded an amount of \$24 million (\$18 million net of income taxes) to reflect the amortization of intangible assets related to the CWB acquisition (2025: \$24 million, \$18 million net of income taxes).
- (3) During the quarter ended April 30, 2026, the Bank recorded initial provisions for credit losses on non-impaired loans acquired from LBC of \$6 million (\$5 million net of income taxes). During the quarter ended April 30, 2025, initial provisions for credit losses of \$230 million (\$166 million net of income taxes) were recorded on acquired non-impaired CWB loans.

(millions of Canadian dollars)

Six-month ended April 30

						2026	2025
	Personal and Commercial	Wealth Management	Capital Markets	US&F&I	Other	Total	Total
Operating results							
Net interest income	2,452	481	(980)	770	(20)	2,703	2,177
Non-interest income	564	1,323	3,044	74	92	5,097	4,656
Total revenues	3,016	1,804	2,064	844	72	7,800	6,833
Non-interest expenses	1,629	1,062	851	251	277	4,070	3,588
Income before provisions for credit losses and income taxes	1,387	742	1,213	593	(205)	3,730	3,245
Provisions for credit losses	308	(1)	42	124	4	477	799
Income before income taxes (recovery)	1,079	743	1,171	469	(209)	3,253	2,446
Income taxes (recovery)	297	197	240	98	(67)	765	553
Net income	782	546	931	371	(142)	2,488	1,893
Items that have an impact on results							
Net interest income							
Amortization of the subscription receipt issuance costs ⁽¹⁾	–	–	–	–	–	–	(28)
Impact on net interest income	–	–	–	–	–	–	(28)
Non-interest income							
Gain on the fair value remeasurement of an equity interest ⁽²⁾	–	–	–	–	–	–	4
Management of the fair value changes related to the CWB acquisition ⁽³⁾	–	–	–	–	–	–	(23)
Impact on non-interest income	–	–	–	–	–	–	(19)
Non-interest expenses							
Integration and transaction-related charges ⁽⁴⁾	–	–	–	–	131	131	144
Amortization of intangible assets related to the CWB acquisition ⁽⁵⁾	41	7	–	–	–	48	24
Impact on non-interest expenses	41	7	–	–	131	179	168
Provisions for credit losses							
Initial provisions for credit losses on non-impaired loans acquired ⁽⁶⁾	4	–	2	–	–	6	230
Impact on provisions for credit losses	4	–	2	–	–	6	230
Income taxes							
Income taxes on the amortization of the subscription receipt issuance costs ⁽¹⁾	–	–	–	–	–	–	(8)
Income taxes on the gain on the fair value remeasurement of an equity interest ⁽²⁾	–	–	–	–	–	–	1
Income taxes on management of the fair value changes related to the CWB acquisition ⁽³⁾	–	–	–	–	–	–	(6)
Income taxes on the integration and transaction-related charges ⁽⁴⁾	–	–	–	–	(36)	(36)	(39)
Income taxes on the amortization of intangible assets related to the CWB acquisition ⁽⁵⁾	(11)	(2)	–	–	–	(13)	(6)
Income taxes on initial provisions for credit losses on non-impaired loans acquired ⁽⁶⁾	(1)	–	–	–	–	(1)	(64)
Impact on income taxes	(12)	(2)	–	–	(36)	(50)	(122)
Impact on net income	(33)	(5)	(2)	–	(95)	(135)	(323)
Operating results – Adjusted							
Net interest income – Adjusted	2,452	481	(980)	770	(20)	2,703	2,205
Non-interest income – Adjusted	564	1,323	3,044	74	92	5,097	4,675
Total revenues – Adjusted	3,016	1,804	2,064	844	72	7,800	6,880
Non-interest expenses – Adjusted	1,588	1,055	851	251	146	3,891	3,420
Income before provisions for credit losses and income taxes – Adjusted	1,428	749	1,213	593	(74)	3,909	3,460
Provisions for credit losses – Adjusted	304	(1)	40	124	4	471	569
Income before income taxes (recovery) – Adjusted	1,124	750	1,173	469	(78)	3,438	2,891
Income taxes (recovery) – Adjusted	309	199	240	98	(31)	815	675
Net income – Adjusted	815	551	933	371	(47)	2,623	2,216

- (1) During the six-month period ended April 30, 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.
- (2) During the six-month period ended April 30, 2025, the Bank had recorded a gain of \$4 million upon the remeasurement at fair value of the interest already held in CWB.
- (3) During the six-month period ended April 30, 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.
- (4) During the six-month period ended April 30, 2026, the Bank recorded integration and transaction-related charges of \$122 million (\$88 million net of income taxes) related to the CWB transaction (2025: \$144 million, \$105 million net of income taxes) and charges of \$9 million (\$7 million net of income taxes) related to the LBC transactions.
- (5) During the six-month period ended April 30, 2026, the Bank recorded an amount of \$48 million (\$35 million net of income taxes) to reflect the amortization of intangible assets related to the CWB acquisition (2025: \$24 million, \$18 million net of income taxes).
- (6) During the six-month period ended April 30, 2026, the Bank recorded initial provisions for credit losses on non-impaired loans acquired from LBC of \$6 million (\$5 million net of income taxes). During the six-month period ended April 30, 2025, initial provisions for credit losses of \$230 million (\$166 million net of income taxes) were recorded on acquired non-impaired CWB loans.

Presentation of Basic and Diluted Earnings Per Share – Adjusted

(Canadian dollars)

	Quarter ended April 30			Six months ended April 30		
	2026	2025	% Change	2026	2025	% Change
Basic earnings per share	\$ 3.10	\$ 2.19	42	\$ 6.22	\$ 4.96	25
Amortization of the subscription receipt issuance costs ⁽¹⁾	–	–		–	0.05	
Gain on the fair value remeasurement of an equity interest ⁽²⁾	–	–		–	(0.01)	
Management of the fair value changes related to the CWB acquisition ⁽³⁾	–	–		–	0.05	
Integration and transaction-related charges ⁽⁴⁾	0.12	0.22		0.24	0.29	
Amortization of intangible assets related to the CWB acquisition ⁽⁵⁾	0.04	0.04		0.09	0.05	
Initial provisions for credit losses on non-impaired loans acquired ⁽⁶⁾	0.01	0.43		0.01	0.45	
Basic earnings per share – Adjusted	\$ 3.27	\$ 2.88	14	\$ 6.56	\$ 5.84	12
Diluted earnings per share	\$ 3.06	\$ 2.17	41	\$ 6.14	\$ 4.91	25
Amortization of the subscription receipt issuance costs ⁽¹⁾	–	–		–	0.05	
Gain on the fair value remeasurement of an equity interest ⁽²⁾	–	–		–	(0.01)	
Management of the fair value changes related to the CWB acquisition ⁽³⁾	–	–		–	0.05	
Integration and transaction-related charges ⁽⁴⁾	0.12	0.22		0.24	0.28	
Amortization of intangible assets related to the CWB acquisition ⁽⁵⁾	0.04	0.04		0.09	0.05	
Initial provisions for credit losses on non-impaired loans acquired ⁽⁶⁾	0.01	0.42		0.01	0.45	
Diluted earnings per share – Adjusted	\$ 3.23	\$ 2.85	13	\$ 6.48	\$ 5.78	12

(1) During the six-month period ended April 30, 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.

(2) During the six-month period ended April 30, 2025, the Bank had recorded a gain of \$4 million upon the remeasurement at fair value of the interest already held in CWB.

(3) During the six-month period ended April 30, 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.

(4) During the quarter ended April 30, 2026, the Bank recorded integration and transaction-related charges of \$57 million (\$41 million net of income taxes) related to the CWB transaction (2025: \$118 million, \$86 million net of income taxes) and charges of \$7 million (\$5 million, net of income taxes) related to the LBC transactions. For the six-month period ended April 30, 2026, charges related to the CWB transaction are \$122 million (\$88 million, net of income taxes) (2025: \$144 million, \$105 million net of income taxes) and charges of \$9 million (\$7 million, net of income taxes) related to the LBC transactions.

(5) During the quarter ended April 30, 2026, the Bank recorded an amount of \$24 million (\$18 million net of income taxes) to reflect the amortization of intangible assets related to the CWB acquisition. For the six-month period ended April 30, 2026, this expense was \$48 million (\$35 million net of income taxes). For the quarter and six-month period ended April 30, 2025, this charge was \$24 million (\$18 million of income taxes).

(6) During the quarter and six-month period ended April 30, 2026, the Bank recorded initial provisions for credit losses on non-impaired loans acquired from LBC of \$6 million (\$5 million net of income taxes). During the quarter and six-month ended April 30, 2025, initial provisions for credit losses of \$230 million (\$166 million net of income taxes) were recorded on acquired non-impaired CWB loans.

Highlights

(millions of Canadian dollars, except per share amounts)

	Quarter ended April 30			Six months ended April 30		
	2026	2025	% Change	2026	2025	% Change
Operating results						
Total revenues	3,907	3,650	7	7,800	6,833	14
Income before provisions for credit losses and income taxes	1,848	1,708	8	3,730	3,245	15
Net income	1,234	896	38	2,488	1,893	31
Return on common shareholders' equity ⁽¹⁾	15.9 %	11.9 %		15.8 %	14.0 %	
Operating leverage ⁽¹⁾	1.0 %	0.8 %		0.8 %	2.3 %	
Efficiency ratio ⁽¹⁾	52.7 %	53.2 %		52.2 %	52.5 %	
Earnings per share						
Basic	\$ 3.10	\$ 2.19	42	\$ 6.22	\$ 4.96	25
Diluted	\$ 3.06	\$ 2.17	41	\$ 6.14	\$ 4.91	25
Operating results – Adjusted⁽²⁾						
Total revenues – Adjusted ⁽²⁾	3,907	3,650	7	7,800	6,880	13
Income before provisions for credit losses and income taxes – Adjusted ⁽²⁾	1,936	1,850	5	3,909	3,460	13
Net income – Adjusted ⁽²⁾	1,303	1,166	12	2,623	2,216	18
Return on common shareholders' equity – Adjusted ⁽³⁾	16.8 %	15.6 %		16.7 %	16.5 %	
Operating leverage – Adjusted ⁽³⁾	(2.5) %	10.4 %		(0.4) %	8.9 %	
Efficiency ratio – Adjusted ⁽³⁾	50.4 %	49.3 %		49.9 %	49.7 %	
Diluted earnings per share – Adjusted ⁽²⁾	\$ 3.23	\$ 2.85	13	\$ 6.48	\$ 5.78	12
Common share information						
Dividends declared	\$ 1.24	\$ 1.14	9	\$ 2.48	\$ 2.28	9
Book value ⁽¹⁾	\$ 80.31	\$ 76.13		\$ 80.31	\$ 76.13	
Share price						
High	\$ 205.04	\$ 127.44		\$ 205.04	\$ 140.76	
Low	\$ 163.94	\$ 107.01		\$ 156.88	\$ 107.01	
Close	\$ 205.04	\$ 121.08		\$ 205.04	\$ 121.08	
Number of common shares (thousands)	385,634	391,322		385,634	391,322	
Market capitalization	79,070	47,381		79,070	47,381	

(millions of Canadian dollars)

	As at April 30, 2026	As at October 31, 2025	% Change
Balance sheet and off-balance-sheet			
Total assets	617,734	576,919	7
Loans, net of allowances	311,987	302,623	3
Deposits	450,711	428,003	5
Equity attributable to common shareholders	30,970	30,655	1
Assets under administration ⁽¹⁾	938,997	874,360	7
Assets under management ⁽¹⁾	206,933	194,467	6
Regulatory ratios under Basel III⁽⁴⁾			
Capital ratios			
Common Equity Tier 1 (CET1)	13.5 %	13.8 %	
Tier 1	14.9 %	15.1 %	
Total	17.0 %	17.3 %	
Leverage ratio	4.3 %	4.5 %	
TLAC ratio ⁽⁴⁾	31.5 %	29.7 %	
TLAC leverage ratio ⁽⁴⁾	9.0 %	8.8 %	
Liquidity coverage ratio (LCR) ⁽⁴⁾	170 %	173 %	
Net stable funding ratio (NSFR) ⁽⁴⁾	118 %	124 %	
Other information			
Number of employees – Worldwide (full-time equivalent)	33,767	33,200	2
Number of branches in Canada	361	382	(5)
Number of banking machines in Canada	818	939	(13)

(1) See the Glossary section on pages 45 to 48 for details on the composition of these measures.

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

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

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

Financial Analysis

Consolidated Results

(millions of Canadian dollars)	Quarter ended April 30			Six months ended April 30		
	2026	2025	% Change	2026	2025	% Change
Operating results						
Net interest income	1,309	1,205	9	2,703	2,177	24
Non-interest income	2,598	2,445	6	5,097	4,656	9
Total revenues	3,907	3,650	7	7,800	6,833	14
Non-interest expenses	2,059	1,942	6	4,070	3,588	13
Income before provisions for credit losses and income taxes	1,848	1,708	8	3,730	3,245	15
Provisions for credit losses	233	545	(57)	477	799	(40)
Income before income taxes	1,615	1,163	39	3,253	2,446	33
Income taxes	381	267	43	765	553	38
Net income	1,234	896	38	2,488	1,893	31
Non-controlling interests	–	–		–	–	
Net income attributable to the Bank's shareholders and holders of other equity instruments	1,234	896	38	2,488	1,893	31
Dividends on preferred shares and distributions on other equity instruments	37	43	(14)	74	82	(10)
Net income attributable to common shareholders	1,197	853	40	2,414	1,811	33
Diluted earnings per share (dollars)	3.06	2.17	41	6.14	4.91	25
Specified items ⁽¹⁾						
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	(64)	(118)		(131)	(144)	
Amortization of intangible assets related to the CWB acquisition	(24)	(24)		(48)	(24)	
Initial provisions for credit losses on non-impaired loans acquired	(6)	(230)		(6)	(230)	
Specified items before income taxes	(94)	(372)		(185)	(445)	
Income taxes related to specified items	(25)	(102)		(50)	(122)	
Specified items after income taxes	(69)	(270)		(135)	(323)	
Operating results – Adjusted ⁽¹⁾						
Net interest income – Adjusted	1,309	1,205	9	2,703	2,205	23
Non-interest income – Adjusted	2,598	2,445	6	5,097	4,675	9
Total revenues – Adjusted	3,907	3,650	7	7,800	6,880	13
Non-interest expenses – Adjusted	1,971	1,800	10	3,891	3,420	14
Income before provisions for credit losses and income taxes – Adjusted	1,936	1,850	5	3,909	3,460	13
Provisions for credit losses – Adjusted	227	315	(28)	471	569	(17)
Income before income taxes – Adjusted	1,709	1,535	11	3,438	2,891	19
Income taxes – Adjusted	406	369	10	815	675	21
Net income – Adjusted	1,303	1,166	12	2,623	2,216	18
Non-controlling interests	–	–		–	–	
Net income attributable to the Bank's shareholders and holders of other equity instruments – Adjusted	1,303	1,166	12	2,623	2,216	18
Dividends on preferred shares and distributions on other equity instruments	37	43	(14)	74	82	(10)
Net income attributable to common shareholders – Adjusted	1,266	1,123	13	2,549	2,134	19
Diluted earnings per share – Adjusted (dollars)	3.23	2.85	13	6.48	5.78	12
Average assets ⁽²⁾	631,995	551,432	15	617,489	519,296	19
Average loans ⁽²⁾	307,335	284,845	8	305,009	264,442	15
Average deposits ⁽²⁾	458,754	399,064	15	449,316	373,936	20
Operating leverage ⁽³⁾	1.0 %	0.8 %		0.8 %	2.3 %	
Operating leverage – Adjusted ⁽⁴⁾	(2.5) %	10.4 %		(0.4) %	8.9 %	
Efficiency ratio ⁽³⁾	52.7 %	53.2 %		52.2 %	52.5 %	
Efficiency ratio – Adjusted ⁽⁴⁾	50.4 %	49.3 %		49.9 %	49.7 %	

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

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

(3) See the Glossary section on pages 45 to 48 for details on the composition of these measures.

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

Financial Results

Second quarter of 2026 versus second quarter of 2025

The Bank is reporting net income of \$1,234 million, up 38% from \$896 million. Diluted earnings per share stood at \$3.06 compared to \$2.17. These increases reflect strong performance across the business segments and lower provisions for credit losses, particularly due to the initial provisions for credit losses recorded in the second quarter of 2025 on acquired non-impaired CWB loans. Excluding specified items, adjusted net income stood at \$1,303 million, up 12% from \$1,166 million. Adjusted diluted earnings per share stood at \$3.23, up 13%.

First six-month period of 2026 versus first six-month period of 2025

The Bank's net income totalled \$2,488 million, up 31% from \$1,893 million. Diluted earnings per share stood at \$6.14 versus \$4.91 in 2025. This growth was driven by strong performance across all business segments and the inclusion of CWB's results starting in the second quarter of 2025. Excluding specified items, adjusted net income totalled \$2,623 million, up 18% from \$2,216 million, and adjusted diluted earnings per share stood at \$6.48, up 12% from \$5.78.

Return on common shareholders' equity was 15.8% compared to 14.0% last year. Adjusted return on common shareholders' equity was 16.7% compared to 16.5% in 2025.

