

CAPITAL RATIO CALCULATIONS

CAR I

Risk-based capital ratio:		
Risk-weighted assets		
On-balance sheet assets (CAR 3)		A
Off-balance sheet exposures (CAR 4)		B
Total risk-weighted assets	A+B	C
Net Tier 1 capital (CAR 2)		D
Total capital (CAR 2)		E
Risk-based Tier 1 Capital Ratio	$(D \div C) \times 100$	
Risk-based Total Capital Ratio	$(E \div C) \times 100$	
Assets to capital multiple:		
On-balance sheet assets-book value (CAR 3)		F
Off-balance sheet exposures (CAR 4)		
Direct credit substitutes		G
Transaction-related contingents		H
Short-term self-liquidating trade-related contingents		I
Sale and repurchase agreements		J
Total on- and off-balance sheet assets	F+G+H+I+J	K
Deduct:		
Intangible assets in excess of limit		L
Goodwill		M
Investments in unconsolidated subsidiaries / substantial investments		N
Other facilities treated as capital		O
Back-to-back inter-institutional placements of new capital issues		P
First loss protection		Q
Securities lending guarantees		R
Impact of master netting agreements		T
Other		U
Total deductions	L+M+N+O+P+Q+R+T+U	V
Net on- and off-balance sheet assets	K-V	W
Total capital (CAR 2)		E
Assets to capital multiple	W÷E	
Memo item		
Authorized assets to capital multiple		

CAPITAL ELEMENTS

CAR 2

Tier 1		
Common shares		
Contributed surplus		
Retained earnings		
Less: Accumulated net after tax fair value gains/(losses) arising from changes in institution's own credit risk		
Accumulated net after tax foreign currency translation adjustment reported in other comprehensive income (OCI)		
Accumulated net after tax unrealized holding loss on available-for-sale equity securities reported in OCI		
Future use: fair value option		
Non-cumulative perpetual preferred shares		
Innovative instruments included in Tier 1 capital		Y
Non-controlling Tier 1 interests in subsidiaries (excluding innovative Tier 1)		
Common equity		
Non-cumulative perpetual preferred shares		
Gross Tier 1 capital		
Deduct:		
Intangible assets in excess of limit		L
Goodwill		M
Trading in short position of own shares (gross)		
For future use		
Net Tier 1 capital		D
Tier 2A		
Preferred shares		
Subordinated debt (Qualifying 99-year debentures)		
Eligible general allowance		Z
Non-controlling interests in subsidiaries (hybrid capital instruments)		
Accumulated net after tax unrealized holding gain on available-for-sale equity securities reported in OCI		
Future use: fair value option		
Gross Tier 2A capital		AA
Tier 2B		
Preferred shares		
Subordinated debt		
Non-controlling interests in subsidiaries (subordinated term instruments)		
Gross Tier 2B capital		AB
Gross Tier 2 Capital	AA+AB	
Deduct: For future sue		
Net Tier 2 Capital		AC
Total Tier 1 and 2 Capital	D+AC	
Deduct:		
Investments in unconsolidated subsidiaries / substantial investments		N
Other facilities treated as capital		O
Back-to-back inter-institutional placements of new capital issues		P
First loss protection		Q
Other		AD
Total capital	(D+AC)-(N+O+P+Q+AD)	E

Note: Tier 2 instruments should be reported net of amortization; attach details of amortization calculation

Limitations		
Net Tier 2 Capital as a % of Net Tier 1 Capital	(AC+D)x100	
Gross Tier 2B Capital as a % of Net Tier 1 Capital	(AB+D)x100	
Innovative Instruments included in Tier 1 Capital as a % of Net Tier 1 Capital	(Y+D)x100	
Memo Items		
Financial instruments included in Tier 1 capital, accounted for as liabilities or not consolidated, but grandfathered under OSFI July 2003 and/or February 2004 Advisories, and reported above in:		
Non-cumulative perpetual preferred shares (datapoint 0322)		
Innovative instruments (datapoint 2289)		
Non-controlling interests – Non-cumulative perpetual preferred shares (0522)		

