



Habib Canadian Bank

Basel II Pillar 3 Supplemental Disclosures

as of Q3- end 2018

November 2018

Abbreviations & acronyms used:

- ICAAP – the Internal Capital Adequacy Assessment Process
- HCB – Habib Canadian Bank
- HBZ – the parent of HCB - Habib Bank AG, Zurich
- Group – the HBZ Group
- SM – the senior management of HCB
- BD – the Board of Directors of HCB
- CRO – the designated Chief Risk Officer
- RM – the Risk Management
- IA – the Internal Audit of HCB (administered by HBZ)
- IAS or IFRS – International Accounting Standard or International Financial Reporting Standards
- Basel II - the Basel II framework: International Convergence of Capital Measurement and Capital Standards: A Revised Framework – Comprehensive Version (June 2006 and updates).
- Basel III - Basel III: International framework for liquidity risk measurement, standards and monitoring (December 2010 and updates)
- BCAR – Capital adequacy ratio
- CAR – OSFI Guideline 'Capital Adequacy Requirements (CAR) [Simpler Approach]
- LR - Leverage Ratio
- IFRS(s) –International Financial Reporting Standards ('IFRSs')
- ME – the month end
- QE – the quarter end
- YE – the year end

Contents

Note to Readers	4
1. Introduction.....	5
2. Scope of Application	7
3. Scope of Basel II permissions	9
4. Forward Looking Statements.....	10
5. Capital Adequacy	12
5.1. Capital management.....	12
5.2. Regulatory capital structure and assessment.....	14
5.3. Composition of Capital – Post and Interim transitional and all-in capital Basel III Pillar 3 disclosures	17
5.4. Capital requirements for Risks	25
5.5. Public Disclosure related to Basel III Leverage Ratio.....	27
6. Credit risk: general disclosures	37
6.1. General qualitative disclosures	37
6.2. Quantative disclosures	37
7. Credit risk: Disclosures for Portfolios subject to the Standardized Approach.....	51
8. Credit Risk Mitigation.....	56
9. Derivatives.....	60
10. Market Risk and Interest Rate Risk in the Banking Book	63
11. Operational Risk.....	67

Note to Readers

Basel II Pillar 3 Supplemental Disclosures

(as of Q3-end, 2018)

This document is prepared in accordance with OSFI expectations (OSFI Guideline dated April 2017 on Pillar III Disclosure Requirements, OSFI letters dated July 13, 2011 on Implementation of disclosures for Basel II Pillar 3 enhancements and revisions, June 14, 2012 on Basel Pillar 3 public disclosures, and OSFI Guideline on Capital Disclosure Requirements 2013 (revised in May, 2018)) on inclusion full qualitative and quantitative disclosures applicable to Habib Canadian Bank as required on a quarterly basis.

This document includes the required Leverage Ratio disclosure prepared in accordance with the 2014 (Revised 2017) OSFI Guideline D - 12 "Public Disclosure Requirements related to Basel III Leverage Ratio".

Note that the 2014 OSFI Guideline "Public Disclosure Requirements for Domestic Systemically Important Banks on Liquidity Coverage Ratio" is not applicable to the Bank and, respectively, the Bank does not prepare any Liquidity Coverage Ratio disclosures.

1. Introduction

Since 2008 Habib Canadian Bank ('HCB' or 'Bank') operates under the Basel II capital framework ("Basel II"), Simpler Approach (based on the revised international capital adequacy standards as recommended by the Basel Committee on Banking Supervision in 2004) in accordance with the Office of the Superintendent of Financial Institutions Canada ('OSFI') Guideline on *Capital Adequacy Requirements (CAR)** that is based on the capital requirements set by the Basel III framework (2010-2018).

*Note: Canada, as a member of the Basel Committee on Banking Supervision, participated in the development of the framework, Basel II: International Convergence of Capital Measurement and Capital Standards ('Basel II'): A Revised Framework – Comprehensive Version (June 2006). The domestic guidance CAR A was based on the Basel II framework. It also encompassed and updated relevant parts of the 1988 Basel Accord and reflects changes to the revised Basel II framework / Basel III framework that have occurred since its implementation [OSFI issued a new Capital Adequacy Requirements guidance (CAR) 2013, effective Q1, 2013 and the last revised 2018 CAR in effect].