Total Revenues

Second quarter of 2026 versus second quarter of 2025

The Bank's total revenues amounted to \$3,907 million, up \$257 million or 7%. In the Personal and Commercial segment, total revenues rose 5% due to the growth in loans and deposits, which more than offset the impact of a lower net interest margin, as well as the increase in internal commission revenues related to the distribution of Wealth Management products. The 14% 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 decreased by 2% due to lower global markets revenues, partly offset by higher corporate and investment banking revenues. In the USSF&I segment, total revenues were up 5% as a result of revenue growth at the ABA Bank subsidiary, stemming from business growth. Total revenues for the *Other* heading increased compared to last year, in particular as a result of a higher contribution from Treasury activities.

First six-month period of 2026 versus first six-month period of 2025

The Bank's total revenues amounted to \$7,800 million compared to \$6,833 million, an increase of \$967 million or 14%. In the Personal and Commercial segment, total revenues were up \$396 million or 15%, mainly driven by the increase in net interest income arising from growth in personal and commercial loans and deposits, partly offset by a decrease in net interest margin, the inclusion of CWB's results beginning in the second quarter of 2025, as well as growth in internal commission revenues related to the distribution of Wealth Management products. The 15% increase in total revenues in the Wealth Management segment was mainly due to increases in fee-based revenues, notably revenues from investment management and trust service fees and mutual fund revenues as a result of growth in assets under administration and under management. The growth was also attributable to the rise in net interest income and securities brokerage commissions, which was driven by an increase in client activity. Total revenues for the Capital Markets segment were up \$56 million or 3% 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 6%, which was mainly driven by revenue growth at the ABA Bank subsidiary, stemming from business growth, and an increase in Credigy's revenues. Total revenues for the *Other* heading were higher than in 2025, mainly attributable to 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 \$7,800 million, up 13% from \$6,880 million in 2025.

Non-Interest Expenses

Second quarter of 2026 versus second quarter of 2025

Non-interest expenses stood at \$2,059 million, up \$117 million or 6%. The increase was due to higher compensation and employee benefits, notably variable compensation related to revenue growth. In addition, occupancy expenses, including depreciation expense, were up due to a \$22 million reversal in second-quarter of 2025 of the provision for property taxes related to the Bank's head office building, head office-related expenses, as well as 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 were down, notably due to lower expenses related to the integration of CWB compared to 2025. Communication expenses were also down compared to last year. In addition, the increase in other expenses was partly due to litigation expenses of \$15 million recorded in the second quarter of 2026. Excluding specified items, mainly related to the CWB acquisition, adjusted non-interest expenses stood at \$1,971 million, up 10% from \$1,800 million last year.

First six-month period of 2026 versus first six-month period of 2025

Non-interest expenses totalled \$4,070 million, up 13%. The growth in non-interest expenses was essentially due to the same reasons provided above for the quarter, notably higher compensation and employee benefits, occupancy expenses and technology expenses. In addition, communication expenses were stable and professional fees were up compared to 2025. Moreover, the increase in other expenses was mainly attributable to the amortization of intangible assets related to the acquisition of CWB, which began in the second quarter of 2025, as well as litigation expenses of \$15 million recorded in the second quarter of 2026. Adjusted non-interest expenses were \$3,891 million, a 14% increase from \$3,420 million.

Provisions for Credit Losses

Second quarter of 2026 versus second quarter of 2025

The Bank recorded provisions for credit losses of \$233 million compared to \$545 million last year. This significant decrease was partly due to initial provisions for credit losses of \$230 million recorded on acquired non-impaired CWB loans in 2025. Provisions for credit losses on non-impaired loans totalled \$38 million, reflecting growth in loan portfolios, the unfavourable impact of updated macroeconomic scenarios, as well as initial provisions for credit losses of \$6 million recorded on non-impaired syndicated loans acquired from LBC during the second quarter of 2026. Provisions for credit losses on impaired loans amounted to \$195 million compared to \$230 million in 2025, a decrease that was mainly due to the Capital Markets segment and the Credigy subsidiary. These decreases were offset by higher provisions for credit losses on impaired loans in Personal Banking (including credit card receivables) and in Commercial Banking. Provisions for credit losses on impaired loans excluding Credigy's POCI loans⁽¹⁾ represented 0.26% of average loans, compared to 0.32% in 2025. Adjusted provisions for credit losses totalled \$227 million, down \$88 million from 2025.

First six-month period of 2026 versus first six-month period of 2025

The Bank's provisions for credit losses totalled \$477 million compared to \$799 million. This decrease was partly due to initial provisions for credit losses of \$230 million recorded on acquired non-impaired CWB loans in 2025. In addition, provisions for credit losses on non-impaired loans reflect growth in loan portfolios (including non-impaired syndicated loans acquired from LBC during the second quarter of 2026) and credit risk migration, partly offset by the favourable impact of updated macroeconomic scenarios. Provisions for credit losses on impaired loans were lower, mainly due to the Capital Markets segment, partly offset by higher provisions for credit losses on impaired loans in Personal Banking (including credit card receivables) and in Commercial Banking. Provisions for credit losses on impaired loans excluding Credigy's POCI loans⁽¹⁾ represented 0.27% of average loans, compared to 0.32% in 2025. Adjusted provisions for credit losses were \$471 million compared to \$569 million in 2025.

Income Taxes

Second quarter of 2026 versus second quarter of 2025

Income taxes stood at \$381 million compared to \$267 million and the effective income tax rate was 24% compared to 23%. This is mainly due to a lower proportion of income from lower tax-rate jurisdictions in 2026.

First six-month period of 2026 versus first six-month period of 2025

The effective income tax rate stood at 24% compared to 23% last year, a change mainly due to a lower proportion of income from lower tax-rate jurisdictions in 2026.

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

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 April 30			Six months ended April 30		
	2026	2025	% Change	2026	2025	% Change
Operating results						
Net interest income	1,212	1,146	6	2,452	2,090	17
Non-interest income	276	270	2	564	530	6
Total revenues	1,488	1,416	5	3,016	2,620	15
Non-interest expenses	829	804	3	1,629	1,445	13
Income before provisions for credit losses and income taxes	659	612	8	1,387	1,175	18
Provisions for credit losses	169	426	(60)	308	588	(48)
Income before income taxes	490	186		1,079	587	84
Income taxes	135	54		297	165	80
Net income	355	132		782	422	85
Less: Specified items after income taxes ⁽¹⁾	(18)	(184)		(33)	(184)	
Net income – Adjusted⁽¹⁾	373	316	18	815	606	34
Return on common shareholders' equity ⁽²⁾	10.4 %			11.3 %		
Return on common shareholders' equity – Adjusted ⁽³⁾	10.9 %			11.8 %		
Net interest margin ⁽²⁾	2.26 %	2.30 %		2.26 %	2.29 %	
Average interest-bearing assets ⁽²⁾	220,076	204,759	7	218,244	184,214	18
Average assets ⁽⁴⁾	224,690	208,658	8	222,341	186,905	19
Average loans ⁽⁴⁾	219,673	203,341	8	217,870	183,394	19
Net impaired loans ⁽²⁾	1,607	1,237	30	1,607	1,237	30
Net impaired loans as a % of total loans ⁽²⁾	0.7 %	0.6 %		0.7 %	0.6 %	
Average deposits ⁽⁴⁾	110,656	107,086	3	110,980	99,433	12
Efficiency ratio ⁽²⁾	55.7 %	56.8 %		54.0 %	55.2 %	
Efficiency ratio – Adjusted ⁽³⁾	54.4 %	55.1 %		52.7 %	54.2 %	

(1) See the Financial Reporting Method section on pages 5 to 12 for additional information on non-GAAP financial measures. During the quarter and six-month period ended April 30, 2026, the Bank recorded amortization of intangible assets of \$15 million net of income taxes related to the CWB acquisition (\$30 million net of income taxes for the six-month period ended April 30, 2026) and initial provisions for credit losses of \$3 million net of income taxes on non-impaired loans acquired from LBC. In addition, during the quarter and six-month period ended April 30, 2025, the Bank had recorded integration and transaction-related charges of \$1 million net of income taxes, amortization of intangible assets of \$17 million net of income taxes and initial provisions for credit losses on acquired non-impaired CWB loans of \$166 million net of income taxes.

(2) See the Glossary section on pages 45 to 48 for details on the composition of these measures.

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

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

Second quarter of 2026 versus second quarter of 2025

In the Personal and Commercial segment, net income totalled \$355 million compared to \$132 million last year, an increase of \$223 million partly due to the decrease in provisions for credit losses, which had included initial provisions for credit losses of \$230 million on acquired non-impaired CWB loans in the second quarter of 2025. In addition, income before provisions for credit losses and income taxes stood at \$659 million compared to \$612 million, up 8%. Adjusted net income was \$373 million, up 18%. The 6% increase in net interest income was driven by growth in personal and commercial loans as well as commercial deposits, which more than offset the impact of a lower net interest margin. In addition, non-interest income increased by 2%.

Personal Banking's total revenues increased by \$64 million. This increase was driven by growth in loans, 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 \$8 million, mainly due to an increase in net interest income, driven by loan growth and deposit growth, partly offset by a narrower net interest margin.

The segment's non-interest expenses stood at \$829 million, up 3%. The increase in non-interest expenses was due to higher compensation and employee benefits, mainly from salary increases, fees and investments made as part of the segment's technological evolution, professional fees, and litigation expenses of \$15 million recorded in the second quarter of 2026. The efficiency ratio of 55.7% has improved from 56.8% in 2025 partly as a result of cost synergies achieved as part of the acquisition of CWB. Adjusted non-interest expenses amounted to \$809 million, compared to \$780 million. The adjusted efficiency ratio stood at 54.4%, compared to 55.1%.

Provisions for credit losses stood at \$169 million compared to \$426 million last year, down \$257 million. This decrease was mainly due to initial provisions for credit losses on acquired non-impaired CWB loans of \$230 million recorded in the second quarter of 2025. In addition, provisions for credit losses on non-impaired loans were down, while provisions for credit losses on impaired loans were up as a result of impaired loans in Personal Banking (including credit card receivables) and Commercial Banking. Adjusted provisions for credit losses totalled \$165 million, down \$31 million from 2025.

First six-month period of 2026 versus first six-month period of 2025

The Personal and Commercial segment's net income was \$782 million, up 85% from \$422 million, partly due to initial provisions for credit losses of \$230 million on acquired non-impaired CWB loans recorded last year, as well as to the inclusion of CWB's results beginning in the second quarter of 2025. Income before provisions for credit losses and income taxes stood at \$1,387 million compared to \$1,175 million, up 18%. Adjusted net income was up 34%. The increase in Personal Banking's total revenues was mainly due to growth in loans and deposits offset by a narrower net interest margin, as well as an increase in internal commission revenues arising from the distribution of the Wealth Management segment's products. In addition, the increase in Commercial Banking's total revenues was mainly due to the inclusion of CWB's results beginning in the second quarter of 2025, as well as loan and deposit growth, partly offset by a narrower net interest margin.

Non-interest expenses stood at \$1,629 million, up 13% due to the same reasons provided above for the quarter, as well as the inclusion of CWB's non-interest expenses beginning in the second quarter of 2025. The efficiency ratio stood at 54.0% and improved compared to the same period in 2025. Adjusted non-interest expenses of \$1,588 million were up 12% from \$1,421 million. The adjusted efficiency ratio, at 52.7%, improved compared to 54.2%. Provisions for credit losses amounted to \$308 million, a decrease of \$280 million from last year. This decrease was due to initial provisions on credit losses on acquired non-impaired CWB loans of \$230 million recorded in 2025, as well as to provisions for credit losses on non-impaired loans in Commercial Banking. These decreases were partly offset by higher provisions for credit losses on impaired loans in Personal Banking (including credit card receivables) and Commercial Banking. Excluding specified items, provisions for credit losses totalled \$304 million down from \$358 million.

Wealth Management

(millions of Canadian dollars)

	Quarter ended April 30			Six months ended April 30		
	2026	2025	% Change	2026	2025	% Change
Operating results						
Net interest income	241	230	5	481	457	5
Fee-based revenues	540	467	16	1,073	917	17
Transaction-based and other revenues	124	94	32	250	193	30
Total revenues	905	791	14	1,804	1,567	15
Non-interest expenses	531	476	12	1,062	917	16
Income before provisions for credit losses and income taxes	374	315	19	742	650	14
Provisions for credit losses	1	(1)		(1)	1	
Income before income taxes	373	316	18	743	649	14
Income taxes	99	84	18	197	175	13
Net income	274	232	18	546	474	15
Less: Specified items after income taxes ⁽¹⁾	(3)	(3)		(5)	(3)	
Net income – Adjusted⁽¹⁾	277	235	18	551	477	16
Return on common shareholders' equity ⁽²⁾	58.4 %			57.6 %		
Return on common shareholders' equity – Adjusted ⁽³⁾	59.0 %			58.2 %		
Average assets ⁽⁴⁾	13,348	10,754	24	13,236	10,681	24
Average loans ⁽⁴⁾	11,581	9,596	21	11,398	9,518	20
Net impaired loans ⁽²⁾	37	12		37	12	
Average deposits ⁽⁴⁾	61,750	60,015	3	60,985	51,602	18
Assets under administration ⁽²⁾	938,997	825,523	14	938,997	825,523	14
Assets under management ⁽²⁾	206,933	170,469	21	206,933	170,469	21
Efficiency ratio ⁽²⁾	58.7 %	60.2 %		58.9 %	58.5 %	
Efficiency ratio – Adjusted ⁽³⁾	58.2 %	59.7 %		58.5 %	58.3 %	

(1) See the Financial Reporting Method section on pages 5 to 12 for additional information on non-GAAP financial measures. During the quarter and six-month period ended April 30, 2026, the Bank recorded amortization of intangible assets of \$3 million net of income taxes related to the CWB acquisition (\$5 million net of income taxes for the six-month period ended April 30, 2026). In addition, during the quarter and six-month period ended April 30, 2025, the Bank had recorded integration and transaction-related charges of \$2 million net of income taxes and amortization of intangible assets of \$1 million net of income taxes.

(2) See the Glossary section on pages 45 to 48 for details on the composition of these measures.

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

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

Second quarter of 2026 versus second quarter of 2025

In the Wealth Management segment, net income totalled \$274 million, an 18% increase from \$232 million last year. The segment's total revenues amounted to \$905 million, up \$114 million or 14% from \$791 million in 2025. The 5% increase in net interest income was primarily due to higher loan and deposit volumes. The 16% increase in fee-based revenues was due to growth in assets under administration and assets under management, reflecting mainly the rise in stock markets as well as positive net inflows for the various solutions. Transaction-based and other revenues rose 32%, primarily due to increased client activity.

Non-interest expenses stood at \$531 million, up 12% from \$476 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, as well as higher technology expenses related to the segment's initiatives. The efficiency ratio stood at 58.7%, improved from 60.2% in 2025. Provisions for credit losses of \$1 million were recorded, compared to recoveries of credit losses of \$1 million in 2025.

First six-month period of 2026 versus first six-month period of 2025

In the Wealth Management segment, net income totalled \$546 million compared to \$474 million, an increase of 15%. The segment's total revenues stood at \$1,804 million, an increase of 15% compared to \$1,567 million, mainly due to the 17% increase in fee-based revenues due to growth in assets under administration and under management as a result of stronger stock markets, positive net inflows for the various solutions as well as the inclusion of CWB's revenues beginning in the second quarter of 2025. Net interest income rose by \$24 million or 5%, mainly due to higher loan and deposit volumes. In addition, transaction-based and other revenues increased by 30% due to increased client activity. Non-interest expenses stood at \$1,062 million compared to \$917 million, an increase of 16% due to the same reasons provided above for the quarter, as well as external management fees and the inclusion of CWB's non-interest expenses beginning in the second quarter of 2025. The efficiency ratio stood at 58.9%, compared to 58.5%. The segment recorded recoveries of credit losses of \$1 million compared to provisions for credit losses of \$1 million recorded in 2025.

Capital Markets

(millions of Canadian dollars)

	Quarter ended April 30			Six months ended April 30		
	2026	2025	% Change	2026	2025	% Change
Operating results						
Global markets						
Equities	348	542	(36)	728	909	(20)
Interest rate and credit	165	180	(8)	298	350	(15)
Commodities and foreign exchange	88	62	42	146	120	22
	601	784	(23)	1,172	1,379	(15)
Corporate and investment banking	473	317	49	892	629	42
Total revenues	1,074	1,101	(2)	2,064	2,008	3
Non-interest expenses	439	403	9	851	770	11
Income before provisions for credit losses and income taxes	635	698	(9)	1,213	1,238	(2)
Provisions for credit losses	16	64	(75)	42	100	(58)
Income before income taxes	619	634	(2)	1,171	1,138	3
Income taxes	131	133	(2)	240	220	9
Net income	488	501	(3)	931	918	1
Less: Specified items after income taxes ⁽¹⁾	(2)	–		(2)	–	
Net income – Adjusted⁽¹⁾	490	501	(2)	933	918	2
Return on common shareholders' equity ⁽²⁾	28.9 %			27.4 %		
Return on common shareholders' equity – Adjusted ⁽³⁾	28.9 %			27.4 %		
Average assets ⁽⁴⁾	269,129	224,314	20	259,651	217,949	19
Average loans ⁽⁴⁾ (Corporate Banking only)	32,628	31,118	5	32,147	31,298	3
Net impaired loans ⁽²⁾	66	74	(11)	66	74	(11)
Net impaired loans as a % of total loans ⁽²⁾	0.2 %	0.2 %		0.2 %	0.2 %	
Average deposits ⁽⁴⁾	97,818	77,467	26	94,541	75,872	25
Efficiency ratio ⁽²⁾	40.9 %	36.6 %		41.2 %	38.3 %	

(1) During the quarter and six-month period ended April 30, 2026, the Bank recorded initial provisions for credit losses of \$2 million on non-impaired loans acquired from LBC.

