## **REGULATORY CAPITAL**

In th	ousands of Canadian dollars, except percentage amounts (Unaudited)	AS AT O	CTOBER 31, 2020	AS AT JULY 31, 2020	AS AT APRIL 30, 2020	AS A	AT JANUARY 31, 2020
Row	1)						
	Common Equity Tier 1 capital: instruments and reserves						
1	Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus	\$	_ \$	_ \$	1,153,092	\$	1,146,956
2	Retained earnings		_	_	1,100,627		1,156,681
3	Accumulated other comprehensive income (and other reserves)		_	_	21,735		2,471
6	Common Equity Tier 1 capital before regulatory adjustments		_	_	2,275,454		2,306,108
26	Other deductions or regulatory adjustments to CET1 as determined by OSFI		_	_	16,405		_
28	Total regulatory adjustments to Common Equity Tier 1 <sup>(2)</sup>		_	<del>-</del>	(457,139)		(449,928)
29	Common Equity Tier 1 capital (CET1)		_		1,834,720		1,856,180
29a	Common Equity Tier 1 capital ( CET1) <sup>(4)</sup> excluding transitional arrangements for ECL provisioning				1,818,315		n.a.
	Additional Tier 1 capital: instruments						
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus		_	_	244,038		244,038
31	of which: classified as equity under applicable accounting standards		_	<del>_</del>	244,038		244,038
33	Directly issued capital instruments subject to phase out from Additional Tier 1		_	_	_		_
36	Additional Tier 1 capital before regulatory adjustments		_	_	244,038		244,038
43	Total regulatory adjustments to Additional Tier 1 capital		_	_			
44	Additional Tier 1 capital (AT1)		_	_	244,038		244,038
45	Tier 1 capital (T1 = CET1 + AT1)		_	_	2,078,758		2,100,218
45a			_	_	2,062,353		n.a.
	Tier 2 capital: instruments and allowances						
46	Directly issued qualifying Tier 2 instruments plus related stock surplus		_	_	349,270		349,187
47	Directly issued capital instruments subject to phase out from Tier 2		_		343,270		343,107
50	Collective allowances				79,808		64,345
51	Tier 2 capital before regulatory adjustments		_		429,078		413,532
57	Total regulatory adjustments to Tier 2 capital		_	_	(1,129)		(67)
58	Tier 2 capital (T2)		_	_	427,949		413,465
59	Total capital (TC = T1 + T2)	\$	_ <b>\$</b>	<b>–</b> \$	2,506,707	\$	2,513,683
59a	Total capital (TC = T1 + T2) <sup>(4)</sup> excluding transitional arrangements for ECL provisioning	\$	<b>–</b> \$	_	2,506,707		n.a.
60	Total risk-weighted assets	\$	- \$	- \$	20,869,680	\$	20,618,646
	Capital ratios						
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)		<b>-</b> %	<b>-</b> %	8.8%		9.0%
61a	Common Equity Tier 1 (as a percentage of risk-weighted assets) <sup>(4)</sup> excluding transitional arrangements for ECL provisioning		<b>-</b> %	<b>-</b> %	8.7%		n.a.
62	Tier 1 (as a percentage of risk-weighted assets)		<b>-</b> %	<b>-</b> %	10.0%		10.2%
62a	Tier 1 (as a percentage of risk-weighted assets) <sup>(4)</sup> excluding transitional arrangements for ECL provisioning		<b>-</b> %	<b>-</b> %	9.9%		n.a.
63	Total capital (as a percentage of risk-weighted assets)		<b>-</b> %	<b>-</b> %	12.0%		12.2%
63a	Total capital (as a percentage of risk-weighted assets) <sup>(4)</sup> excluding transitional arrangements for ECL provisioning		<b>-</b> %	<b>-</b> %	12.0%		n.a.
	OSFI target <sup>(3)</sup>						
	Common Faulty Tier 1 towns votice		—%	<b>-</b> %	7.0%		7.0%
69	Common Equity Tier 1 target ratio		,,,	—70	,		
69 70	Tier 1 capital target ratio		<b>-</b> %	—% —%	8.5%		8.5%
			—% —%	**			
70	Tier 1 capital target ratio  Total capital target ratio  Capital instruments subject to phase-out arrangements			<b>-</b> %	8.5%		
70 71	Tier 1 capital target ratio  Total capital target ratio  Capital instruments subject to phase-out arrangements (only applicable between January 1 <sup>st</sup> , 2013 and January 1 <sup>st</sup> , 2022)	\$		<b>-</b> %	8.5%	\$	10.5%
70	Tier 1 capital target ratio  Total capital target ratio  Capital instruments subject to phase-out arrangements	\$		<b>-</b> %	8.5% 10.5%		
70 71 82 83	Tier 1 capital target ratio  Total capital target ratio  Capital instruments subject to phase-out arrangements (only applicable between January 1st, 2013 and January 1st, 2022)  Current cap on AT1 instruments subject to phase out arrangements  Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	\$		<b>-</b> %	8.5% 10.5% 60,644	\$	10.5% 60,644 —
70 71 82	Tier 1 capital target ratio  Total capital target ratio  Capital instruments subject to phase-out arrangements (only applicable between January 1 <sup>st</sup> , 2013 and January 1 <sup>st</sup> , 2022)  Current cap on AT1 instruments subject to phase out arrangements Amount excluded from AT1 due to cap (excess over cap after	\$ \$ \$		<b>-</b> %	8.5% 10.5%		8.5% 10.5% 60,644 — 88,762

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

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Laurentian Bank Financial Group 1

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

<sup>(3)</sup> The countercyclical buffer as at April 30 and January 31, 2020 was nil, as all private sector credit exposures were either in Canada or the United States.