Basel III (or the Third Basel Accord) is a global, voluntary regulatory standard on bank capital adequacy, stress testing and market liquidity risk. It was agreed upon by the members of the Basel Committee on Banking Supervision in 2010–11, and was scheduled to be introduced from 2013 until 2015; however, changes from 1 April 2013 extended implementation until 31 March 2018, and later until 31 March 2019. The third installment of the Basel Accords (known as Basel I, Basel II) was developed in response to the deficiencies in financial regulation revealed by the late-2000s financial crisis. Basel III was supposed to strengthen bank capital requirements by increasing bank liquidity and decreasing bank leverage. Unlike Basel I and Basel II which are primarily related to the required level of bank loss reserves that must be held by banks for various classes of loans and other investments and assets that they have, Basel III is primarily related to the risks for the banks of a "run on the bank" ["banking panic"] by requiring differing levels of reserves for different forms of bank deposits and other borrowings. Therefore, Basel III rules do not for the most part supersede the guidelines known as Basel I and Basel II but work alongside them.

For more information on the Basel III reforms, refer to the Basel III webpage: <https://www.bis.org/bcbs/basel3.htm> .

The Basel II / Basel III framework consists of three pillars each of them concentrating on a different aspect of banking regulation.

— Pillar 1 makes recommendations for calculation of minimum capital requirements.

— Pillar 2 discusses the key principles of supervisory review and risk management guidance.

— Pillar 3 complements the first two pillars of Basel II by requiring a range of disclosures on capital and risk assessment processes, aimed at encouraging and reinforcing market discipline.

The *Basel II Pillar 3 Supplemental Disclosures* for Q1, 2018 (*Pillar 3 Disclosures*) have been prepared in accordance with OSFI requirements and can be found on the Bank's website www.habibcanadian.com, "Disclosures → View All" section.

Note: HCB is a part of Habib Bank Zurich AG Group ('HBZ') which prepares its own regulatory Basel II reports and Basel II Pillar 3 disclosures in accordance with Swiss regulatory requirements. The scope of the *Basel II Pillar 3 Disclosures* relates only to the HCB business and Basel II Pillar 3 Disclosure requirements in Canada.

2. Scope of Application

The *Pillar 3 Supplemental Disclosures* are additional summarized qualitative and quantitative financial information prepared in accordance with disclosure requirements under the OSFI's Pillar 3 Disclosure Requirements and are consistent with Basel II / Basel III and IFRSs.

The publication of this document fulfills a key requirement of the Basel II / Basel III Framework, encouraging market discipline by allowing market participants to assess increased disclosure surrounding both the risk management framework and the capital adequacy of the Bank.

The disclosures produced within this document have been prepared in accordance with minimum disclosure requirements interpreted by OSFI and established under the OSFI Guideline dated April 2017 on Pillar III Disclosure Requirements, OSFI letters dated July 13, 2011 on Implementation of disclosures for Basel II Pillar 3 enhancements and revisions, June 14, 2012 on Basel Pillar 3 public disclosures, and OSFI Guideline on Capital Disclosure Requirements 2013 (revised in May, 2018)); and should be read along with the *Bank's Annual Reports (audited) for 2017 and 2016*.

The remuneration disclosure requirements were implemented beginning the 2012 fiscal year-end, and the frequency of remuneration disclosures is made only on an annual basis¹.

Comparison with the financial information

The *Pillar 3 Disclosures* have been prepared in accordance with regulatory capital adequacy concepts and rules, rather than in accordance with *International Financial Reporting Standards* ('IFRS'). Therefore, some information in the *Pillar 3 Disclosures* is not directly comparable with the financial information for Q1, Q2 and Q3, 2018 and the financial information in the *Bank's Annual Report (audited) for 2017*.