(2) See the Glossary section on pages 45 to 48 for details on the composition of these measures.

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

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

Second quarter of 2026 versus second quarter of 2025

In the Capital Markets segment, net income totalled \$488 million compared to \$501 million last year, down 3%. Total revenues amounted to \$1,074 million compared to \$1,101 million in 2025, a decrease of \$27 million or 2%. Global markets revenues were down 23% due to a 36% decrease in equities revenues and an 8% decrease in interest rate and credit revenues, partly offset by a 42% increase in commodities and foreign exchange revenues. Corporate and investment banking revenues were up 49% 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 \$439 million, up 9%, due to higher compensation and employee benefits as well as an increase in technology investment expenses and other expenses related to the segment's business growth. The efficiency ratio stood at 40.9% and deteriorated compared to 36.6% in 2025. Provisions for credit losses were down \$48 million due to a \$56 million decrease in provisions for credit losses on impaired loans attributable to a file in the manufacturing sector last year, partly offset by an \$8 million increase in provisions for credit losses on non-impaired loans related to loan portfolio growth.

First six-month period of 2026 versus first six-month period of 2025

The Capital Markets segment's net income totalled \$931 million, up 1% from 2025. Total revenues amounted to \$2,064 million, an increase of \$56 million or 3%. Global markets revenues were down 15% due to a 20% decrease in equities revenues and a 15% decrease in interest rate and credit revenues, partly offset by a 22% increase in commodities and foreign exchange revenues. In addition, corporate and investment banking revenues were up 42% due to growth in banking service revenues, revenues from capital markets activity and revenues from merger and acquisition activity.

Non-interest expenses were up 11% due to higher compensation and employee benefits, mainly attributable to higher variable compensation notably driven by revenue growth, as well as an increase in technology investment expenses and other expenses related to the segment's business growth. The efficiency ratio stood at 41.2%, deteriorating by 2.9 percentage points compared to last year. Provisions for credit losses totalled \$42 million compared to \$100 million in 2025. This decrease was due to a \$46 million decrease in provisions for credit losses on impaired loans and a \$12 million decrease in provisions for credit losses on non-impaired loans.

USSF&I

(millions of Canadian dollars)

	Quarter ended April 30			Six months ended April 30		
	2026	2025	% Change	2026	2025	% Change
Total revenues						
Credigy	140	141	(1)	300	286	5
ABA Bank	265	250	6	536	498	8
International	5	(1)		8	11	
	410	390	5	844	795	6
Non-interest expenses						
Credigy	36	39	(8)	73	79	(8)
ABA Bank	94	77	22	177	160	11
International	1	1		1	1	
	131	117	12	251	240	5
Income before provisions for credit losses and income taxes	279	273	2	593	555	7
Provisions for credit losses						
Credigy	25	30	(17)	67	60	12
ABA Bank	19	29	(34)	57	50	14
International	–	–		–	–	
	44	59	(25)	124	110	13
Income before income taxes	235	214	10	469	445	5
Income taxes						
Credigy	17	15	13	34	31	10
ABA Bank	31	31	–	63	61	3
International	1	(1)		1	1	
	49	45	9	98	93	5
Net income						
Credigy	62	57	9	126	116	9
ABA Bank	121	113	7	239	227	5
International	3	(1)		6	9	
	186	169	10	371	352	5
Return on common shareholders' equity ⁽¹⁾	26.9 %			26.3 %		
Average assets ⁽²⁾	35,393	33,101	7	35,106	32,134	9
Average loans and receivables ⁽²⁾	25,418	24,126	5	25,268	23,771	6
Net impaired loans ⁽¹⁾	1,259	1,114	13	1,259	1,114	13
Average deposits ⁽²⁾	17,956	16,500	9	17,663	15,811	12
Efficiency ratio ⁽¹⁾	32.0 %	30.0 %		29.7 %	30.2 %	

(1) See the Glossary section on pages 45 to 48 for details on the composition of these measures.

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

For the second quarter of 2026, net income totalled \$186 million compared to \$169 million in 2025, up 10%. Total revenues totalled \$410 million compared to \$390 million, an increase of 5%, attributable to the ABA Bank subsidiary. For the first six-month period of 2026, net income totalled \$371 million, up 5% from \$352 million in 2025.

Credigy

Second quarter of 2026 versus second quarter of 2025

The Credigy subsidiary reported net income of \$62 million, up \$5 million or 9%. Total revenues of \$140 million were relatively stable compared to \$141 million last year. Non-interest expenses were \$36 million, down \$3 million due to compensation and employee benefits and the impact of exchange rate fluctuations. Provisions for credit losses were down by \$5 million due to lower provisions for credit losses on POCI loans, partly offset by an increase in provisions for credit losses on non-impaired loans.

First six-month period of 2026 versus first six-month period of 2025

The Credigy subsidiary reported net income of \$126 million, up 9%. Total revenues amounted to \$300 million, up 5% from \$286 million in 2025. This increase was due to growth in loan volumes and to revenues recognized in the first quarter of 2026 following the prepayments on credit facilities, partly offset by the impact of exchange rate fluctuations. Non-interest expenses were down \$6 million compared to 2025, mainly due to compensation and employee benefits and the impact of exchange rate fluctuations. Provisions for credit losses were up \$7 million due to the increase in provisions for credit losses on non-impaired loans.

ABA Bank

Second quarter of 2026 versus second quarter of 2025

The ABA Bank subsidiary recorded net income totalling \$121 million, up \$8 million or 7% from last year. Total revenues rose 6%, mainly attributable to sustained growth in assets and lower interest expenses on deposits, both partly offset by the impact of exchange rate fluctuations. Non-interest expenses stood at \$94 million, up 22%, an increase attributable to higher compensation and employee benefits, occupancy expenses driven by the subsidiary's business growth and the opening of new branches, partly offset by the impact of exchange rate fluctuations. The subsidiary reported provisions for credit losses totalling \$19 million, down \$10 million. This decrease was mainly due to lower provisions for credit losses on non-impaired loans.

First six-month period of 2026 versus first six-month period of 2025

The ABA Bank subsidiary recorded net income totalling \$239 million, up \$12 million or 5% from 2025. The subsidiary's business growth, notably sustained asset growth, lower interest expense on deposits, as well as the impact of exchange rate fluctuations explain the 8% increase in total revenues. Non-interest expenses totalling \$177 million, up 11% from 2025, due to the same reasons provided above for the quarter. Provisions for credit losses totalled \$57 million, up \$7 million, owing to higher provisions for credit losses on non-impaired loans.

Other

(millions of Canadian dollars)

	Quarter ended April 30		Six months ended April 30	
	2026	2025	2026	2025
Operating results				
Net interest income	(34)	(22)	(20)	(82)
Non-interest income	64	(26)	92	(75)
Total revenues	30	(48)	72	(157)
Non-interest expenses	129	142	277	216
Income before provisions for credit losses and income taxes	(99)	(190)	(205)	(373)
Provisions for credit losses	3	(3)	4	–
Income before income taxes (recovery)	(102)	(187)	(209)	(373)
Income taxes (recovery)	(33)	(49)	(67)	(100)
Net loss	(69)	(138)	(142)	(273)
Non-controlling interests	–	–	–	–
Net loss attributable to the Bank's shareholders and holders of other equity instruments	(69)	(138)	(142)	(273)
Less: Specified items after income taxes ⁽¹⁾	(46)	(83)	(95)	(136)
Net loss – Adjusted⁽¹⁾	(23)	(55)	(47)	(137)
Average assets ⁽²⁾	89,435	74,605	87,155	71,627

(1) See the Financial Reporting Method section on pages 5 to 12 for additional information on non-GAAP financial measures. During the quarter and six-month period ended April 30, 2026, the Bank recorded integration and transaction-related charges of \$46 million net of income taxes (\$95 million net of income taxes for the six-month period ended April 30, 2026). During the quarter and six-month period ended April 30, 2025, the Bank had recorded integration and transaction-related charges of \$83 million net of income taxes (\$102 million net of income taxes for the six-month period ended April 30, 2025). In addition, during the six-month period ended April 30, 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 and the impact of managing fair value changes, representing a loss of \$17 million net of income taxes.

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

Second quarter of 2026 versus second quarter of 2025

For the *Other* heading of segment results, a net loss of \$69 million was posted compared to a net loss of \$138 million last year. The change in net loss was due to a higher contribution from Treasury activities as well as lower non-interest expenses, stemming mainly from the decrease in integration charges related to the CWB acquisition. These items were partly offset by higher compensation and employee benefits as well as by a \$22 million reversal in second-quarter 2025 of the provision for property taxes related to the Bank's head office building. The specified items mainly related to the acquisition of CWB had a \$46 million unfavourable impact on the net loss in 2026, compared to an \$83 million unfavourable impact in 2025. The adjusted net loss stood at \$23 million, compared to \$55 million in 2025.

First six-month period of 2026 versus first six-month period of 2025

The net loss stood at \$142 million compared to a net loss of \$273 million in 2025. The change in net loss was due to a higher contribution from Treasury activities and higher gains on investments, partly offset by the increase in non-interest expenses that resulted mainly from higher compensation and employee benefits as well as from a \$22 million reversal in second-quarter 2025 of the provision for property taxes. The specified items mainly related to the acquisition of CWB had an unfavourable impact of \$95 million on the net loss compared to an unfavourable impact of \$136 million in 2025. The adjusted net loss amounted to \$47 million compared to \$137 million in 2025.

Consolidated Balance Sheet

Consolidated Balance Sheet Summary

(millions of Canadian dollars)	As at April 30, 2026	As at October 31, 2025	% Change
Assets			
Cash and deposits with financial institutions	43,431	27,916	56
Securities	199,627	188,747	6
Securities purchased under reverse repurchase agreements and securities borrowed	31,481	27,091	16
Loans, net of allowances	311,987	302,623	3
Other	31,208	30,542	2
	617,734	576,919	7
Liabilities and equity			
Deposits	450,711	428,003	5
Other	130,010	111,715	16
Subordinated debt	3,429	3,432	–
Equity attributable to the Bank's shareholders and holders of other equity instruments	33,584	33,769	(1)
Non-controlling interests	–	–	
	617,734	576,919	7

As at April 30, 2026 versus as at October 31, 2025

Assets

The Bank had total assets of \$617.7 billion, up \$40.8 billion or 7% from \$576.9 billion. Cash and deposits with financial institutions stood at \$43.4 billion, up \$15.5 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 \$10.9 billion owing to a \$6.7 billion or 5% increase in securities at fair value through profit or loss driven by securities issued or guaranteed by the Canadian government, securities issued or guaranteed by provincial and municipal governments of Canada, securities issued or guaranteed by U.S. Treasury, other U.S. agencies, other foreign governments as well as other debt securities, offset by a decrease in equity securities. In addition, securities other than those measured at fair value through profit or loss rose \$4.2 billion. Securities purchased under reverse repurchase agreements and securities borrowed increased by \$4.4 billion, driven primarily by the Capital Markets segment and Treasury activities.

Loans, net of allowances for credit losses, totalled \$312.0 billion, up \$9.4 billion. The following table provides a breakdown of the main loan portfolios.

(millions of Canadian dollars)	As at April 30, 2026	As at October 31, 2025
Loans		
Residential mortgage and home equity lines of credit	150,599	145,509
Personal	18,582	18,593
Credit card	3,099	3,022
Business and government	141,970	137,630
	314,250	304,754
Allowances for credit losses	(2,263)	(2,131)
	311,987	302,623

Residential mortgages (including home equity lines of credit) rose \$5.1 billion, due to sustained demand for mortgage credit in Personal Banking, partly offset by lower activity in the Capital Markets segment. Personal loans and credit card receivables were relatively stable. Business and government loans rose \$4.3 billion or 3%, mainly due to business growth in Commercial Banking and Capital Markets segment.

Impaired loans include all loans classified in Stage 3 of the expected credit loss model and POCI loans. Gross impaired loans stood at \$3,904 million compared to \$3,712 million as at October 31, 2025. Net impaired loans totalled \$2,969 million compared to \$2,904 million. This increase was due to higher net impaired loans in the loan portfolios of Personal Banking and Commercial Banking, as well as ABA Bank subsidiary, partly offset by a decrease in net impaired loans in the loan portfolios of Wealth Management and Capital Markets segments, as well as Credigy subsidiary.

Other assets stood at \$31.2 billion, up \$0.7 billion or 2% that resulted mainly from an increase in derivative financial instruments.

Liabilities

The Bank had total liabilities of \$584.2 billion compared to \$543.2 billion, up \$41.0 billion or 8%.

Deposits stood at \$450.7 billion compared to \$428.0 billion, up \$22.7 billion or 5%. Personal deposits amounted to \$127.8 billion, up \$3.4 billion. This increase was driven primarily by the business growth in the Wealth Management and Capital Markets segments.

Business and government deposits totalled \$317.3 billion, up \$19.8 billion or 7%. The increase is explained by the business growth in Commercial Banking, Capital Markets segment as well as financing activities in Treasury, including a \$3.7 billion increase in deposits subject to bank recapitalization (bail-in) conversion regulations. Deposits from deposit-taking institutions stood at \$5.5 billion, down \$0.5 billion due to a decrease in Treasury activities.

Other liabilities stood at \$130.0 billion, up \$18.3 billion, resulting essentially from a \$17.9 billion increase in obligations related to securities sold under repurchase agreements and securities loaned, a \$2.0 billion in derivative financial instruments and a \$0.6 billion in other liabilities. This increase is offset by decreases of \$1.5 billion in obligations related to securities sold short and \$0.8 billion in liabilities associated with transferred receivables.

Equity

Equity attributable to the Bank's shareholders and holders of other equity instruments totalled \$33.6 billion, down \$0.2 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 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 had 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). On February 17, 2026, the closing of the Syndicated Loan Transaction occurred. The purchase price of \$647 million was allocated between the acquired assets and the assumed liabilities based on their relative fair values as at the acquisition date, comprising loans and deposits totaling \$657 million and \$10 million, respectively.

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.

Income Taxes

Notice of Assessment

In March 2026, the Bank was reassessed by the Canada Revenue Agency (CRA) for additional income tax and interest of approximately \$120 million (including estimated provincial tax and interest) in respect of certain Canadian dividends received by the Bank during the 2021 taxation year.

In prior fiscal years, the Bank had been reassessed for additional income tax and interest of approximately \$1.2 billion (including provincial tax and interest) in respect of certain Canadian dividends received by the Bank during the 2012-2020 taxation years.

In the reassessments, the CRA alleges that the dividends were received as part of a "dividend rental arrangement".

In October 2023, the Bank filed a notice of appeal with the Tax Court of Canada, and the matter is now in litigation. The CRA may issue reassessments to the Bank for taxation years subsequent to 2021 in regard to certain activities similar to those that were the subject of the above-mentioned reassessments. The Bank remains confident that its tax position was appropriate and intends to vigorously defend its position. As at result, no amount has been recognized in the Consolidated Financial Statements as at April 30, 2026.

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, supports its business segments, and protects its clients. The Bank manages its capital in accordance with the capital management framework as described in 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 April 30, 2026, outstanding liabilities of \$29.8 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

The following table provides the minimum capital requirements set by OSFI.

	Requirements as at April 30, 2026							Ratios as at April 30, 2026
	Capital conservation buffer		Minimum set by BCBS	D-SIB surcharge	Minimum set by OSFI	Domestic stability buffer ⁽²⁾	Minimum set by OSFI, including the domestic stability buffer	
	Minimum							
Capital ratios								
CET1	4.5 %	2.5 %	7.0 %	1.0 %	8.0 %	3.5 %	11.5 %	13.5 %
Tier 1	6.0 %	2.5 %	8.5 %	1.0 %	9.5 %	3.5 %	13.0 %	14.9 %
Total	8.0 %	2.5 %	10.5 %	1.0 %	11.5 %	3.5 %	15.0 %	17.0 %
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 %	31.5 %
TLAC leverage ratio	6.75 %	n.a.	6.75 %	0.5 %	7.25 %	n.a.	7.25 %	9.0 %

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. On March 12, 2026, an amendment to the issuer bid took effect. This amendment increased the maximum number of issued and outstanding Bank common shares that can be redeemed for cancellation up to 14,500,000 common shares (representing approximately 3.70% of the outstanding common shares as at September 11, 2025) during the 12-month period ending September 24, 2026. During the six-month period ended April 30, 2026, the Bank repurchased 6,965,400 common shares at a price of \$1,241 million, which reduced *Common share capital* by \$176 million and *Retained earnings* by \$1,065 million. Under this program, the Bank repurchased a total of 8,350,800 common shares at a price of \$1,454 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 May 26, 2026, the Board of Directors declared regular dividends on the various series of first preferred shares and a dividend of \$1.32 per common share, up 8 cents or 6%, payable on August 1, 2026 to shareholders of record on June 29, 2026.

Shares, Other Equity Instruments, and Stock Options

	As at April 30, 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	385,633,934	9,824
Stock options	10,017,815	

(1) Limited Recourse Capital Notes (LRCN).

As at May 22, 2026, there were 385,142,589 common shares and 9,969,096 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 1,559 million Bank common shares, which would have an 80.2% dilutive effect based on the number of Bank common shares outstanding as at April 30, 2026.