CAR 3

On-balance sheet assets	Risk-Weighting	Balance	Adjustment for Collateral	Adjustment for Guarantees	Net Assets	Net Risk-Weighted Assets
Gold coin and gold and silver bullion	100%					
	20%					
	0%					
Bank notes and other coin	0%					
Deposits with Bank of Canada	0%					
Deposits with regulated financial institutions, less allowance for impairment						
(a) OECD central banks	0%					
(b) Non-OECD central banks denominated and funded in local currency	0%					
(c) OECD banks and Canadian deposit-taking institutions	20%					
	0%					
(d) Non-OECD banks with residual maturity 1 year and less	20%					
	0%					
(e) Other	100%					
	20%					
	0%					
Cheques and other items in transit	20%					
	0%					
Securities issued or guaranteed by Canada	0%					
Securities issued or guaranteed by a Canadian province or territory	0%					
Securities issued or guaranteed by a Canadian municipal or school corporation	20%					
	0%					
Other securities, less allowance for impairment	100%					
	50%					
	20%					
	0%					
Non-mortgage loans, less allowance for impairment						
(a) call and other short loans to investment dealers and brokers, secured	100%					
	20%					

						CAR 3
On-balance sheet assets	Risk-Weighting	Balance	Adjustment for Collateral	Adjustment for Guarantees	Net Assets	Net Risk-Weighted Assets
	0%					
(b) to regulated financial institutions						
(i) OECD central banks	0%					
(ii) multilateral development banks	20%					
	0%					
(iii) OECD banks and Canadian deposit-taking institutions	20%					
	0%					
(iv) non-OECD incorporated banks with residual maturity 1 year and less	20%					
	0%					
(v) other	100%					
	20%					
	0%					
(c) to Canadian federal Government, Provinces, Municipal or school corporations	20%					
	0%					
(d) to Foreign governments	100%					
	50%					
	20%					
	0%					
(e) Lease receivables	100%					
	20%					
	0%					
(f) to Individuals for non-business purposes	100%					
	50%					
	20%					
	0%					
(g) to Individuals and others for business purposes and reverse repurchase agreements	100%					
	50%					
	20%					
	0%					

						CAR 3
On-balance sheet assets	Risk-Weighting	Balance	Adjustment for Collateral	Adjustment for Guarantees	Net Assets	Net Risk-Weighted Assets
Mortgages, less allowance for impairment						
(a) Residential						
(i) Insured						
(a) NHA	0%					
(b) Other	50%					
	0%					
(ii) Uninsured	100%					
	50%					
	0%					
(b) Non-residential	100%					
	20%					
	0%					
Customers' liability under acceptances, less allowance for impairment	100%					
	20%					
	0%					
Land, buildings and equipment, less accumulated depreciation	100%					
Insurance-related assets and other assets	100%					
	50%					
	20%					
	0%					
Total on-balance sheet assets						
Plus: Eligible general allowance included in Tier 2A capital	100%					
Total on-balance sheet assets, adjusted						

Z

A

OFF-BALANCE SHEET EXPOSURES

CAR 4

Instrument	Nominal Principal Amount (1)	Credit Conversion Factor (2)	Risk-Weight (3)	Risk Weighted Equivalent (1x2x3)
Direct credit substitutes		100%	0%	
		100%	20%	
	G	100%	100%	
Transaction-related contingents		50%	0%	
		50%	20%	
	H	50%	100%	
Short-term self-liquidating trade-related contingents		20%	0%	
		20%	20%	
	I	20%	100%	
Sale and repurchase agreements		100%	0%	
		100%	20%	
	J	100%	100%	
Forward asset purchases		100%	0%	
		100%	20%	
		100%	100%	
Forward forward deposits		100%	0%	
		100%	20%	
		100%	100%	
Other commitments with certain drawdown		100%	0%	
		100%	20%	
		100%	100%	
NIFs and RUFs		50%	0%	
		50%	20%	
		50%	100%	

CAR 4

Instrument	Nominal Principal Amount (1)	Credit Conversion Factor (2)	Risk-Weight (3)	Risk Weighted Equivalent (1x2x3)
Asset Securitization Commitments – Eligible liquidity facilities ¹				
- with general market disruption clause		0%	0%	
- without general market disruption clause		10%	100%	
Other commitments		0%	0%	
		30%	0%	
		50%	20%	
		50%	100%	
Derivative contracts (Appendix II)				
Interest rate contracts				
Foreign exchange and gold contracts				
Equity-linked contracts				
Precious metals (other than gold contracts)				
Other commodity contracts				
Total off-balance sheet exposures				B