<sup>(4)</sup> Calculation of regulatory capital without the application of transitional arrangement given by OSFI for the provisioning of expected credit losses, in response to the COVID-19 pandemic

## REGULATORY CAPITAL (CONT'D)

	busands of Canadian dollars, except percentage amounts (Unaudited)	A	S AT OCTOBER 31, 2019		AS AT JULY 31, 2019		AS AT APRIL 30, 2019	A	S AT JANUARY 31, 2019
Row	1)								
	Common Equity Tier 1 capital: instruments and reserves								
1	Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus	\$	1,141,008	\$	1,133,525	\$	1,126,984	\$	1,121,135
2	Retained earnings		1,161,668		1,158,824		1,152,058		1,132,718
3	Accumulated other comprehensive income (and other reserves)		(102)		571		5,256		756
6	Common Equity Tier 1 capital before regulatory adjustments		2,302,574		2,292,920		2,284,298		2,254,609
28	Total regulatory adjustments to Common Equity Tier 1 <sup>(2)</sup>		(461,192)		(449,590)		(449,453)		(436,079)
29	Common Equity Tier 1 capital (CET1)		1,841,382		1,843,330		1,834,845		1,818,530
	Additional Tier 1 capital: instruments								
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus		244,038		244,038		244,038		244,038
31	of which: classified as equity under applicable accounting standards		244,038		244,038		244,038		244,038
33	Directly issued capital instruments subject to phase out from Additional Tier 1		_		_		_		_
36	Additional Tier 1 capital before regulatory adjustments		244,038		244,038		244,038		244,038
43	Total regulatory adjustments to Additional Tier 1 capital		_				_		_
44	Additional Tier 1 capital (AT1)		244,038		244,038		244,038		244,038
45	Tier 1 capital (T1 = CET1 + AT1)		2,085,420		2,087,368		2,078,883		2,062,568
	Tier 2 capital: instruments and allowances								
46	Directly issued qualifying Tier 2 instruments plus related stock surplus		349,101		349,016		348,930		348,848
47	Directly issued capital instruments subject to phase out from Tier 2		_		_		_		· <u> </u>
50	Collective allowances		66,052		61,501		64,569		77,178
51	Tier 2 capital before regulatory adjustments		415,153		410,517		413,499		426,026
57	Total regulatory adjustments to Tier 2 capital		(3,465)		(364)		_		(107)
58	Tier 2 capital (T2)		411,688		410,153		413,499		425,919
59	Total capital (TC = T1 + T2)	\$	2,497,108	\$	2,497,521	\$	2,492,382	\$	2,488,487
60a	Common Equity Tier 1 capital risk-weighted assets	\$	20,406,556	\$	20,444,560	\$	20,475,987	\$	20,461,367
60b	Tier 1 capital risk-weighted assets	\$	20,406,556	\$	20,444,560	\$	20,475,987	\$	20,456,862
60c	Total capital risk-weighted assets	\$	20,406,556	\$	20,444,560	\$	20,475,987	\$	20,456,862
	Capital ratios								
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)		9.0%	,	9.0%		9.0%		8.9%
62	Tier 1 (as a percentage of risk-weighted assets)		10.2%	,	10.2%		10.2%		10.1%
63	Total capital (as a percentage of risk-weighted assets)		12.2%	,	12.2%		12.2%		12.2%
	OSFI all-in target <sup>(3)</sup>								
69	Common Equity Tier 1 all-in target ratio		7.0%	,	7.0%		7.0%		7.0%
70	Tier 1 capital all-in target ratio		8.5%	,	8.5%		8.5%		8.5%
71	Total capital all-in target ratio		10.5%	,	10.5%		10.5%		10.5%
	Capital instruments subject to phase-out arrangements (only applicable between January 1 <sup>st</sup> , 2013 and January 1 <sup>st</sup> , 2022)								
82	Current cap on AT1 instruments subject to phase out arrangements	\$	90,965	\$	90,965	\$	90,965	\$	90,965
83	Amount excluded from AT1 due to cap (excess over cap after	\$	_	\$	_	\$	_	\$	_
84	redemptions and maturities)  Current cap on T2 instruments subject to phase out arrangements	\$	133,143	\$	133,143	\$	133,143	\$	133,143
85	Amount excluded from T2 due to cap (excess over cap after redemptions	Ψ	100,140	Ψ	150,140	Ψ	155,145	Ψ	100,140
	and maturities)	\$	_	\$	_	\$	_	\$	_

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

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Laurentian Bank Financial Group 2

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

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