Movement in Regulatory Capital⁽¹⁾

(millions of Canadian dollars)	Six months ended April 30, 2026
Common Equity Tier 1 (CET1) capital	
Balance at beginning	25,962
Issuance of common shares (including Stock Option Plan)	95
Impact of shares purchased or sold for trading	22
Repurchase of common shares	(1,241)
Other contributed surplus	58
Dividends on preferred and common shares and distributions on other equity instruments	(1,045)
Net income attributable to the Bank's shareholders and holders of other equity instruments	2,488
Removal of own credit spread (net of income taxes)	(33)
Regulatory adjustment related to contractual service margin ⁽²⁾	148
Other	24
Movements in accumulated other comprehensive income	
Translation adjustments	(185)
Debt securities at fair value through other comprehensive income	12
Other	–
Change in goodwill and intangible assets (net of related tax liability)	45
Other, including regulatory adjustments	
Change in defined benefit pension plan asset (net of related tax liability)	(4)
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	(21)
Balance at end	26,325
Additional Tier 1 capital	
Balance at beginning	2,597
New Tier 1 eligible capital issuances	–
Redeemed capital ⁽³⁾	–
Other, including regulatory adjustments	3
Balance at end	2,600
Total Tier 1 capital	28,925
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	8
Other, including regulatory adjustments	(25)
Balance at end	4,081
Total regulatory capital	33,006

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

(2) The contractual service margin related to our insurance company subsidiaries is included in the CET1 capital as permitted by the OSFI guideline.

(3) 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 \$194.5 billion as at April 30, 2026 compared to \$188.8 billion as at October 31, 2025, a \$5.7 billion increase resulting from organic growth in RWA and a deterioration in the credit quality of the loan portfolio, offset by foreign exchange movement. 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)

			April 30, 2026	Quarter ended January 31, 2026	October 31, 2025
	Non-counterparty credit risk	Counterparty credit risk	Total	Total	Total
Credit risk – Risk-weighted assets at beginning	154,208	7,346	161,554	162,354	156,537
Book size	2,335	739	3,074	407	5,216
Book quality	472	(86)	386	116	234
Model updates	–	–	–	–	–
Methodology and policy	–	–	–	–	–
Acquisitions and disposals	–	–	–	–	–
Foreign exchange movements	(103)	(13)	(116)	(1,323)	367
Credit risk – Risk-weighted assets at end	156,912	7,986	164,898	161,554	162,354
Market risk – Risk-weighted assets at beginning			9,616	8,724	9,208
Movement in risk levels ⁽²⁾			1,214	892	(484)
Model updates			–	–	–
Methodology and policy			–	–	–
Acquisitions and disposals			–	–	–
Market risk – Risk-weighted assets at end			10,830	9,616	8,724
Operational risk – Risk-weighted assets at beginning			18,184	17,678	17,365
Movement in risk levels			579	506	313
Methodology and policy			–	–	–
Acquisitions and disposals			–	–	–
Operational risk – Risk-weighted assets at end			18,763	18,184	17,678
Risk-weighted assets at end			194,491	189,354	188,756

(1) See the Financial Reporting Method section on pages 5 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 April 30, 2026, the Bank's CET1, Tier 1, and Total capital ratios were, respectively, 13.5%, 14.9%, and 17.0% compared to ratios of 13.8%, 15.1% and 17.3%, respectively, as at October 31, 2025. All of the capital ratios decreased since October 31, 2025. The decrease was primarily driven by the repurchases of common shares for cancellation and the growth in RWA offset by the net income, net of dividends.

As at April 30, 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 April 30, 2026, the Bank's TLAC ratio and TLAC leverage ratio were 31.5% and 9.0%, 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 and six-month period ended April 30, 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 April 30, 2026	As at October 31, 2025
Capital		
CET1	26,325	25,962
Tier 1 ⁽³⁾	28,925	28,559
Total ⁽³⁾	33,006	32,657
Risk-weighted assets	194,491	188,756
Total exposure	678,630	633,494
Capital ratios		
CET1	13.5 %	13.8 %
Tier 1 ⁽³⁾	14.9 %	15.1 %
Total ⁽³⁾	17.0 %	17.3 %
Leverage ratio⁽³⁾	4.3 %	4.5 %
Available TLAC	61,308	55,993
TLAC ratio	31.5 %	29.7 %
TLAC leverage ratio	9.0 %	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.

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.

Risks	Description
Emerging risks – Conflict in the Middle East	Further to the geopolitical risks outlined in the <i>2025 Annual Report</i> , although the Bank has no significant direct exposure to the Middle East region, the conflict could still affect it through broader macroeconomic and financial market channels, especially if it were to persist for a long period of time. Prolonged or recurring disruptions to the Strait of Hormuz could continue to restrict global supplies of key commodities, including oil, natural gas, fertilizers and helium. This, in turn, could lead to ongoing inflationary pressures across global energy, agriculture, transportation and manufacturing sectors, potentially resulting in higher interest rates and tighter funding conditions for businesses and consumers alike. The potential impact on the Bank and its clients is contingent upon the nature and duration of these evolving conditions. The Bank continues to monitor these developments closely, assessing both direct and indirect potential implications for its financial position and that of its clients.
Emerging risks – Technology and Frontier AI development	Recent advances in generative artificial intelligence (AI), referred to as Frontier AI, including tools capable of rapidly identifying and exploiting software vulnerabilities, may increase the probability, the impact and the sophistication of potential cyber incidents, challenging traditional detection, remediation, and response frameworks. Beyond the risk of isolated events, Frontier AI capabilities raise the potential for more systemic impacts in a highly interconnected financial system, including operational disruption and broader confidence effects. The Bank continues to assess these developments as an emerging, transversal risk and is integrating AI-related considerations across cybersecurity, third-party risk management, model risk governance, and enterprise resilience planning. Management’s approach emphasizes vulnerability remediation, enhanced threat intelligence, strengthened oversight of critical service providers, and a focus on resilience, with the objective of maintaining the safety and soundness of operations and protecting client trust as the risk landscape evolves.

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 April 30, 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	103,019	10,028	–	–	–	113,047	18 %	82 %
Qualifying revolving retail	4,617	13,948	–	–	–	18,565	– %	100 %
Other retail	24,082	3,033	–	–	39	27,154	29 %	71 %
	131,718	27,009	–	–	39	158,766		
Non-retail								
Corporate	130,900	38,425	78,312	158	10,570	258,365	27 %	73 %
Sovereign	93,501	6,430	123,119	233	623	223,906	2 %	98 %
Banks	15,366	1,308	190,339	2,648	2,710	212,371	20 %	80 %
	239,767	46,163	391,770	3,039	13,903	694,642		
Trading portfolio	–	–	–	19,152	–	19,152	2 %	98 %
Securitization	3,203	–	–	–	7,860	11,063	100 %	– %
Total – Gross credit risk	374,688	73,172	391,770	22,191	21,802	883,623	18 %	82 %
Standardized Approach⁽⁵⁾	79,599	2,911	63,016	2,629	8,997	157,152		
IRB Approach	295,089	70,261	328,754	19,562	12,805	726,471		
Total – Gross credit risk	374,688	73,172	391,770	22,191	21,802	883,623	18 %	82 %

(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 %
Banks	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 5 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 – Second Quarter 2026* and *Supplementary Regulatory Capital and Pillar 3 Disclosure – Second Quarter 2026*, which are available on the Bank's website at [nbc.ca](https://www.bnc.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 April 30, 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	43,431	254	32,816	10,361	Interest rate ⁽³⁾
Securities					
At fair value through profit or loss	154,771	152,108	2,663	–	Interest rate ⁽³⁾ and equity
At fair value through other comprehensive income	23,812	–	23,812	–	Interest rate ⁽³⁾ and equity ⁽⁴⁾
At amortized cost	21,044	–	21,044	–	Interest rate ⁽³⁾
Securities purchased under reverse repurchase agreements and securities borrowed	31,481	–	31,481	–	Interest rate ⁽³⁾⁽⁵⁾
Loans, net of allowances	311,987	13,647	298,340	–	Interest rate ⁽³⁾
Derivative financial instruments	13,282	12,853	429	–	Interest rate and exchange rate
Defined benefit asset	450	–	450	–	Other
Other	17,476	3,053	–	14,423	
	617,734	181,915	411,035	24,784	
Liabilities					
Deposits	450,711	44,625	406,086	–	Interest rate ⁽³⁾
Obligations related to securities sold short	11,846	11,846	–	–	
Obligations related to securities sold under repurchase agreements and securities loaned	59,330	–	59,330	–	Interest rate ⁽³⁾⁽⁵⁾
Derivative financial instruments	17,949	17,155	794	–	Interest rate and exchange rate
Liabilities related to transferred receivables	29,817	11,781	18,036	–	Interest rate ⁽³⁾
Defined benefit liability	94	–	94	–	Other
Other	10,974	–	–	10,974	Interest rate ⁽³⁾
Subordinated debt	3,429	–	3,429	–	Interest rate ⁽³⁾
	584,150	85,407	487,769	10,974	

(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)									
	April 30, 2026				January 31, 2026		Quarter ended April 30, 2025		Six months ended April 30, 2025
	Low	High	Average	Period end	Average	Period end	Average	Period end	Average
Interest rate	(10.4)	(19.7)	(15.3)	(16.3)	(16.7)	(15.7)	(12.4)	(12.7)	(16.0)
Exchange rate	(0.5)	(3.4)	(1.4)	(1.8)	(2.3)	(1.1)	(1.5)	(1.7)	(1.9)
Equity	(3.9)	(8.2)	(6.1)	(3.9)	(5.9)	(6.3)	(6.2)	(5.6)	(6.0)
Commodity	(1.3)	(2.9)	(1.8)	(1.5)	(1.5)	(1.5)	(1.3)	(1.1)	(1.7)
Diversification effect ⁽³⁾	n.m.	n.m.	11.1	8.9	12.0	10.8	8.7	9.2	11.7
Total trading VaR	(9.9)	(17.1)	(13.5)	(14.6)	(14.4)	(13.8)	(12.7)	(11.9)	(13.9)

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 45 to 48 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.

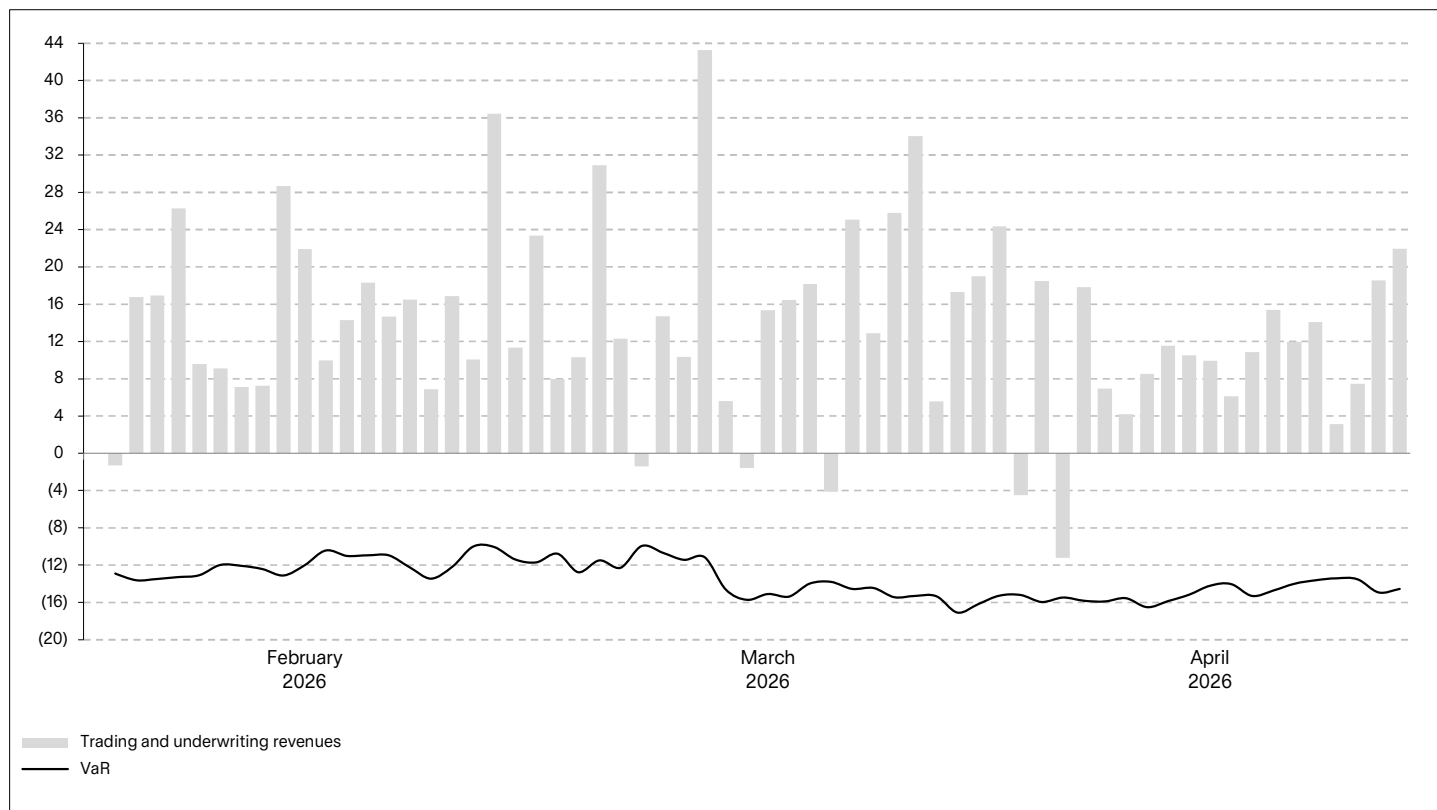
The average total trading VaR decreased between the first and second quarter of 2026, mainly due to a decrease in interest rate risk.

Daily Trading and Underwriting Revenues

The following chart shows daily trading and underwriting revenues and VaR. During the quarter ended April 30, 2026, daily trading and underwriting revenues were positive on 90% of the days. In addition, six days were marked by net daily trading and underwriting losses in excess of \$1 million. None of these losses exceeded VaR.

Quarter Ended April 30, 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 April 30, 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	(626)	(139)	(765)	(601)	(82)	(683)
100-basis-point decrease in the interest rate	645	113	758	605	83	688
Impact on net interest income						
100-basis-point increase in the interest rate	96	(31)	65	132	(46)	86
100-basis-point decrease in the interest rate	(99)	35	(64)	(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 of the *Liquidity Adequacy Requirements* 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 April 30, 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	43,431	–	43,431	14,695	28,736	13,359
Securities						
Issued or guaranteed by the Canadian government, U.S. Treasury, other U.S. agencies and other foreign governments	57,097	85,422	142,519	83,766	58,753	54,180
Issued or guaranteed by Canadian provincial and municipal governments	19,196	13,874	33,070	21,180	11,890	14,032
Other debt securities	8,226	4,718	12,944	5,732	7,212	7,814
Equity securities	115,108	70,990	186,098	118,020	68,078	71,776
Loans						
Securities backed by insured residential mortgages	19,306	–	19,306	9,378	9,928	8,798
As at April 30, 2026	262,364	175,004	437,368	252,771	184,597	
As at October 31, 2025	234,925	164,738	399,663	229,704		169,959

(millions of Canadian dollars)	As at April 30, 2026	As at October 31, 2025
Unencumbered liquid assets by entity		
National Bank (parent)	126,203	117,051
Domestic subsidiaries	11,350	14,102
Foreign subsidiaries and branches	47,044	38,806
	184,597	169,959

(millions of Canadian dollars)	As at April 30, 2026	As at October 31, 2025
Unencumbered liquid assets by currency		
Canadian dollar	91,494	73,309
U.S. dollar	75,913	83,713
Other currencies	17,190	12,937
	184,597	169,959

Liquid Asset Portfolio⁽¹⁾ – Average⁽⁵⁾

(millions of Canadian dollars)	April 30, 2026					Quarter ended 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	38,285	–	38,285	14,608	23,677	17,374
Securities						
Issued or guaranteed by the Canadian government, U.S. Treasury, other U.S. agencies and other foreign governments	60,003	88,196	148,199	90,475	57,724	56,036
Issued or guaranteed by Canadian provincial and municipal governments	20,462	14,025	34,487	22,149	12,338	12,431
Other debt securities	9,461	4,787	14,248	5,652	8,596	8,888
Equity securities	124,669	73,770	198,439	118,537	79,902	67,211
Loans						
Securities backed by insured residential mortgages	18,973	–	18,973	9,687	9,286	9,211
	271,853	180,778	452,631	261,108	191,523	171,151

(1) See the Financial Reporting Method section on pages 5 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 April 30, 2026			
	Encumbered assets ⁽²⁾		Unencumbered assets		Encumbered assets as a % of total assets
	Pledged as collateral	Other ⁽³⁾	Available as collateral	Other ⁽⁴⁾	Total
Cash and deposits with financial institutions	–	14,695	28,736	–	43,431
Securities	73,329	–	126,298	–	199,627
Securities purchased under reverse repurchase agreements and securities borrowed	–	11,846	19,635	–	31,481
Loans, net of allowances	41,718	–	9,928	260,341	311,987
Derivative financial instruments	–	–	–	13,282	13,282
Premises and equipment	–	–	–	2,174	2,174
Goodwill	–	–	–	3,098	3,098
Intangible assets	–	–	–	1,688	1,688
Other assets	2,690	–	–	8,276	10,966
	117,737	26,541	184,597	288,859	617,734