This is most pronounced for the credit risk disclosures, where credit exposure is defined as the amount at risk that is calculated by the Bank under specified Basel II / III – Simpler Approach parameters. This differs from similar information in the *Bank's Annual Report (audited) for 2017*, which was mainly reported at the balance sheet date and therefore does not reflect the likelihood of future drawings of committed credit lines.

The *Pillar 3 Disclosures* along with the Bank's financial information are presented in Canadian dollars, which is the Bank's functional currency. Except as otherwise indicated, financial information presented in Canadian dollars had been rounded to the nearest thousand.

¹ In accordance with the OSFI letter on Implementation of Basel II Pillar 3 Disclosure Requirements for Remuneration, dated December 1, 2011.

The preparation of the *Pillar 3 Disclosures* along with the Bank's financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are described in respective notes of the *Bank's Annual Report (audited) for 2017 fiscal year*.

Significant subsidiaries

The Bank has no subsidiaries or entities for consolidation.

Verification

The *Pillar 3 Disclosures* are not required to be subjected to external audit. Instead, the disclosures are verified and approved through internal reporting procedures.

3. Scope of Basel II permissions

Credit risk capital requirements

Basel II applies three approaches of increasing sophistication to the calculation of Pillar 1 credit risk capital requirements. The most basic level, the standardized approach, requires banks to use external credit ratings to determine the risk weightings applied to rated counterparties. Other counterparties are grouped into broad categories and standardized risk weightings are applied to these categories.

The next level, the internal ratings-based ('IRB') foundation approach, allows banks to calculate their credit risk capital requirements on the basis of their internal assessment of counterparty's probability of default ('PD'), but subjects their quantified estimates of exposure at default ('EAD') and loss given default ('LGD') to standard supervisory parameters. Finally, the IRB advanced approach allows banks to use their own internal assessment in both determining PD and quantifying EAD and LGD.

The Bank applies the standardized ('Simpler') approach.

Market risk capital requirements

Market risk is the risk that movements in market risk factors, including foreign exchange, commodity prices, interest rates, credit spread and equity prices will reduce the income or the value of the portfolios. The market risk capital requirement is measured using internal models, where approved, or the standardized approach.

The Bank is subject to the standardized approach in determining its market risk capital requirement.

Operational risk capital requirements

Basel II includes capital requirements for operational risk, again utilizing three levels of sophistication. The capital required under the basic indicator approach is a simple percentage of gross revenues, whereas under the standardized approach, it is one of three different percentages of gross revenues allocated to each of eight defined business lines. Both these approaches use an average of the last three financial years' revenues. Finally, the advanced measurement approach uses banks' own statistical analysis and modeling of operational risk data to determine capital requirements.

The Bank has adopted the basic indicator approach in determining its operational risk capital requirement.

4. Forward Looking Statements

This document includes or may include certain forward looking statements with respect to the business, strategy and plans of Habib Canadian Bank ('HCB') and its current goals and expectations relating to its future financial condition and performance.

Statements that are not historical facts, including statements about HCB or its directors' and / or management's beliefs and expectations, are forward looking statements. Words such as 'believes', 'anticipates', 'estimates', 'expects', 'intends', 'aims', 'potential', 'will', 'would', 'could', 'considered', 'likely', 'estimate' and variations of these words and similar future or conditional expressions are intended to identify forward looking statements but are not the exclusive means of identifying such statements. By their nature, forward looking statements involve risk and uncertainty because they relate to events and depend upon circumstances that will occur in the future.

Examples of such forward looking statements include, but are not limited to, projections or expectations of the HCB's future financial position including profit attributable to shareholders, expected credit loss allowances, provisions, economic profit, dividends, capital structure, expenditures or any other financial items or ratios; statements of plans, objectives or goals of the Bank or its management including in respect of certain synergy targets; statements about the future business and economic environments in Canada and elsewhere including future trends in interest rates, foreign exchange rates, credit and equity market levels and demographic developments; statements about, competition, regulation, disposals and consolidation or technological developments in the financial services industry; and statements of assumptions underlying such statements.

