

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 February 2025 for SMSBs.

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 - Q4 2024		Q4 2024
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	\$ 236,160
3	Accumulated other comprehensive income (and other reserves)	\$ 2,736
4	<i>Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)</i>	-
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-
6	Common Equity Tier 1 capital before regulatory adjustments	\$ 677,809
Common Equity Tier 1 capital: regulatory adjustments		
28	Total regulatory adjustments to Common Equity Tier 1	\$ (7,023)
29	Common Equity Tier 1 capital (CET1)	\$ 670,786
Additional Tier 1 capital: instruments		
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	-
31	of which: classified as equity under applicable accounting standards	-
32	of which: classified as liabilities under applicable accounting standards	-
33	<i>Directly issued capital instruments subject to phase out from Additional Tier 1</i>	-
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	-
35	<i>of which: instruments issued by subsidiaries subject to phase out</i>	-
36	Additional Tier 1 capital before regulatory adjustments	-
Additional Tier 1 capital: regulatory adjustments		
43	Total regulatory adjustments to Additional Tier 1 capital	-
44	Additional Tier 1 capital (AT1)	-
45	Tier 1 capital (T1 = CET1 + AT1)	\$ 670,786

Tier 2 capital: instruments and provisions		
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	-
47	<i>Directly issued capital instruments subject to phase out from Tier 2</i>	-
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	-
49	<i>of which: instruments issued by subsidiaries subject to phase out</i>	-
50	Collective allowances	\$ 9,533
51	Tier 2 capital before regulatory adjustments	\$ 9,533
Tier 2 capital: regulatory adjustments		
57	Total regulatory adjustments to Tier 2 capital	-
58	Tier 2 capital (T2)	\$ 9,533
59	Total capital (TC = T1 + T2)	\$ 680,319
60	Total risk-weighted assets	\$ 2,451,100
Capital ratios		
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)	27.37%
62	Tier 1 (as a percentage of risk-weighted assets)	27.37%
63	Total capital (as a percentage of risk-weighted assets)	27.76%
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 - Q4 2024		T	T-1
1	On-balance sheet items (excluding derivatives, SFTs and grandfathered securitization exposures but including collateral)	\$ 3,015,073	\$ 3,448,808
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)	\$ (7,023)	\$ (6,599)
5	Total on-balance sheet exposures (excluding derivatives and SFTs)	\$ 3,008,050	\$ 3,442,209
Derivative exposures			
6	Replacement cost associated with all derivative transactions	\$ 77,125	\$ 50,298

7	Add-on amounts for potential future exposure associated with all derivative transactions	\$ 79,904	\$ 109,116
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	\$ 157,029	\$ 159,414
Securities financing transaction exposures			
12	Gross SFT assets recognised for accounting purposes (with no recognition of netting), after adjusting for sale accounting transactions	\$ 1,509,280	\$ 1,828,963
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	\$ 1,509,280	\$ 1,828,963
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	\$ 837,860	\$ 865,737
18	(Adjustments for conversion to credit equivalent amounts)	\$ (33,867)	\$ (41,559)
19	Off-balance sheet items	\$ 803,993	\$ 824,178
Capital and Total Exposures			
20	Tier 1 capital	\$ 670,786	\$ 743,022
21	Total Exposures	\$ 5,478,352	\$ 6,254,764
Leverage Ratio			
22	Basel III leverage ratio	12.24%	11.88%

3.Key Metrics Disclosure (KM1)

(in Thousands CAD)

Key metrics (at consolidated group level)		Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	670,786	743,022	724,656	705,129	706,520
2	Tier 1	670,786	743,022	724,656	705,129	706,520
3	Total capital	680,319	752,332	734,876	715,323	712,839
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	2,451,100	2,520,312	2,888,414	2,837,678	2,791,967
4a	Total risk-weighted assets (pre-floor)	2,451,100	2,520,312	2,888,414	2,837,678	2,791,967
Risk-based capital ratios as a percentage of RWA						
5	CET1 ratio (%)	27.37%	29.48%	25.09%	24.85%	25.31%
5a	CET1 ratio (%) (pre-floor ratio)	27.37%	29.48%	25.09%	24.85%	25.31%
6	Tier 1 ratio (%)	27.37%	29.48%	25.09%	24.85%	25.31%
6a	Tier 1 ratio (%) (pre-floor ratio)	27.37%	29.48%	25.09%	24.85%	25.31%
7	Total capital ratio (%)	27.76%	29.85%	25.44%	25.21%	25.53%
7a	Total capital ratio (%) (pre-floor ratio)	27.76%	29.85%	25.44%	25.21%	25.53%
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 + row 10)	2.50%	2.50%	2.50%	2.50%	2.50%
12	CET1 available after meeting the bank's minimum capital requirements (%)*	22.87%	24.98%	20.59%	20.35%	20.81%
	Basel III Leverage ratio					
13	Total Basel III leverage ratio exposure measure	5,478,352	6,254,764	7,052,611	6,616,280	6,679,006
14	Basel III leverage ratio (row 2 / row 13)	12.24	11.88	10.28	10.66	10.58

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

4. Market risk under the standardised approach

		Q4 2024 (in Thousands CAD)
MR1: Market risk under the standardised approach		Capital requirement in standardised approach
1	General interest rate risk	451
2	Equity risk	2,467
3	Commodity risk	-
4	Foreign exchange risk	369
5	Credit spread risk – non-securitisations	-
6	Credit spread risk – securitisations (non-correlation trading portfolio)	-
7	Credit spread risk – securitisation (correlation trading portfolio)	-
8	Default risk – non-securitisations	981
9	Default risk – securitisations (non-correlation trading portfolio)	-
10	Default risk – securitisations (correlation trading portfolio)	-
11	Residual risk add-on	-
12	Total	4,268