(millions of Canadian dollars)		As at October 31, 2025			
	Encumbered assets ⁽²⁾		Unencumbered assets		Encumbered assets as a % of total assets
	Pledged as collateral	Other ⁽³⁾	Available as collateral	Other ⁽⁴⁾	Total
Cash and deposits with financial institutions	–	14,557	13,359	–	27,916
Securities	54,779	–	133,968	–	188,747
Securities purchased under reverse repurchase agreements and securities borrowed	–	13,257	13,834	–	27,091
Loans, net of allowances	40,971	–	8,798	252,854	302,623
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
	98,908	27,814	169,959	280,238	576,919

(1) See the Financial Reporting Method section on pages 5 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 April 30, 2026, the Bank's average LCR was 170%, 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)

	April 30, 2026		Quarter ended January 31, 2026
	Total unweighted value ⁽³⁾ (average)	Total weighted value ⁽⁴⁾ (average)	Total weighted value ⁽⁴⁾ (average)
High-quality liquid assets (HQLA)			
Total HQLA	n.a.	116,644	109,759
Cash outflows			
Retail deposits and deposits from small business customers, of which:	89,182	8,251	8,084
Stable deposits	31,731	952	944
Less stable deposits	57,451	7,299	7,140
Unsecured wholesale funding, of which:	148,719	80,522	77,308
Operational deposits (all counterparties) and deposits in networks of cooperative banks	46,808	11,482	11,303
Non-operational deposits (all counterparties)	94,210	61,228	58,639
Unsecured debt	7,701	7,812	7,366
Secured wholesale funding	n.a.	36,815	36,110
Additional requirements, of which:	97,172	26,995	23,070
Outflows related to derivative exposures and other collateral requirements	35,248	16,292	13,180
Outflows related to loss of funding on secured debt securities	2,186	2,209	1,540
Backstop liquidity and credit enhancement facilities and commitments to extend credit	59,738	8,494	8,350
Other contractual commitments to extend credit	4,616	1,876	1,230
Other contingent commitments to extend credit	220,270	2,600	2,614
Total cash outflows	n.a.	157,059	148,416
Cash inflows			
Secured lending (e.g., reverse repos)	194,446	38,731	41,450
Inflows from fully performing exposures	13,572	7,754	7,951
Other cash inflows	38,932	38,842	37,072
Total cash inflows	246,950	85,327	86,473
		Total adjusted value⁽⁵⁾	Total adjusted value⁽⁵⁾
Total HQLA		116,644	109,759
Total net cash outflows		71,732	61,943
Liquidity coverage ratio (%)⁽⁶⁾		170 %	189 %

n.a. Not applicable

(1) See the Financial Reporting Method section on pages 5 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 April 30, 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 April 30, 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 April 30, 2026, the Bank's NSFR was 118%, well above the 100% regulatory requirement and demonstrating the Bank's solid long-term liquidity position.

NSFR Disclosure Requirements⁽¹⁾⁽²⁾

					As at April 30, 2026	As at January 31, 2026
(millions of Canadian dollars)						
	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:	34,119	–	–	3,429	37,548	37,206
Regulatory capital	34,119	–	–	3,429	37,548	37,206
Other capital instruments	–	–	–	–	–	–
Retail deposits and deposits from small business customers:	86,638	14,413	10,834	34,113	135,216	133,758
Stable deposits	32,172	4,779	4,029	9,341	48,271	47,852
Less stable deposits	54,466	9,634	6,805	24,772	86,945	85,906
Wholesale funding:	101,907	124,811	45,487	75,084	169,435	169,197
Operational deposits	49,311	–	–	–	24,655	22,927
Other wholesale funding	52,596	124,811	45,487	75,084	144,780	146,270
Liabilities with matching interdependent assets ⁽⁴⁾	–	3,445	1,653	24,719	–	–
Other liabilities ⁽⁵⁾ :	15,556		24,007		1,029	1,029
NSFR derivative liabilities ⁽⁵⁾	n.a.		9,352		n.a.	n.a.
All other liabilities and equity not included in the above categories	15,556	6,293	294	8,068	1,029	1,029
Total ASF	n.a.	n.a.	n.a.	n.a.	343,228	341,190
Required Stable Funding (RSF) Items						
Total NSFR high-quality liquid assets (HQLA)	n.a.	n.a.	n.a.	n.a.	39,131	40,836
Deposits held at other financial institutions for operational purposes	–	–	–	–	–	–
Performing loans and securities:	94,373	79,985	39,174	119,903	214,319	206,794
Performing loans to financial institutions secured by Level 1 HQLA	100	11,946	119	–	662	807
Performing loans to financial institutions secured by non-Level-1 HQLA and unsecured performing loans to financial institutions	6,300	11,483	1,513	1,433	5,442	6,013
Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	44,731	41,427	25,048	45,586	109,613	107,048
With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk	677	2,514	562	1,344	2,852	2,954
Performing residential mortgages, of which:	9,651	13,762	11,973	71,002	67,454	65,939
With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk	9,651	13,762	11,973	71,002	67,454	65,939
Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	33,591	1,367	521	1,882	31,148	26,987
Assets with matching interdependent liabilities ⁽⁴⁾	–	3,445	1,653	24,719	–	–
Other assets ⁽⁵⁾ :	12,753		47,028		32,725	31,740
Physical traded commodities, including gold	2,685	n.a.	n.a.	n.a.	2,496	1,781
Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs ⁽⁵⁾	n.a.		14,827		12,603	12,613
NSFR derivative assets ⁽⁵⁾	n.a.		4,476		–	–
NSFR derivative liabilities before deduction of the variation margin posted ⁽⁵⁾	n.a.		19,845		992	838
All other assets not included in the above categories	10,068	2,955	617	4,308	16,634	16,508
Off-balance-sheet items ⁽⁵⁾	n.a.		151,463		5,836	5,704
Total RSF	n.a.	n.a.	n.a.	n.a.	292,011	285,074
Net Stable Funding Ratio (%)	n.a.	n.a.	n.a.	n.a.	118 %	120 %

n.a. Not applicable

(1) See the Financial Reporting Method section on pages 5 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 April 30, 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⁾	453	140	445	82	1,120	–	–	1,120
Certificates of deposit and commercial paper ⁽²⁾	5,480	7,049	7,976	22,910	43,415	–	–	43,415
Senior unsecured medium-term notes ⁽³⁾	491	3,565	7,064	12,611	23,731	10,751	16,272	50,754
Senior unsecured structured notes	–	1,013	301	1,699	3,013	850	2,930	6,793
Covered bonds and asset-backed securities								
Mortgage securitization	–	2,495	861	1,652	5,008	4,081	20,728	29,817
Covered bonds	1,386	–	1,196	3,252	5,834	2,876	2,782	11,492
Subordinated liabilities ⁽⁴⁾	–	–	–	–	–	–	3,429	3,429
	7,810	14,262	17,843	42,206	82,121	18,558	46,141	146,820
Secured funding	1,386	2,495	2,057	4,904	10,842	6,957	23,510	41,309
Unsecured funding	6,424	11,767	15,786	37,302	71,279	11,601	22,631	105,511
	7,810	14,262	17,843	42,206	82,121	18,558	46,141	146,820
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 April 30, 2026		
		One-notch downgrade	Two-notch downgrade	Three-notch downgrade
Derivatives ⁽¹⁾		20	103	139

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

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 in various consultative processes. Since November 1, 2025, the new regulatory developments below are 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.

On February 26, 2025, the European Commission presented a draft "Omnibus" package of legislation with the aim of easing and simplifying certain disclosure requirements related to the European's Corporate Sustainability Reporting Directive (CSRD). On February 26, 2026, the final text of the Omnibus project was published and came into force on March 18, 2026. Member states of the European Union will have until March 19, 2027, to transpose the new directive into national law. The Bank continues to monitor developments related to this regulation and its impact on its sustainability disclosures.

On April 20, 2026, the Canadian Sustainability Standards Board (CSSB) published an exposure draft Proposed Amendments to CSDS 2 – Amendments to Greenhouse Gas Emissions Disclosures, intended to reflect the amendments made to IFRS S2 – Climate-related Disclosures in December 2025. The CSSB will collect feedback on the most appropriate path forward to serve the Canadian public interest and will make amendments to CSDS 2, as necessary, by the end of 2026.

Risk Disclosures

One of the purposes of the *2025 Annual Report*, the *Report to Shareholders – Second 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	43	
Management's Discussion and Analysis	62 to 118, 131 and 133 to 135	25 to 42	
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	4 and 31 to 42	
4 New key regulatory ratios	63 to 65, 101 and 105 to 108	25, 26, 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	25 and 26	
10 Reconciliation of the accounting balance sheet to the regulatory balance sheet			11 to 17, 20 and 21
11 Movements in regulatory capital	69	28	
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	29	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		
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 65 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	65 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	4 and 42	

(1) Second quarter 2026.

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

Accounting Policies and Financial Disclosure

Material Accounting Policies and Accounting Estimates

The unaudited interim condensed consolidated financial statements for the quarter and six-month period ended April 30, 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 leading to higher oil and gas prices, together with inflationary pressures and an evolving interest rate environment, continue to generate a high level of 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 second 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
	Q2 ⁽¹⁾	Q1 ⁽¹⁾	Q4 ⁽¹⁾	Q3 ⁽¹⁾	Q2 ⁽¹⁾	Q1	Q4	Q3	Total	Total
Total revenues	3,907	3,893	3,698	3,449	3,650	3,183	2,944	2,996	13,980	11,400
Net income	1,234	1,254	1,059	1,065	896	997	955	1,033	4,017	3,816
Earnings per share (\$)										
Basic	3.10	3.12	2.60	2.61	2.19	2.81	2.69	2.92	10.18	10.78
Diluted	3.06	3.08	2.57	2.58	2.17	2.78	2.66	2.89	10.07	10.68
Dividends per common share (\$)	1.24	1.24	1.18	1.18	1.14	1.14	1.10	1.10	4.64	4.32
Return on common shareholders' equity (%)⁽²⁾	15.9	15.7	13.3	13.6	11.9	16.7	16.4	18.4	13.7	17.2
Total assets	617,734	605,871	576,919	552,621	536,194	483,833	462,226	453,933		
Net impaired loans⁽²⁾	2,969	2,831	2,904	2,588	2,437	1,836	1,629	1,482		
Per common share (\$)										
Book value ⁽²⁾	80.31	78.81	78.39	77.20	76.13	68.15	65.74	64.64		
Share price										
High	205.04	175.57	156.70	144.96	127.44	140.76	134.23	118.17		
Low	163.94	156.88	143.40	121.09	107.01	128.79	111.98	106.21		

(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.

(2) See the Glossary section on pages 45 to 48 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 while unallocated capital is 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, and certain interest income related to the financing of these financial assets and liabilities, net of interest expenses.

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, realized and unrealized gains and losses as well as interest expenses on obligations related to securities sold short certain commission income as well as other income related to trading activities, 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, certain interest income related to the financing of these financial assets and liabilities, net of interest expenses. 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 as well as 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 April 30, 2026	As at October 31, 2025
Assets		
Cash and deposits with financial institutions	43,431	27,916
Securities (Notes 4 and 5)		
At fair value through profit or loss	154,771	148,118
At fair value through other comprehensive income	23,812	24,024
At amortized cost	21,044	16,605
	199,627	188,747
Securities purchased under reverse repurchase agreements and securities borrowed	31,481	27,091
Loans (Note 6)		
Residential mortgage	117,667	113,929
Personal	51,514	50,173
Credit card	3,099	3,022
Business and government	141,970	137,630
	314,250	304,754
Allowances for credit losses	(2,263)	(2,131)
	311,987	302,623
Other		
Derivative financial instruments	13,282	12,515
Premises and equipment	2,174	2,162
Goodwill	3,098	3,101
Intangible assets	1,688	1,748
Other assets (Note 7)	10,966	11,016
	31,208	30,542
	617,734	576,919
Liabilities and equity		
Deposits (Notes 4 and 8)	450,711	428,003
Other		
Obligations related to securities sold short	11,846	13,257
Obligations related to securities sold under repurchase agreements and securities loaned	59,330	41,356
Derivative financial instruments	17,949	15,984
Liabilities related to transferred receivables (Note 4)	29,817	30,577
Other liabilities (Note 9)	11,068	10,541
	130,010	111,715
Subordinated debt	3,429	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)	9,824	9,865
Contributed surplus	177	137
Retained earnings	20,768	20,366
Accumulated other comprehensive income	201	287
	33,584	33,769
Non-controlling interests	-	-
	33,584	33,769
	617,734	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 April 30		Six months ended April 30	
	2026	2025	2026	2025
Interest income				
Loans	4,267	4,096	8,580	7,992
Securities at fair value through profit or loss	502	548	1,013	1,081
Securities at fair value through other comprehensive income	279	187	487	355
Securities at amortized cost	180	143	346	281
Deposits with financial institutions	260	288	508	602
	5,488	5,262	10,934	10,311
Interest expense				
Deposits	3,170	3,181	6,289	6,368
Liabilities related to transferred receivables	209	198	396	393
Subordinated debt	39	34	79	53
Other	761	644	1,467	1,320
	4,179	4,057	8,231	8,134
Net interest income⁽¹⁾	1,309	1,205	2,703	2,177
Non-interest income				
Underwriting and advisory fees	210	112	366	208
Securities brokerage commissions	78	55	154	112
Mutual fund revenues	200	174	401	352
Investment management and trust service fees	404	342	796	662
Credit fees	88	83	186	165
Card revenues	57	53	106	103
Deposit and payment service charges	69	74	147	146
Trading revenues (losses)	1,290	1,388	2,530	2,569
Gains (losses) on non-trading securities, net	43	22	81	49
Insurance revenues, net	14	18	36	40
Foreign exchange revenues, other than trading	76	64	148	130
Share in the net income of associates and joint ventures	2	2	4	4
Other	67	58	142	116
	2,598	2,445	5,097	4,656
Total revenues	3,907	3,650	7,800	6,833
Non-interest expenses				
Compensation and employee benefits	1,254	1,196	2,514	2,233
Occupancy	117	87	236	184
Technology	351	342	681	627
Communications	17	18	34	34
Professional fees	112	120	222	213
Other	208	179	383	297
	2,059	1,942	4,070	3,588
Income before provisions for credit losses and income taxes	1,848	1,708	3,730	3,245
Provisions for credit losses (Note 6)	233	545	477	799
Income before income taxes	1,615	1,163	3,253	2,446
Income taxes (Note 14)	381	267	765	553
Net income	1,234	896	2,488	1,893
Net income attributable to				
Preferred shareholders and holders of other equity instruments	37	43	74	82
Common shareholders	1,197	853	2,414	1,811
Bank shareholders and holders of other equity instruments	1,234	896	2,488	1,893
Non-controlling interests	—	—	—	—
	1,234	896	2,488	1,893
Earnings per share (dollars) (Note 15)				
Basic	3.10	2.19	6.22	4.96
Diluted	3.06	2.17	6.14	4.91
Dividends per common share (dollars) (Note 10)	1.24	1.14	2.48	2.28

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 April 30		Six months ended April 30	
	2026	2025	2026	2025
Net income	1,234	896	2,488	1,893
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	(35)	(589)	(382)	(136)
Impact of hedging net foreign currency translation gains (losses)	21	277	197	73
	(14)	(312)	(185)	(63)
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	(21)	(14)	43	8
Net (gains) losses on debt securities at fair value through other comprehensive income reclassified to net income	(27)	(17)	(32)	(35)
Change in allowances for credit losses on debt securities at fair value through other comprehensive income reclassified to net income	1	–	1	–
	(47)	(31)	12	(27)
Net change in cash flow hedges				
Net gains (losses) on derivative financial instruments designated as cash flow hedges	73	(14)	59	(29)
Net (gains) losses on designated derivative financial instruments reclassified to net income	16	(19)	28	(41)
	89	(33)	87	(70)
Items that will not be subsequently reclassified to net income				
Remeasurements of pension plans and other post-employment benefit plans	29	94	(12)	98
Net gains (losses) on equity securities designated at fair value through other comprehensive income	4	(27)	10	(10)
Net fair value change attributable to the credit risk on financial liabilities designated at fair value through profit or loss	83	109	20	127
	116	176	18	215
Total other comprehensive income, net of income taxes	144	(200)	(68)	55
Comprehensive income	1,378	696	2,420	1,948
Comprehensive income attributable to				
Bank shareholders and holders of other equity instruments	1,378	696	2,420	1,948
Non-controlling interests	–	–	–	–
	1,378	696	2,420	1,948

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 April 30		Six months ended April 30	
	2026	2025	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	–	18	3	3
Impact of hedging net foreign currency translation gains (losses)	9	90	71	26
	9	108	74	29
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	(8)	(4)	17	5
Net (gains) losses on debt securities at fair value through other comprehensive income reclassified to net income	(9)	(7)	(12)	(14)
Change in allowances for credit losses on debt securities at fair value through other comprehensive income reclassified to net income	–	–	–	–
	(17)	(11)	5	(9)
Net change in cash flow hedges				
Net gains (losses) on derivative financial instruments designated as cash flow hedges	28	(7)	23	(12)
Net (gains) losses on designated derivative financial instruments reclassified to net income	5	(7)	10	(16)
	33	(14)	33	(28)
Items that will not be subsequently reclassified to net income				
Remeasurements of pension plans and other post-employment benefit plans	11	37	(5)	38
Net gains (losses) on equity securities designated at fair value through other comprehensive income	1	(9)	3	(3)
Net fair value change attributable to the credit risk on financial liabilities designated at fair value through profit or loss	32	42	8	49
	44	70	6	84
	69	153	118	76

