

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 - Q3 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	\$ 308,955
3	Accumulated other comprehensive income (and other reserves)	\$ 1,753
6	Common Equity Tier 1 capital before regulatory adjustments	\$ 749,621
Common Equity Tier 1 capital: regulatory adjustments		
10	Deferred tax assets excluding those arising from temporary differences (net of related tax liability)	\$ (6,599)
28	Total regulatory adjustments to Common Equity Tier 1	\$ (6,599)
29	Common Equity Tier 1 capital (CET1)	\$ 743,022
Additional Tier 1 capital: regulatory adjustments		
45	Tier 1 capital (T1 = CET1 + AT1)	\$ 743,022
Tier 2 capital: instruments and provisions		
50	Collective allowances	\$ 9,310
51	Tier 2 capital before regulatory adjustments	\$ 9,310
Tier 2 capital: regulatory adjustments		
57	Total regulatory adjustments to Tier 2 capital	-
58	Tier 2 capital (T2)	\$ 9,310
59	Total capital (TC = T1 + T2)	\$ 752,332
60	Total risk-weighted assets	\$ 2,520,312
60a	Credit Valuation Adjustment (CVA) Risk-weighted Assets (RWA)	\$ 90,777
Capital ratios		
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)	29.48%
62	Tier 1 (as a percentage of risk-weighted assets)	29.48%
63	Total capital (as a percentage of risk-weighted assets)	29.85%
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 - Q3 2024		T	T-1
On-balance sheet exposures			
1	On-balance sheet items (excluding derivatives, SFTs and grandfathered securitization exposures but including collateral)	\$ 3,448,808	\$ 3,618,996
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)	\$ (6,599)	\$ (8,962)
5	Total on-balance sheet exposures (excluding derivatives and SFTs)	\$ 3,442,209	\$ 3,610,034
Derivative exposures			
6	Replacement cost associated with all derivative transactions	\$ 50,298	\$ 75,935
7	Add-on amounts for potential future exposure associated with all derivative transactions	\$ 109,116	\$ 116,199
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	\$ 159,414	\$ 192,134
Securities financing transaction exposures			
12	Gross SFT assets recognised for accounting purposes (with no recognition of netting), after adjusting for sale accounting transactions	\$ 1,828,963	\$ 2,403,874
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	\$ 1,828,963	\$ 2,403,874
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	\$ 865,737	\$ 913,254
18	(Adjustments for conversion to credit equivalent amounts)	\$ (41,559)	\$ (66,684)
19	Off-balance sheet items	\$ 824,178	\$ 846,570
Capital and Total Exposures			
20	Tier 1 capital	\$ 743,022	\$ 724,656
21	Total Exposures	\$ 6,254,764	\$ 7,052,612
Leverage Ratio			
22	Basel III leverage ratio	11.88%	10.28%

3.Key Metrics Disclosure (KM1)

Template KM1:

Key metrics (at consolidated group level)		Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	743,022	724,656	705,129	706,520	691,022
2	Tier 1	743,022	724,656	705,129	706,520	691,022
3	Total capital	752,332	734,876	715,323	712,839	697,130
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	2,520,312	2,888,414	2,837,678	2,791,967	2,994,742
4a	Total risk-weighted assets (pre-floor)	2,520,312	2,888,414	2,837,678	2,791,967	2,994,742
Risk-based capital ratios as a percentage of RWA						
5	CET1 ratio (%)	29.48%	25.09%	24.85%	25.31%	23.07%
5a	CET1 ratio (%) (pre-floor ratio)	29.48%	25.09%	24.85%	25.31%	23.07%
6	Tier 1 ratio (%)	29.48%	25.09%	24.85%	25.31%	23.07%
6a	Tier 1 ratio (%) (pre-floor ratio)	29.48%	25.09%	24.85%	25.31%	23.07%
7	Total capital ratio (%)	29.85%	25.44%	25.21%	25.53%	23.28%
7a	Total capital ratio (%) (pre-floor ratio)	29.85%	25.44%	25.21%	25.53%	23.28%
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 (%) (row 8 + row 9)	2.5	2.5	2.5	2.5	2.5
12	CET1 available after meeting the bank's minimum capital	24.98%	20.59%	20.35%	20.81%	18.57%
Basel III Leverage ratio						
13	Total Basel III leverage ratio exposure measure	6,254,764	7,052,611	6,616,280	6,679,006	6,749,008
14	Basel III leverage ratio (row 2 / row 13)	11.88	10.28	10.66	10.58	10.24

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