

Basel III Pillar 3 Capital Disclosure

Effective January 1, 2013 OSFI requires Canadian financial institutions to manage and report regulatory capital in accordance with a new capital management framework, commonly referred to as Basel III. The new Basel III Pillar 3 public capital disclosure requirements, leverage ratio requirement and Key metrics are intended to improve both the transparency and comparability of the Bank's capital position. The revised table is in conformity with the templates provided by OSFI in its Basel III Pillar 3 Advisory issued November 2023 for non-DSIBs.

Additional financial information published can be accessed at OSFI's Financial Data for Banks. Website: (<https://www.osfi-bsif.gc.ca/en/data-forms/financial-data/financial-data-banks>).

1. Regulatory Capital

(In Thousands CAD)

Modified Capital Disclosure Template - Q1 2024		T
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	\$ 438,913
2	Retained earnings	\$ 278,232
3	Accumulated other comprehensive income (and other reserves)	\$ (3,054)
6	Common Equity Tier 1 capital before regulatory adjustments	\$ 714,091
Common Equity Tier 1 capital: regulatory adjustments		
10	Deferred tax assets excluding those arising from temporary differences (net of related tax liability)	\$ (8,962)
28	Total regulatory adjustments to Common Equity Tier 1	\$ (8,962)
29	Common Equity Tier 1 capital (CET1)	\$ 705,129
Additional Tier 1 capital: regulatory adjustments		
45	Tier 1 capital (T1 = CET1 + AT1)	\$ 705,129
Tier 2 capital: instruments and provisions		
50	Collective allowances	\$ 10,194
51	Tier 2 capital before regulatory adjustments	\$ 10,194
Tier 2 capital: regulatory adjustments		
57	Total regulatory adjustments to Tier 2 capital	-
58	Tier 2 capital (T2)	\$ 10,194
59	Total capital (TC = T1 + T2)	\$ 715,323
60	Total risk-weighted assets	\$ 2,837,678
60a	Credit Valuation Adjustment (CVA) Risk-weighted Assets (RWA)	\$ 93,612
Capital ratios		
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)	24.85%
62	Tier 1 (as a percentage of risk-weighted assets)	24.85%
63	Total capital (as a percentage of risk-weighted assets)	25.21%
OSFI target		
69	Common Equity Tier 1 capital target ratio	7.0%
70	Tier 1 capital target ratio	8.5%
71	Total capital target ratio	10.5%

2. Leverage Ratio

Leverage Ratio Framework - Q1 2024		T	T-1
On-balance sheet exposures			
1	On-balance sheet items (excluding derivatives, SFTs and grandfathered securitization exposures but including collateral)	\$ 3,994,612	\$ 3,285,434
2	Gross-up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework (IFRS)	-	-
3	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	\$ -	\$ -
4	(Asset amounts deducted in determining Tier 1 capital)	\$ (8,962)	\$ (7,337)
5	Total on-balance sheet exposures (excluding derivatives and SFTs)	\$ 3,985,650	\$ 3,278,097
Derivative exposures			
6	Replacement cost associated with all derivative transactions	\$ 77,032	\$ 60,043
7	Add-on amounts for potential future exposure associated with all derivative transactions	\$ 84,190	\$ 78,616
8	(Exempted central counterparty-leg of client cleared trade exposures)	-	-
9	Adjusted effective notional amount of written credit derivatives	-	-
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
11	Total derivative exposures	\$ 161,222	\$ 138,659
Securities financing transaction exposures			
12	Gross SFT assets recognised for accounting purposes (with no recognition of netting), after adjusting for sale accounting transactions	\$ 1,591,199	\$ 2,268,463
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
14	Counterparty credit risk (CCR) exposure for SFTs	-	-
15	Agent transaction exposures	-	-
16	Total securities financing transaction exposures	\$ 1,591,199	\$ 2,268,463
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	\$ 944,622	\$ 1,049,722
18	(Adjustments for conversion to credit equivalent amounts)	\$ (66,414)	\$ (55,934)
19	Off-balance sheet items	\$ 878,208	\$ 993,788
Capital and Total Exposures			
20	Tier 1 capital	\$ 705,129	\$ 706,520
21	Total Exposures	\$ 6,616,280	\$ 6,679,007
Leverage Ratio			
22	Basel III leverage ratio	10.66%	10.58%

3.Key Metrics Disclosure (KM1)

Key metrics (at consolidated group level)		Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	705,129	706,520	691,022	667,978	660,535
2	Tier 1	705,129	706,520	691,022	667,978	660,535
3	Total capital	715,323	712,839	697,130	675,678	668,858
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	2,837,678	2,791,967	2,994,742	2,740,988	2,943,870
Risk-based capital ratios as a percentage of RWA						
5	CET1 ratio (%)	24.85	25.31	23.07	24.37	22.44
6	Tier 1 ratio (%)	24.85	25.31	23.07	24.37	22.44
7	Total capital ratio (%)	25.21	25.53	23.28	24.65	22.72
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.50	2.50	2.50	2.50	2.50
9	Countercyclical buffer requirement (%)	-	-	-	-	-
10	Bank G-SIB and/or D-SIB additional requirements (%) [Not applicable for SMSBs]					
11	Total of bank CET1 specific buffer requirements (%)	2.50	2.50	2.50	2.50	2.50
12	CET1 available after meeting the bank's minimum capital requirements (%)*	20.35	20.81	18.57	19.87	17.94
BaseI III Leverage ratio						
13	Total Basel III leverage ratio exposure measure	6,616,280	6,679,007	6,749,008	6,301,231	7,268,671
14	BaseI III leverage ratio	10.66	10.58	10.24	10.60	9.09

* Calculated as row 5 minus minimum CET1 requirement of 4.5%