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)

	Six months ended April 30	
	2026	2025
Preferred shares and other equity instruments at beginning	3,114	3,150
Issuances of preferred shares, Series 47 and 49	–	264
Redemption of preferred shares, Series 32, for cancellation	–	(300)
Redemption of Limited Recourse Capital Notes, Series 1 (Note 10)	(500)	–
Preferred shares and other equity instruments at end	2,614	3,114
Common shares at beginning	9,865	3,463
Issuances of common shares pursuant to the Stock Option Plan	113	34
Issuances of common shares related to the CWB acquisition	–	–
Exchange of common shares	–	5,290
Automatic exchange of subscription receipts	–	1,040
Repurchases of common shares for cancellation (Note 10)	(176)	–
Impact of shares purchased or sold for trading	22	(22)
Common shares at end	9,824	9,805
Contributed surplus at beginning	137	85
Stock option expense (Note 12)	12	11
Stock options exercised	(18)	(4)
Replacement options related to the CWB acquisition	–	29
Other	46	(8)
Contributed surplus at end	177	113
Retained earnings at beginning	20,366	18,633
Net income attributable to the Bank's shareholders and holders of other equity instruments	2,488	1,893
Dividends on preferred shares and distributions on other equity instruments (Note 10)	(83)	(93)
Dividends on common shares (Note 10)	(962)	(837)
Premium paid on common shares repurchased for cancellation (Note 10)	(1,065)	–
Issuance expenses for shares and other equity instruments, net of income taxes	–	(11)
Remeasurements of pension plans and other post-employment benefit plans	(12)	98
Net gains (losses) on equity securities designated at fair value through other comprehensive income	10	(10)
Net fair value change attributable to the credit risk on financial liabilities designated at fair value through profit or loss	20	127
Impact of a financial liability resulting from put options written to non-controlling interests	–	(1)
Other	6	14
Retained earnings at end	20,768	19,813
Accumulated other comprehensive income at beginning	287	219
Net foreign currency translation adjustments	(185)	(63)
Net change in unrealized gains (losses) on debt securities at fair value through other comprehensive income	12	(27)
Net change in gains (losses) on instruments designated as cash flow hedges	87	(70)
Accumulated other comprehensive income at end	201	59
Equity attributable to the Bank's shareholders and holders of other equity instruments	33,584	32,904
Non-controlling interests at beginning	–	–
Other	–	1
Non-controlling interests at end	–	1
Equity	33,584	32,905

Accumulated Other Comprehensive Income

	As at April 30, 2026	As at April 30, 2025
Accumulated other comprehensive income		
Net foreign currency translation adjustments	169	257
Net unrealized gains (losses) on debt securities at fair value through other comprehensive income	55	(53)
Net gains (losses) on instruments designated as cash flow hedges	(25)	(147)
Share in the other comprehensive income of associates and joint ventures	2	2
	201	59

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)

	Six months ended April 30	
	2026	2025
Cash flows from operating activities		
Net income	2,488	1,893
Adjustments for		
Provisions for credit losses (Note 6)	477	799
Amortization of premises and equipment, including right-of-use assets	149	138
Amortization of intangible assets	188	154
Deferred taxes	(103)	(173)
Losses (gains) on sales of non-trading securities, net	(81)	(45)
Share in the net income of associates and joint ventures	(4)	(4)
Stock option expense	12	11
Gain on the fair value remeasurement of an equity interest (Note 16)	-	(4)
Change in operating assets and liabilities		
Securities at fair value through profit or loss	(6,653)	(17,157)
Securities purchased under reverse repurchase agreements and securities borrowed	(4,390)	(4,571)
Loans, net of securitization	(9,944)	(4,652)
Commodities	687	104
Deposits	22,698	21,101
Obligations related to securities sold short	(1,411)	429
Obligations related to securities sold under repurchase agreements and securities loaned	17,974	2,791
Derivative financial instruments, net	1,198	1,083
Interest and dividends receivable and interest payable	(251)	342
Current tax assets and liabilities	77	23
Due to clients, dealers and brokers	696	214
Other items	854	282
	24,661	2,758
Cash flows from financing activities		
Redemption of preferred shares and other equity instruments for cancellation (Note 10)	(500)	(300)
Issuances of common shares (including the impact of shares purchased for trading)	117	8
Repurchases of common shares for cancellation (Note 10)	(1,241)	-
Issuance of subordinated debt	-	1,000
Issuance expenses for shares and other equity instruments	-	(11)
Repayments of lease liabilities	(51)	(46)
Dividends paid on shares and distributions on other equity instruments	(1,045)	(933)
	(2,720)	(282)
Cash flows from investing activities		
Net change in investments in associates and joint ventures	(1)	(2)
Business acquisitions	(2)	148
Purchase of assets (Note 17)	(647)	-
Purchases of non-trading securities	(19,496)	(16,734)
Maturities of non-trading securities	5,664	5,269
Sales of non-trading securities	8,857	9,333
Net change in premises and equipment, excluding right-of-use assets	(81)	(115)
Net change in intangible assets	(128)	(111)
	(5,834)	(2,212)
Impact of currency rate movements on cash and cash equivalents	(592)	(391)
Increase (decrease) in cash and cash equivalents	15,515	(127)
Cash and cash equivalents at beginning	27,916	31,549
Cash and cash equivalents at end ⁽¹⁾	43,431	31,422
Supplementary information about cash flows from operating activities		
Interest paid	8,339	7,827
Interest and dividends received	10,792	10,346
Income taxes paid	897	539

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 \$14.7 billion as at April 30, 2026 (\$14.6 billion as at October 31, 2025) for which there are restrictions and of which \$7.5 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 May 26, 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 and six-month period ended April 30, 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 leading to higher oil and gas prices, together with inflationary pressures and an evolving interest rate environment, continue to generate a high level of 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 April 30, 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	–	–	–	–	43,431	43,431	43,431 43,431
Securities	154,413	358	23,526	286	21,044	21,031	199,627 199,614
Securities purchased under reverse repurchase agreements and securities borrowed	–	–	–	–	31,481	31,481	31,481 31,481
Loans, net of allowances	15,275	–	–	–	296,712	300,366	311,987 315,641
Other							
Derivative financial instruments	13,282	–	–	–	–	–	13,282 13,282
Other assets	67	–	–	–	4,063	4,063	4,130 4,130
Financial liabilities							
Deposits⁽¹⁾	–	35,475			415,236	416,309	450,711 451,784
Other							
Obligations related to securities sold short	11,846	–			–	–	11,846 11,846
Obligations related to securities sold under repurchase agreements and securities loaned	–	–			59,330	59,330	59,330 59,330
Derivative financial instruments	17,949	–			–	–	17,949 17,949
Liabilities related to transferred receivables	–	12,258			17,559	17,374	29,817 29,632
Other liabilities	–	4			5,539	5,539	5,543 5,543
Subordinated debt	–	–			3,429	3,468	3,429 3,468

(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 April 30, 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 April 30, 2026, \$48 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 (\$5 million in securities classified as at fair value through profit or loss and \$2 million in obligations related to securities sold short during the quarter ended April 30, 2025). Also, during the quarter ended April 30, 2026, \$31 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 (\$4 million in securities classified as at fair value through profit or loss during the quarter ended April 30, 2025). During the six-month periods ended April 30, 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 April 30, 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	6,906	11,887	–	18,793
Canadian provincial and municipal governments	–	9,730	–	9,730
U.S. Treasury, other U.S. agencies and other foreign governments	2,061	4,330	–	6,391
Other debt securities	–	5,007	28	5,035
Equity securities	111,212	2,706	904	114,822
	120,179	33,660	932	154,771
At fair value through other comprehensive income				
Securities issued or guaranteed by				
Canadian government	2,690	5,892	–	8,582
Canadian provincial and municipal governments	–	4,569	–	4,569
U.S. Treasury, other U.S. agencies and other foreign governments	8,149	923	–	9,072
Other debt securities	–	1,303	–	1,303
Equity securities	–	215	71	286
	10,839	12,902	71	23,812
Loans	–	15,039	236	15,275
Other				
Derivative financial instruments	443	12,719	120	13,282
Other assets – Other items	–	–	67	67
	131,461	74,320	1,426	207,207
Financial liabilities				
Deposits⁽¹⁾	–	44,639	–	44,639
Other				
Obligations related to securities sold short	5,119	6,727	–	11,846
Derivative financial instruments	968	16,916	65	17,949
Liabilities related to transferred receivables	–	12,258	–	12,258
Other liabilities - Accounts payable and accrued expenses	–	4	–	4
	6,087	80,544	65	86,696

(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 and six-month period ended April 30, 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 six-month period ended April 30, 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.

Six months ended April 30, 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⁾	22	–	4	13
Total realized and unrealized gains (losses) included in <i>Other comprehensive income</i>	–	–	–	–
Purchases	69	–	2	–
Sales	(15)	–	(16)	–
Issuances	–	–	26	–
Settlements and other	–	–	(21)	(7)
Financial instruments transferred into Level 3	–	–	–	20
Financial instruments transferred out of Level 3	–	–	–	11
Fair value as at April 30, 2026	932	71	303	55
Change in unrealized gains and losses included in <i>Net income</i> with respect to financial assets and financial liabilities held as at April 30, 2026 ⁽³⁾	12	–	5	13
Six months ended April 30, 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	–	5	(17)
Total realized and unrealized gains (losses) included in <i>Other comprehensive income</i>	–	(18)	–	–
Purchases	399	15	–	–
Sales	(124)	(128)	(4)	–
Issuances	–	–	62	–
Settlements and other	–	–	(39)	(14)
Financial instruments transferred into Level 3	–	–	–	1
Financial instruments transferred out of Level 3	–	–	–	2
Fair value as at April 30, 2025	964	176	312	43
Change in unrealized gains and losses included in <i>Net income</i> with respect to financial assets and financial liabilities held as at April 30, 2025 ⁽⁵⁾	6	–	(1)	(17)

(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 \$39 million.

(3) Total unrealized gains (losses) included in *Non-interest income* was an unrealized gain of \$30 million.

(4) Total gains (losses) included in *Non-interest income* was a gain of \$9 million.

(5) Total unrealized gains (losses) included in *Non-interest income* was an unrealized loss of \$12 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 April 30, 2026	Unrealized gains (losses) for the quarter ended April 30, 2026	Unrealized gains (losses) for the six months ended April 30, 2026	Unrealized gains (losses) since the initial recognition of the instrument
Financial assets designated at fair value through profit or loss				
Securities	358	(3)	(5)	5
Financial liabilities designated at fair value through profit or loss				
Deposits ⁽¹⁾⁽²⁾	35,475	(244)	(560)	486
Liabilities related to transferred receivables	12,258	77	145	65
Other liabilities	4	–	–	–
	47,737	(167)	(415)	551

	Carrying value as at April 30, 2025	Unrealized gains (losses) for the quarter ended April 30, 2025	Unrealized gains (losses) for the six months ended April 30, 2025	Unrealized gains (losses) since the initial recognition of the instrument
Financial assets designated at fair value through profit or loss				
Securities	362	1	4	12
Financial liabilities designated at fair value through profit or loss				
Deposits ⁽¹⁾⁽²⁾	29,249	146	131	1,929
Liabilities related to transferred receivables	12,105	(66)	(160)	(38)
	41,354	80	(29)	1,891

(1) For the quarter ended April 30, 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 gain of \$115 million (\$151 million gain for the quarter ended April 30, 2025). For the six-month period ended April 30, 2026, this change resulted in a gain of \$28 million (\$176 million gain for the six-month period ended April 30, 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 April 30, 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 April 30, 2026			
	Amortized cost	Gross unrealized gains	Gross unrealized losses	Carrying value ⁽²⁾
Securities issued or guaranteed by				
Canadian government	8,540	70	(28)	8,582
Canadian provincial and municipal governments	4,600	32	(63)	4,569
U.S. Treasury, other U.S. agencies and other foreign governments	9,035	61	(24)	9,072
Other debt securities	1,326	3	(26)	1,303
Equity securities	233	53	–	286
	23,734	219	(141)	23,812

	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 \$4 million as at April 30, 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 six-month period ended April 30, 2026, a dividend income amount of \$6 million was recognized for these investments (\$18 million for the six-month period ended April 30, 2025), including a negligible amount for investments that were sold during the six-month period ended April 30, 2026 (\$1 million for investments that were sold during the six-month period ended April 30, 2025).

	Six months ended April 30, 2026			Six months ended April 30, 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	–	13	13	(18)	5	(13)
Designated at fair value through other comprehensive income	–	7	7	15	66	81
Sales ⁽¹⁾	–	(25)	(25)	(128)	(194)	(322)
Fair value at end	71	215	286	176	236	412

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

Note 5 – Securities (cont.)

Securities at Amortized Cost

	As at April 30, 2026	As at October 31, 2025
Securities issued or guaranteed by		
Canadian government	13,694	10,505
Canadian provincial and municipal governments	4,897	4,075
U.S. Treasury, other U.S. agencies and other foreign governments	565	339
Other debt securities	1,915	1,699
Gross carrying value	21,071	16,618
Allowances for credit losses	27	13
Carrying value	21,044	16,605

Gains (Losses) on Disposals of Securities at Amortized Cost

During the six-month periods ended April 30, 2026 and 2025, the Bank disposed of certain debt securities measured at amortized cost. The carrying value of these securities upon disposal was \$371 million for the six-month period ended April 30, 2026 (\$195 million for the six-month period ended April 30, 2025), and the Bank recognized gains of \$1 million for the six-month period ended April 30, 2026 (\$5 million for the six-month period ended April 30, 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 April 30, 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*.

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

	As at April 30, 2026				
	Non-impaired loans		Impaired loans	Loans at fair value through profit or loss ⁽¹⁾	Total
	Stage 1	Stage 2			
Residential mortgage					
Excellent	40,226	5	–	–	40,231
Good	19,070	76	–	–	19,146
Satisfactory	16,156	3,868	–	–	20,024
Special mention	450	774	–	–	1,224
Substandard	93	271	–	–	364
Default	–	–	377	–	377
IRB Approach	75,995	4,994	377	–	81,366
Standardized Approach	21,661	595	1,015	13,030	36,301
Gross carrying amount	97,656	5,589	1,392	13,030	117,667
Allowances for credit losses ⁽²⁾	95	67	123	–	285
Carrying amount	97,561	5,522	1,269	13,030	117,382
Personal					
Excellent	23,644	10	–	–	23,654
Good	9,296	523	–	–	9,819
Satisfactory	8,537	1,491	–	–	10,028
Special mention	2,319	919	–	–	3,238
Substandard	51	317	–	–	368
Default	–	–	283	–	283
IRB Approach	43,847	3,260	283	–	47,390
Standardized Approach	3,763	110	251	–	4,124
Gross carrying amount	47,610	3,370	534	–	51,514
Allowances for credit losses ⁽²⁾	124	147	215	–	486
Carrying amount	47,486	3,223	319	–	51,028
Credit card					
Excellent	382	–	–	–	382
Good	501	–	–	–	501
Satisfactory	946	30	–	–	976
Special mention	573	283	–	–	856
Substandard	43	166	–	–	209
Default	–	–	–	–	–
IRB Approach	2,445	479	–	–	2,924
Standardized Approach	169	6	–	–	175
Gross carrying amount	2,614	485	–	–	3,099
Allowances for credit losses ⁽²⁾	44	125	–	–	169
Carrying amount	2,570	360	–	–	2,930
Business and government					
Excellent	7,635	–	–	776	8,411
Good	29,598	2	–	20	29,620
Satisfactory	42,187	14,078	–	139	56,404
Special mention	239	2,054	–	–	2,293
Substandard	–	681	–	–	681
Default	–	–	720	–	720
IRB Approach	79,659	16,815	720	935	98,129
Standardized Approach	37,065	4,208	1,258	1,310	43,841
Gross carrying amount	116,724	21,023	1,978	2,245	141,970
Allowances for credit losses ⁽²⁾	399	327	597	–	1,323
Carrying amount	116,325	20,696	1,381	2,245	140,647
Total loans					
Gross carrying amount	264,604	30,467	3,904	15,275	314,250
Allowances for credit losses ⁽²⁾	662	666	935	–	2,263
Carrying amount	263,942	29,801	2,969	15,275	311,987

(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.

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.

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

The following table presents the credit risk exposures of off-balance-sheet commitments as at April 30, 2026 and as at October 31, 2025 according to credit quality and ECL impairment stage.

	As at April 30, 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	16,960	12	–	16,972	16,332	13	–	16,345
Good	5,406	222	–	5,628	5,083	321	–	5,404
Satisfactory	1,914	215	–	2,129	1,771	236	–	2,007
Special mention	468	141	–	609	468	133	–	601
Substandard	18	49	–	67	20	44	–	64
Default	–	–	1	1	–	–	2	2
Non-retail								
Excellent	17,750	–	–	17,750	13,887	–	–	13,887
Good	26,387	1	–	26,388	25,144	8	–	25,152
Satisfactory	17,840	7,226	–	25,066	17,682	6,376	–	24,058
Special mention	26	405	–	431	29	193	–	222
Substandard	4	78	–	82	8	125	–	133
Default	–	–	19	19	–	–	25	25
IRB Approach	86,773	8,349	20	95,142	80,424	7,449	27	87,900
Standardized Approach	26,149	189	9	26,347	28,306	406	83	28,795
Total exposure	112,922	8,538	29	121,489	108,730	7,855	110	116,695
Allowances for credit losses	195	101	2	298	178	84	6	268
Total exposure, net of allowances	112,727	8,437	27	121,191	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 April 30, 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	230	124	31	93	366	126	34	194
61 to 90 days	176	56	17	113	101	52	18	68
Over 90 days ⁽²⁾	–	–	40	–	–	–	41	–
	406	180	88	206	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 April 30, 2026			As at October 31, 2025		
	Gross	Allowances for credit losses	Net	Gross	Allowances for credit losses	Net
Residential mortgage	1,392	123	1,269	1,180	102	1,078
Personal	534	215	319	536	180	356
Credit card ⁽¹⁾	–	–	–	–	–	–
Business and government	1,978	597	1,381	1,996	526	1,470
	3,904	935	2,969	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.