¹ Effective on implementation of the 2004 revisions to Guideline B-5

CAR 4 - APPENDIX I

Derivative contracts – notional amounts	Contracts held for trading purposes	Total Contracts	Total contracts – Remaining term to maturity		
			One year or less	Over 1 year to 5 years	Over 5 years
Interest rate contracts					
OTC contracts					
Forwards					
Swaps					
Purchased options					
Written options					
Total					
Exchange – Traded contracts					
Futures – long positions					
Futures – short positions					
Purchased options					
Written options					
Total					
Foreign exchange and gold contracts					
OTC contracts					
Forwards					
Swaps					
Purchased options					
Written options					
Total					
Exchange – Traded contracts					
Futures – long positions					
Futures – short positions					
Purchase options					
Written options					
Total					

CAR 4 - APPENDIX I

Derivative contracts – notional amounts	Contracts held for trading purposes	Total Contracts	Total contracts – Remaining term to maturity		
			One year or less	Over 1 year to 5 years	Over 5 years
Equity-linked contracts					
OTC contracts					
Forwards					
Swaps					
Purchased options					
Written options					
Total					
Exchange – Traded contracts					
Futures – long positions					
Futures – short positions					
Purchased options					
Written options					
Total					
Precious metals (other than gold contracts)					
OTC contracts					
Forwards					
Swaps					
Purchased options					
Written options					
Total					
Exchange – Traded contracts					
Futures – long positions					
Futures – short positions					
Purchased options					
Written options					
Total					

CAR 4 - APPENDIX I

Derivative contracts – notional amounts	Contracts held for trading purposes	Total Contracts	Total contracts – Remaining term to maturity		
			One year or less	Over 1 year to 5 years	Over 5 years
Other commodity contracts					
OTC contracts					
Forwards					
Swaps					
Purchased options					
Written options					
Total					
Exchange – Traded contracts					
Futures – long positions					
Futures – short positions					
Purchased options					
Written options					
Total					
Total					

**OTC derivative contracts – replacement cost, potential credit exposure
credit equivalent and risk-weighted equivalent**

CAR 4 - APPENDIX II

	Interest rate contracts	Foreign exchange and gold contracts	Equity-linked contracts	Precious metals (other than gold contracts)	Other commodity contracts
Replacement cost (market value)					
(a) Contracts held for trading purposes – all contracts before permissible netting					
Gross positive replacement cost					
Gross negative replacement cost					
(b) Contracts held for other than trading – all contracts before permissible netting					
Gross positive replacement cost					
Gross negative replacement cost					
(c) Contracts subject to permissible netting – included in (a) and (b)					
Gross positive replacement cost					
Gross negative replacement cost					
Net positive replacement cost					
(d) Total contracts – after permissible netting					
Gross positive replacement cost					
Potential credit exposure					
Contracts not subject to permissible netting					
Contracts subject to permissible netting					
Credit equivalent amount (after taking into account collateral and guarantees)					
Contracts not subject to permissible netting					
Contracts subject to permissible netting					
Risk-weighted equivalent (after taking into account collateral and guarantes)					
Contracts not subject to permissible netting	20%				
	50%				
Contracts subject to permissible netting	20%				
	50%				
Total contracts (carry forward to CAR 4)					

CAR 4 - APPENDIX III

OTC derivative contracts – credit quality

Table 1 – Information on credit quality of OTC derivative contracts

		Exposure before collateral and guarantees			Credit equivalent amount after collateral and guarantees
		Gross positive market value (before netting)	Current credit exposure (after netting)	Potential credit exposure	
Counterparty risk-weight	0%				
	20%				
	50%				
Total					

		Collateral	Guarantees
Risk-weight of collateral and guarantees	0%		
	20%		
	50%		
Total			

Table 2 – Information about past due OTC derivatives and credit losses

Derivatives past due 30 – 89 days	
Book value	
Gross positive replacement cost	
Derivatives past due 90 days or more	
Book value	
Gross positive replacement cost	
Credit losses on derivatives – year-to-date losses	

CAR 5

Memorandum Items – to be completed for year end only	Canadian Banks	Foreign Banks
Investments in tier 1 instruments of other banks		
Investments in tier 2A instruments of other banks		
Investments in tier 2B instruments of other banks		
Total investments in instruments of other banks		

Investments carried on the equity method of accounting included in total above		
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Supplementary Information
<p>The following information should not be submitted to OSFI, but the information should be available to OSFI upon request.</p> <ol style="list-style-type: none"> 1) Details of all issues of Subordinated Debt and Preferred Shares included in Tier 2 Capital. 2) An amortized schedule for issues maturing within five years. <p>Distinguish between Tiers 2(A) and 2(B).</p>