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 April 30, 2026					Allowances for credit losses as at April 30, 2026
	Allowances for credit losses as at January 31, 2026	Provisions for credit losses	Write-offs ⁽¹⁾	Disposals	Recoveries and other	
Balance sheet						
Cash and deposits with financial institutions⁽²⁾⁽³⁾	12	1	–	–	–	13
Securities⁽³⁾						
At fair value through other comprehensive income ⁽⁴⁾	3	1	–	–	–	4
At amortized cost ⁽²⁾	21	6	–	–	–	27
Securities purchased under reverse repurchase agreements and securities borrowed⁽²⁾⁽³⁾	–	–	–	–	–	–
Loans⁽⁵⁾						
Residential mortgage	284	7	(8)	–	2	285
Personal	464	69	(50)	–	3	486
Credit card	160	43	(41)	–	7	169
Business and government	1,301	105	(104)	–	21	1,323
	2,209	224	(203)	–	33	2,263
Other assets⁽²⁾⁽³⁾	–	–	–	–	–	–
Off-balance-sheet commitments⁽⁶⁾						
Letters of guarantee and documentary letters of credit	32	1	–	–	–	33
Undrawn commitments	257	(1)	–	–	–	256
Backstop liquidity and credit enhancement facilities	8	1	–	–	–	9
	297	1	–	–	–	298
	2,542	233	(203)	–	33	2,605

	Quarter ended April 30, 2025					Allowances for credit losses as at April 30, 2025
	Allowances for credit losses as at January 31, 2025	Provisions for credit losses	Write-offs ⁽¹⁾	Disposals	Recoveries and other	
Balance sheet						
Cash and deposits with financial institutions⁽²⁾⁽³⁾	11	(2)	–	–	–	9
Securities⁽³⁾						
At fair value through other comprehensive income ⁽⁴⁾	4	(1)	–	–	–	3
At amortized cost ⁽²⁾	6	–	–	–	–	6
Securities purchased under reverse repurchase agreements and securities borrowed⁽²⁾⁽³⁾	–	–	–	–	–	–
Loans⁽⁵⁾						
Residential mortgage	215	46	(8)	–	(4)	249
Personal	395	57	(42)	–	(2)	408
Credit card	157	34	(32)	–	6	165
Business and government	716	385	(16)	–	31	1,116
	1,483	522	(98)	–	31	1,938
Other assets⁽²⁾⁽³⁾	–	–	–	–	–	–
Off-balance-sheet commitments⁽⁶⁾						
Letters of guarantee and documentary letters of credit	22	1	–	–	–	23
Undrawn commitments	200	24	–	–	–	224
Backstop liquidity and credit enhancement facilities	5	1	–	–	–	6
	227	26	–	–	–	253
	1,731	545	(98)	–	31	2,209

- (1) The contractual amount outstanding on financial assets that were written off during the quarter ended April 30, 2026 and that are still subject to enforcement activity was \$75 million (\$63 million for the quarter ended April 30, 2025).
- (2) These financial assets are presented net of the allowances for credit losses on the Consolidated Balance Sheet.
- (3) As at April 30, 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.

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

	Six months ended April 30, 2026					Allowances for credit losses as at April 30, 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	2	–	–	–	13
Securities⁽³⁾						
At fair value through other comprehensive income ⁽⁴⁾	3	1	–	–	–	4
At amortized cost ⁽²⁾	13	14	–	–	–	27
Securities purchased under reverse repurchase agreements and securities borrowed⁽²⁾⁽³⁾	–	–	–	–	–	–
Loans⁽⁵⁾						
Residential mortgage	259	42	(15)	–	(1)	285
Personal	440	136	(93)	–	3	486
Credit card	157	77	(77)	–	12	169
Business and government	1,275	175	(161)	–	34	1,323
	2,131	430	(346)	–	48	2,263
Other assets⁽²⁾⁽³⁾	–	–	–	–	–	–
Off-balance-sheet commitments⁽⁶⁾						
Letters of guarantee and documentary letters of credit	25	8	–	–	–	33
Undrawn commitments	236	20	–	–	–	256
Backstop liquidity and credit enhancement facilities	7	2	–	–	–	9
	268	30	–	–	–	298
	2,426	477	(346)	–	48	2,605

	Six months ended April 30, 2025					Allowances for credit losses as at April 30, 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	–	–	–	–	9
Securities⁽³⁾						
At fair value through other comprehensive income ⁽⁴⁾	3	–	–	–	–	3
At amortized cost ⁽²⁾	6	–	–	–	–	6
Securities purchased under reverse repurchase agreements and securities borrowed⁽²⁾⁽³⁾	–	–	–	–	–	–
Loans⁽⁵⁾						
Residential mortgage	197	60	(9)	–	1	249
Personal	360	123	(80)	–	5	408
Credit card	156	62	(63)	–	10	165
Business and government	628	515	(61)	–	34	1,116
	1,341	760	(213)	–	50	1,938
Other assets⁽²⁾⁽³⁾	–	–	–	–	–	–
Off-balance-sheet commitments⁽⁶⁾						
Letters of guarantee and documentary letters of credit	21	2	–	–	–	23
Undrawn commitments	188	36	–	–	–	224
Backstop liquidity and credit enhancement facilities	5	1	–	–	–	6
	214	39	–	–	–	253
	1,573	799	(213)	–	50	2,209

(1) The contractual amount outstanding on financial assets that were written off during the six-month period ended April 30, 2026 and that are still subject to enforcement activity was \$143 million (\$114 million for the six-month period ended April 30, 2025).

(2) These financial assets are presented net of the allowances for credit losses on the Consolidated Balance Sheet.

(3) As at April 30, 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 April 30, 2026				Quarter ended April 30, 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	104	61	119	284	63	86	66	215
Originations or purchases	5	–	–	5	15	–	–	15
Transfers ⁽²⁾ :								
to Stage 1	10	(9)	(1)	–	11	(10)	(1)	–
to Stage 2	(2)	10	(8)	–	(2)	8	(6)	–
to Stage 3	–	(4)	4	–	–	(4)	4	–
Net remeasurement of loss allowances ⁽³⁾	(21)	10	19	8	(4)	11	28	35
Derecognitions ⁽⁴⁾	(1)	(1)	(4)	(6)	(1)	(1)	(2)	(4)
Changes to models	–	–	–	–	–	–	–	–
Provisions for credit losses	(9)	6	10	7	19	4	23	46
Write-offs	–	–	(8)	(8)	–	–	(8)	(8)
Disposals	–	–	–	–	–	–	–	–
Recoveries	–	–	2	2	–	–	2	2
Foreign exchange movements and other	–	–	–	–	(1)	(2)	(3)	(6)
Balance at end	95	67	123	285	81	88	80	249
Includes:								
Amounts drawn	95	67	123	285	81	88	80	249
Undrawn commitments ⁽⁵⁾	–	–	–	–	–	–	–	–
Personal								
Balance at beginning	131	145	198	474	111	140	153	404
Originations or purchases	11	–	–	11	10	–	–	10
Transfers ⁽²⁾ :								
to Stage 1	24	(21)	(3)	–	26	(22)	(4)	–
to Stage 2	(10)	12	(2)	–	(10)	12	(2)	–
to Stage 3	(1)	(26)	27	–	–	(24)	24	–
Net remeasurement of loss allowances ⁽³⁾	(23)	44	44	65	(20)	38	40	58
Derecognitions ⁽⁴⁾	(2)	(3)	(2)	(7)	(2)	(3)	(2)	(7)
Changes to models	–	–	–	–	–	–	–	–
Provisions for credit losses	(1)	6	64	69	4	1	56	61
Write-offs	–	–	(50)	(50)	–	–	(42)	(42)
Disposals	–	–	–	–	–	–	–	–
Recoveries	–	–	4	4	–	–	5	5
Foreign exchange movements and other	–	–	(1)	(1)	(3)	(1)	(3)	(7)
Balance at end	130	151	215	496	112	140	169	421
Includes:								
Amounts drawn	124	147	215	486	104	135	169	408
Undrawn commitments ⁽⁵⁾	6	4	–	10	8	5	–	13

- (1) The total amount of undiscounted initially expected credit losses on the POCI loans acquired during the quarter ended April 30, 2026 was \$35 million (\$379 million during the quarter ended April 30, 2025). The expected credit losses reflected in the purchase price have been discounted.
- (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 April 30, 2026				Quarter ended April 30, 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	82	159	–	241	78	143	–	221
Originations or purchases	6	–	–	6	5	–	–	5
Transfers ⁽²⁾ :								
to Stage 1	36	(36)	–	–	35	(35)	–	–
to Stage 2	(6)	6	–	–	(7)	7	–	–
to Stage 3	–	(23)	23	–	–	(15)	15	–
Net remeasurement of loss allowances ⁽³⁾	(31)	64	11	44	(39)	62	11	34
Derecognitions ⁽⁴⁾	(1)	(1)	–	(2)	(1)	–	–	(1)
Changes to models	–	–	–	–	–	–	–	–
Provisions for credit losses	4	10	34	48	(7)	19	26	38
Write-offs	–	–	(41)	(41)	–	–	(32)	(32)
Disposals	–	–	–	–	–	–	–	–
Recoveries	–	–	7	7	–	–	6	6
Foreign exchange movements and other	–	–	–	–	–	–	–	–
Balance at end	86	169	–	255	71	162	–	233
Includes:								
Amounts drawn	44	125	–	169	38	127	–	165
Undrawn commitments ⁽⁵⁾	42	44	–	86	33	35	–	68
Business and government								
Balance at beginning	507	365	595	1,467	318	238	287	843
Originations or purchases	52	–	–	52	246	–	–	246
Transfers ⁽²⁾ :								
to Stage 1	17	(16)	(1)	–	13	(12)	(1)	–
to Stage 2	(23)	27	(4)	–	(116)	119	(3)	–
to Stage 3	(3)	(4)	7	–	(2)	(6)	8	–
Net remeasurement of loss allowances ⁽³⁾	(22)	9	84	71	(2)	71	123	192
Derecognitions ⁽⁴⁾	(12)	(12)	–	(24)	(18)	(17)	(2)	(37)
Changes to models	–	–	–	–	–	–	–	–
Provisions for credit losses	9	4	86	99	121	155	125	401
Write-offs	–	–	(104)	(104)	–	–	(16)	(16)
Disposals	–	–	–	–	–	–	–	–
Recoveries	–	–	26	26	–	–	41	41
Foreign exchange movements and other	–	–	(5)	(5)	(3)	–	(7)	(10)
Balance at end	516	369	598	1,483	436	393	430	1,259
Includes:								
Amounts drawn	399	327	597	1,323	335	353	428	1,116
Undrawn commitments ⁽⁵⁾	117	42	1	160	101	40	2	143
Total allowances for credit losses at end⁽⁶⁾	827	756	936	2,519	700	783	679	2,162
Includes:								
Amounts drawn	662	666	935	2,263	558	703	677	1,938
Undrawn commitments ⁽⁵⁾	165	90	1	256	142	80	2	224

- (1) The total amount of undiscounted initially expected credit losses on the POCI loans acquired during the quarter ended April 30, 2026 was \$35 million (\$379 million during the quarter ended April 30, 2025). The expected credit losses reflected in the purchase price have been discounted.
- (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.

	Six months ended April 30, 2026				Six months ended April 30, 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	14	–	–	14	19	–	–	19
Transfers ⁽²⁾ :								
to Stage 1	21	(20)	(1)	–	24	(22)	(2)	–
to Stage 2	(4)	18	(14)	–	(4)	14	(10)	–
to Stage 3	–	(8)	8	–	–	(9)	9	–
Net remeasurement of loss allowances ⁽³⁾	(21)	11	48	38	(19)	22	46	49
Derecognitions ⁽⁴⁾	(2)	(2)	(6)	(10)	(2)	(2)	(4)	(8)
Changes to models	–	–	–	–	–	–	–	–
Provisions for credit losses	8	(1)	35	42	18	3	39	60
Write-offs	–	–	(15)	(15)	–	–	(9)	(9)
Disposals	–	–	–	–	–	–	–	–
Recoveries	–	–	4	4	–	–	3	3
Foreign exchange movements and other	(1)	(1)	(3)	(5)	1	–	(3)	(2)
Balance at end	95	67	123	285	81	88	80	249
Includes:								
Amounts drawn	95	67	123	285	81	88	80	249
Undrawn commitments ⁽⁵⁾	–	–	–	–	–	–	–	–
Personal								
Balance at beginning	125	146	180	451	107	127	135	369
Originations or purchases	26	–	–	26	20	–	–	20
Transfers ⁽²⁾ :								
to Stage 1	53	(48)	(5)	–	52	(46)	(6)	–
to Stage 2	(20)	23	(3)	–	(21)	24	(3)	–
to Stage 3	(1)	(49)	50	–	–	(44)	44	–
Net remeasurement of loss allowances ⁽³⁾	(46)	87	84	125	(41)	85	77	121
Derecognitions ⁽⁴⁾	(5)	(7)	(4)	(16)	(4)	(6)	(4)	(14)
Changes to models	–	–	–	–	–	–	–	–
Provisions for credit losses	7	6	122	135	6	13	108	127
Write-offs	–	–	(93)	(93)	–	–	(80)	(80)
Disposals	–	–	–	–	–	–	–	–
Recoveries	–	–	8	8	–	–	9	9
Foreign exchange movements and other	(2)	(1)	(2)	(5)	(1)	–	(3)	(4)
Balance at end	130	151	215	496	112	140	169	421
Includes:								
Amounts drawn	124	147	215	486	104	135	169	408
Undrawn commitments ⁽⁵⁾	6	4	–	10	8	5	–	13

- (1) The total amount of undiscounted initially expected credit losses on the POCI loans acquired during the six-month period ended April 30, 2026 was \$35 million (\$379 million during the six-month period ended April 30, 2025). The expected credit losses reflected in the purchase price have been discounted.
- (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.)

	Six months ended April 30, 2026				Six months ended April 30, 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	12	–	–	12	8	–	–	8
Transfers ⁽²⁾ :								
to Stage 1	75	(75)	–	–	62	(62)	–	–
to Stage 2	(13)	13	–	–	(13)	13	–	–
to Stage 3	–	(44)	44	–	–	(28)	28	–
Net remeasurement of loss allowances ⁽³⁾	(67)	123	21	77	(54)	98	25	69
Derecognitions ⁽⁴⁾	(2)	(2)	–	(4)	(2)	–	–	(2)
Changes to models	–	–	–	–	–	–	–	–
Provisions for credit losses	5	15	65	85	1	21	53	75
Write-offs	–	–	(77)	(77)	–	–	(63)	(63)
Disposals	–	–	–	–	–	–	–	–
Recoveries	–	–	12	12	–	–	10	10
Foreign exchange movements and other	–	–	–	–	–	–	–	–
Balance at end	86	169	–	255	71	162	–	233
Includes:								
Amounts drawn	44	125	–	169	38	127	–	165
Undrawn commitments ⁽⁵⁾	42	44	–	86	33	35	–	68
Business and government								
Balance at beginning	473	417	532	1,422	308	215	229	752
Originations or purchases	98	–	–	98	283	–	–	283
Transfers ⁽²⁾ :								
to Stage 1	37	(30)	(7)	–	27	(26)	(1)	–
to Stage 2	(48)	60	(12)	–	(128)	134	(6)	–
to Stage 3	(4)	(5)	9	–	(2)	(11)	13	–
Net remeasurement of loss allowances ⁽³⁾	(11)	(43)	205	151	(24)	110	224	310
Derecognitions ⁽⁴⁾	(28)	(29)	(4)	(61)	(27)	(29)	(3)	(59)
Changes to models	–	–	–	–	–	–	–	–
Provisions for credit losses	44	(47)	191	188	129	178	227	534
Write-offs	–	–	(161)	(161)	–	–	(61)	(61)
Disposals	–	–	–	–	–	–	–	–
Recoveries	–	–	45	45	–	–	43	43
Foreign exchange movements and other	(1)	(1)	(9)	(11)	(1)	–	(8)	(9)
Balance at end	516	369	598	1,483	436	393	430	1,259
Includes:								
Amounts drawn	399	327	597	1,323	335	353	428	1,116
Undrawn commitments ⁽⁵⁾	117	42	1	160	101	40	2	143
Total allowances for credit losses at end⁽⁶⁾	827	756	936	2,519	700	783	679	2,162
Includes:								
Amounts drawn	662	666	935	2,263	558	703	677	1,938
Undrawn commitments ⁽⁵⁾	165	90	1	256	142	80	2	224

- (1) The total amount of undiscounted initially expected credit losses on the POCI loans acquired during the six-month period ended April 30, 2026 was \$35 million (\$379 million during the six-month period ended April 30, 2025). The expected credit losses reflected in the purchase price have been discounted.
- (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 April 30, 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⁾	1.4 %	1.7 %	2.0 %	1.9 %	(6.2) %	2.7 %
Unemployment rate	6.6 %	6.2 %	6.2 %	5.6 %	8.8 %	8.1 %
Housing price index growth ⁽²⁾	1.1 %	2.5 %	9.7 %	2.4 %	(13.9) %	0.3 %
BBB spread ⁽³⁾	1.4 %	1.5 %	1.3 %	1.3 %	3.3 %	2.4 %
S&P/TSX growth ⁽²⁾⁽⁴⁾	(1.1) %	3.7 %	6.6 %	3.2 %	(30.5) %	7.5 %
WTI oil price ⁽⁵⁾ (US\$ per barrel)	82	69	77	75	54	52

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.)

In general, during the second quarter, macroeconomic factors evolved favourable for financial variables and were unfavourable for the economy. Overall, the environment remains challenging and uncertainty is still high.

Despite the uncertainties weighing on trade relations with the United States, the Canadian economy has generally shown resilience in terms of economic growth. However, the labour and property markets are showing signs of weakness at the start of the year. The outlook remains fragile. The oil shock benefits Canadian oil producers, but this should not translate into a significant rally in investment in the short term, as the surge in prices is perceived as temporary. Meanwhile, consumers are being held back by higher energy bills. Our base scenario assumes that disruptions to the oil supply are temporary, but that limited production places upward pressure on oil prices in the short and medium term. Since inflationary pressures were under control before the oil shock, the Bank of Canada has the luxury of remaining on the sidelines, despite temporarily higher inflation. The unemployment rate improved in the second half of 2026 due to an easing of trade tensions with the United States.

In the base scenario, Canada's unemployment rate stands at 6.5% after 12 months, a decrease of 0.1 percentage point. Alongside this improvement in the labour market, real estate prices are slightly higher. In fact, housing prices rise by 1.1% year over year. The S&P/TSX sits at 32,500 points after one year, and the price of oil is at US\$73.

In the upside scenario, trade tensions fade and geopolitical conflicts are resolved, lifting confidence. Inflation resumes a more moderate path due to productivity gains. This allows central bankers to abandon restrictive policies. 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 (0.5 percentage point lower). Housing prices rise 9.7%, the S&P/TSX sits at 35,029 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 in a context of global uncertainty. The central bank cuts interest rates sharply, but falling demand and confidence 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. After 12 months, economic contraction pushes unemployment to 9.6%. Housing prices fall sharply (-13.9%). The S&P/TSX sits at 22,837 points after one year and the price of oil is at US\$37.

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 April 30, 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 April 30, 2026	1,583
Simulations	
100% upside scenario	1,012
100% base scenario	1,173
100% downside scenario	2,128

Note 7 – Other Assets

	As at April 30, 2026	As at October 31, 2025
Receivables, prepaid expenses and other items	2,021	1,768
Interest and dividends receivable	1,987	1,844
Due from clients, dealers and brokers	1,314	1,168
Defined benefit asset	450	441
Deferred tax assets	1,246	1,131
Current tax assets	789	819
Reinsurance contract assets	21	20
Insurance contract assets	36	40
Investments in associates and joint ventures	49	46
Commodities ⁽¹⁾	3,053	3,739
	10,966	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 April 30, 2026			As at October 31, 2025
	On demand ⁽¹⁾	After notice ⁽²⁾	Fixed term ⁽³⁾	Total
Personal	6,309	62,153	59,374	127,836
Business and government	80,999	35,757	200,588	317,344
Deposit-taking institutions	1,709	477	3,345	5,531
	89,017	98,387	263,307	450,711
				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 \$11.5 billion as at April 30, 2026 (\$10.0 billion as at October 31, 2025). During the six-month period ended April 30, 2026, the Bank issued an amount of 1.0 billion euros in covered bonds (US\$255 million and \$1.0 billion euros in covered bonds matured during the six-month period ended April 30, 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 April 30, 2026, the *Deposits – Business and government* item also includes deposits of \$29.8 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 April 30, 2026	As at October 31, 2025
Accounts payable and accrued expenses	3,678	4,192
Subsidiaries' debts to third parties	365	313
Interest and dividends payable	2,367	2,475
Lease liabilities	677	644
Due to clients, dealers and brokers	1,761	1,065
Defined benefit liability	94	98
Allowances for credit losses – Off-balance-sheet commitments (Note 6)	298	268
Deferred tax liabilities	249	324
Current tax liabilities	232	185
Insurance contract liabilities	22	27
Other items ⁽¹⁾⁽²⁾⁽³⁾	1,325	950
	11,068	10,541

(1) As at April 30, 2026, *Other items* included provisions for litigation of \$27 million (\$13 million as at October 31, 2025).

(2) As at April 30, 2026, *Other items* included provisions for onerous contracts of \$8 million (\$10 million as at October 31, 2025).

(3) As at April 30, 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 April 30, 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	1,455,722	113	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	(6,965,400)	(176)	(1,385,400)	(35)
Impact of shares purchased or sold for trading ⁽²⁾	78,071	22	(74,337)	(7)
Common shares at end of period	385,633,934	9,824	391,065,541	9,865

(1) Limited Recourse Capital Notes (LRCN).

(2) As at April 30, 2026, a total of 192,105 shares were sold short for trading, representing an amount of \$41 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		2025	
	Dividends or interest \$	Dividends per share	Dividends or interest \$	Dividends per share
First Preferred Shares				
Series 30	11	0.7739	11	0.7739
Series 32	–	–	3	0.2399
Series 38	14	0.8784	14	0.8784
Series 40	9	0.7273	9	0.7273
Series 42	10	0.8820	10	0.8820
Series 47	4	0.7964	2	0.3982
Series 49	5	0.9564	2	0.4782
	53		51	
Other equity instruments				
LRCN – Series 1 ⁽¹⁾	1		10	
LRCN – Series 2 ⁽²⁾	10		10	
LRCN – Series 3 ⁽³⁾	19		19	
LRCN – Series 1 and 2 of CWB	–		3	
	30		42	
Preferred shares and other equity instruments	83		93	
Common shares	962	2.4800	837	2.2800
	1,045		930	

(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. On March 12, 2026, an amendment to this issuer bid took effect. This amendment increased the maximum number of the Bank's issued and outstanding common shares that may be repurchased for cancellation to 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. 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 six-month period ended April 30, 2026, the Bank repurchased 6,965,400 common shares for \$1,241 million, including tax, which reduced *Common shares* by \$176 million and *Retained earnings* by \$1,065 million. During the six-month period ended April 30, 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%.

Note 11 – Capital Disclosure (cont.)

During the quarter and six-month period ended April 30, 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⁾

	As at April 30, 2026	As at October 31, 2025
Capital		
CET1	26,325	25,962
Tier 1 ⁽³⁾	28,925	28,559
Total ⁽³⁾	33,006	32,657
Risk-weighted assets	194,491	188,756
Total exposure	678,630	633,494
Capital ratios		
CET1	13.5 %	13.8 %
Tier 1 ⁽³⁾	14.9 %	15.1 %
Total ⁽³⁾	17.0 %	17.3 %
Leverage ratio⁽³⁾	4.3 %	4.5 %
Available TLAC	61,308	55,993
TLAC ratio	31.5 %	29.7 %
TLAC leverage ratio	9.0 %	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 quarters ended April 30, 2026 and 2025, the Bank did not award any stock options. During the six-month period ended April 30, 2026, the Bank awarded 922,520 stock options (1,004,492 stock options during the six-month period ended April 30, 2025) with an average fair value of \$28.87 per option (\$23.26 in 2025).

As at April 30, 2026, there were 10,017,815 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.

	Six months ended April 30	
	2026	2025 ⁽¹⁾
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%

(1) Excluding replacement options issued in connection with the CWB acquisition.

During the quarter ended April 30, 2026, a \$6 million compensation expense was recorded for this plan (\$6 million for the quarter ended April 30, 2025). During the six-month period ended April 30, 2026, a \$12 million compensation expense was recorded for this plan (\$11 million for the six-month period ended April 30, 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 April 30				
	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	14	9		
Expense recognized in Net income	38	32	1	1
Remeasurements⁽¹⁾				
Actuarial (gains) losses on the defined benefit obligation	(111)	(218)	(1)	(3)
Return on plan assets ⁽²⁾	72	90		
Remeasurements recognized in Other comprehensive income	(39)	(128)	(1)	(3)
	(1)	(96)	-	(2)

Six months ended April 30				
	Pension plans		Other post-employment benefit plans	
	2026	2025	2026	2025
Current service cost	54	54		
Interest expense (income), net	(8)	(10)	2	2
Administrative costs	2	2		
Expense of the defined benefit component	48	46	2	2
Expense of the defined contribution component	30	16		
Expense recognized in Net income	78	62	2	2
Remeasurements⁽¹⁾				
Actuarial (gains) losses on the defined benefit obligation	(225)	(106)	(3)	(1)
Return on plan assets ⁽²⁾	245	(29)		
Remeasurements recognized in Other comprehensive income	20	(135)	(3)	(1)
	98	(73)	(1)	1

(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 – Income Taxes

Notice of Assessment

In March 2026, the Bank was reassessed by the Canada Revenue Agency (CRA) for additional income tax and interest of approximately \$120 million (including estimated provincial tax and interest) in respect of certain Canadian dividends received by the Bank during the 2021 taxation year.

In prior fiscal years, the Bank had been reassessed for additional income tax and interest of approximately \$1.2 billion (including provincial tax and interest) in respect of certain Canadian dividends received by the Bank during the 2012-2020 taxation years.

In the reassessments, the CRA alleges that the dividends were received as part of a “dividend rental arrangement”.

In October 2023, the Bank filed a notice of appeal with the Tax Court of Canada, and the matter is now in litigation. The CRA may issue reassessments to the Bank for taxation years subsequent to 2021 in regard to certain activities similar to those that were the subject of the above-mentioned reassessments. The Bank remains confident that its tax position was appropriate and intends to vigorously defend its position. As at result, no amount has been recognized in the Consolidated Financial Statements as at April 30, 2026.

Note 15 – 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 April 30		Six months ended April 30	
	2026	2025	2026	2025
Basic earnings per share				
Net income attributable to the Bank's shareholders and holders of other equity instruments	1,234	896	2,488	1,893
Dividends on preferred shares and distributions on other equity instruments, net of income taxes	37	43	74	82
Net income attributable to common shareholders	1,197	853	2,414	1,811
Weighted average basic number of common shares outstanding (thousands)	386,581	390,124	388,343	365,022
Basic earnings per share (dollars)	3.10	2.19	6.22	4.96
Diluted earnings per share				
Net income attributable to common shareholders	1,197	853	2,414	1,811
Weighted average basic number of common shares outstanding (thousands)	386,581	390,124	388,343	365,022
Adjustment to average number of common shares (thousands) Stock options ⁽¹⁾	4,879	3,754	4,677	4,045
Weighted average diluted number of common shares outstanding (thousands)	391,460	393,878	393,020	369,067
Diluted earnings per share (dollars)	3.06	2.17	6.14	4.91

(1) For the quarter and six-month period ended April 30, 2026, 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. For the quarter ended April 30, 2025, the calculation of diluted earnings per share excluded an average number of 999,490 options outstanding with a weighted average exercise price of \$132.75, given that the exercise price of these options was greater than the average price of the Bank's common shares. For the six-month period ended April 30, 2025, the calculation of diluted earnings per share excluded an average number of 791,144 options outstanding with a weighted average exercise price of \$132.75, given that the exercise price of these options was greater than the average price of the Bank's common shares.

Note 16 – 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 April 30												
	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	1,212	1,146	241	230	(483)	(505)	373	356	(34)	(22)	1,309	1,205
Non-interest income	276	270	664	561	1,557	1,606	37	34	64	(26)	2,598	2,445
Total revenues	1,488	1,416	905	791	1,074	1,101	410	390	30	(48)	3,907	3,650
Non-interest expenses ⁽¹⁾⁽²⁾	829	804	531	476	439	403	131	117	129	142	2,059	1,942
Income before provisions for credit losses and income taxes	659	612	374	315	635	698	279	273	(99)	(190)	1,848	1,708
Provisions for credit losses ⁽³⁾	169	426	1	(1)	16	64	44	59	3	(3)	233	545
Income before income taxes (recovery)	490	186	373	316	619	634	235	214	(102)	(187)	1,615	1,163
Income taxes (recovery)	135	54	99	84	131	133	49	45	(33)	(49)	381	267
Net income	355	132	274	232	488	501	186	169	(69)	(138)	1,234	896
Non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	–
Net income attributable to the Bank's shareholders and holders of other equity instruments	355	132	274	232	488	501	186	169	(69)	(138)	1,234	896
Average assets ⁽⁴⁾	224,690	208,658	13,348	10,754	269,129	224,314	35,393	33,101	89,435	74,605	631,995	551,432
Total assets	229,373	210,502	13,270	10,968	249,758	213,679	34,653	31,613	90,680	69,432	617,734	536,194

Six months ended April 30

	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 ⁽⁵⁾	2,452	2,090	481	457	(980)	(1,014)	770	726	(20)	(82)	2,703	2,177
Non-interest income ⁽⁶⁾	564	530	1,323	1,110	3,044	3,022	74	69	92	(75)	5,097	4,656
Total revenues	3,016	2,620	1,804	1,567	2,064	2,008	844	795	72	(157)	7,800	6,833
Non-interest expenses ⁽¹⁾⁽²⁾	1,629	1,445	1,062	917	851	770	251	240	277	216	4,070	3,588
Income before provisions for credit losses and income taxes	1,387	1,175	742	650	1,213	1,238	593	555	(205)	(373)	3,730	3,245
Provisions for credit losses ⁽³⁾	308	588	(1)	1	42	100	124	110	4	–	477	799
Income before income taxes (recovery)	1,079	587	743	649	1,171	1,138	469	445	(209)	(373)	3,253	2,446
Income taxes (recovery)	297	165	197	175	240	220	98	93	(67)	(100)	765	553
Net income	782	422	546	474	931	918	371	352	(142)	(273)	2,488	1,893
Non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	–
Net income attributable to the Bank's shareholders and holders of other equity instruments	782	422	546	474	931	918	371	352	(142)	(273)	2,488	1,893
Average assets ⁽⁴⁾	222,341	186,905	13,236	10,681	259,651	217,949	35,106	32,134	87,155	71,627	617,489	519,296
Total assets	229,373	210,502	13,270	10,968	249,758	213,679	34,653	31,613	90,680	69,432	617,734	536,194

- (1) During the quarter ended April 30, 2026, the Bank recorded integration and transaction-related charges of \$57 million (\$41 million net of income taxes) related to the CWB acquisition and charges of \$7 million (\$5 million net of income taxes) related to the Laurentian Bank of Canada (LBC) transactions. These charges were recorded in the *Other* heading. For the quarter ended April 30, 2025, integration and transaction-related charges of \$118 million (\$86 million net of income taxes) had been recorded related to the CWB acquisition in the Personal and Commercial (\$1 million) and Wealth Management (\$3 million) segments and in the *Other* heading (\$114 million). For the six-month period ended April 30, 2026, charges related to the CWB acquisition were \$122 million (\$88 million net of income taxes) (\$144 million, \$105 million net of income taxes during the six-month period ended April 30, 2025) and charges related to LBC transactions were \$9 million (\$7 million net of income taxes).
- (2) During the quarter ended April 30, 2026, the Bank recorded an expense of \$24 million (\$18 million net of income taxes), allocated between the Personal and Commercial (\$20 million), and the Wealth Management (\$4 million) segments to reflect the amortization of intangible assets related to the CWB acquisition. For the six-month period ended April 30, 2026, this expense amounted to \$48 million (\$35 million net of income taxes), allocated between the Personal and Commercial (\$41 million) and the Wealth Management (\$7 million) segments. For the quarter and six-month period ended April 30, 2025, the expense amounted to \$24 million (\$18 million net of income taxes), allocated between the Personal and Commercial (\$23 million) and the Wealth Management (\$1 million) segments.
- (3) During the quarter and six-month period ended April 30, 2026, the Bank recorded an amount of \$6 million (\$5 million net of income taxes) in the Personal and Commercial (\$4 million) and Capital Markets (\$2 million) segments to reflect the initial provisions for credit losses on non-impaired loans acquired from LBC. During the quarter and six-month period ended April 30, 2025, the Bank had recorded an amount of \$230 million (\$166 million net of income taxes) in the Personal and Commercial segment to reflect the initial provisions for credit losses on acquired non-impaired CWB loans.
- (4) 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.
- (5) During the six-month period ended April 30, 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.
- (6) During the six-month period ended April 30, 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 six-month period ended April 30, 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.

Note 17 – 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 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 had 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). On February 17, 2026, the closing of the Syndicated Loan Transaction occurred. The purchase price of \$647 million was allocated between the acquired assets and the assumed liabilities based on their relative fair values as at the acquisition date, comprising loans and deposits totaling \$657 million and \$10 million, respectively.

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

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800 Saint-Jacques Street, 32nd Floor
Montreal, Quebec H3C 1A3
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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 Second Quarter 2026 Results

Conference Call

- A conference call for analysts and institutional investors will be held on Wednesday, May 27, 2026 at 11:00 a.m. EDT.
- Access by telephone in listen-only mode: 1-800-715-9871 or 647-932-3411. The access code is 1221054#.
- A recording of the conference call can be heard until August 27, 2026 by dialing 1-800-770-2030 or 647-362-9199. The access code is 1221054#.

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).