Factors that could cause actual business, strategy, plans and / or results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward looking statements made by the Bank or on its behalf include, but are not limited to: general economic and business conditions in Canada and internationally; inflation, deflation, interest rates and policies of the Bank of Canada and other G7 central banks; fluctuations in exchange rates, stock markets and currencies; the ability to access sufficient funding to meet the Bank's liquidity needs; changes to the Bank's creditworthiness; the ability to derive cost savings and other benefits; changing demographic developments including mortality and changing customer behavior including consumer spending, saving and borrowing habits; changes to borrower or counterparty credit quality; technological changes; natural and other disasters, adverse weather and similar contingencies outside the Bank's control; inadequate or failed internal or external processes, people and systems; terrorist acts and other acts of war or hostility and responses to those acts, geopolitical, pandemic or other such events; changes in laws, regulations, taxation, accounting standards or practices; regulatory capital or liquidity requirements and similar contingencies outside the Bank's control; the policies and actions of governmental or regulatory authorities in Canada, Switzerland, or elsewhere; the ability to attract and retain senior

management and other employees; requirements or limitations imposed on the Bank as a result of *Habib Bank AG Zurich* investment in the Bank; the extent of any future impairment charges or write-offs caused by depressed asset valuations; market related trends and developments; exposure to regulatory scrutiny, legal proceedings or complaints; changes in competition and pricing environments; the inability to hedge certain risks economically; the adequacy of loss provisions / allowances; the actions of competitors; and the success of the Bank in managing the risks of the foregoing.

HCB may also make or disclose written and / or oral forward-looking statements in reports filed with or furnished to Office of the Superintendent of Financial Institutions Canada ('OSFI'), Bank annual reviews, announcements, proxy statements, circulars, prospectuses, press releases and other written materials and in oral statements made by the directors, officers or employees of HCB to third parties, including financial analysts. Except as required by any applicable law or regulation, the forward-looking statements contained in this document are made as of the date hereof, and HCB expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward looking statements contained in this document to reflect any change in HCB's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

5. Capital Adequacy

5.1. Capital management

The Bank's approach to capital management is driven by its strategic and organizational requirements, considering the regulatory, economic and business environment in which it operates. It is the Bank's objective to maintain a strong capital base to support the development of its business and to meet regulatory capital requirements at all times. To achieve this, the Bank's policy is to hold an additional capital above the regulatory minimum as a buffer above the minimum capital required by OSFI (i.e. the HCB minimum BCAR level was 14%). This buffer may be re-examined in the future.

Since July, 2011, the HBZ Group's requirement with respect to the HCB's internal regulatory target minimum of BCAR is set to be not less than 11.2%.

The policy on capital management is underpinned by a capital management framework, which enables Bank to manage its capital in a consistent and aligned manner. The framework, which is approved by the Bank's Board of Directors, incorporates a number of different capital measures including capital requirements to support future business plans and risk appetite, allocated capital, ICAAP ('Internal Capital Adequacy Assessment Process') and regulatory capital.

Internal Capital Adequacy Process ("ICAAP"):

In October 2010, OSFI issued a Guideline E-19, Internal Capital Adequacy Assessment Process (ICAAP) for Deposit-Taking Institutions, to outline their expectations with respect to an institution's internal capital adequacy process as described in Part 3 of the Basel II Framework. It is OSFI's expectation that every federally regulated financial institution ("FRFI"), including Canadian subsidiaries of foreign banks, will put into place an ICAAP that covers the operations from the top level regulated entity in Canada. In all instances, the ICAAP should reflect the FRFI's own circumstances, and not just those of a related group.

The Bank developed its own detailed Internal Capital Adequacy Process document in accordance with OSFI expectations that covers the following six main components:

- (i) Board and senior management oversight;
- (ii) Sound capital assessment and planning;
- (iii) Comprehensive assessment of risks;

- (iv) Stress testing;
- (v) Monitoring and reporting; and
- (vi) Internal control review.

The responsibility for overall capital allocation principles and decisions rests with the Bank's Board of Directors. The Board of Directors monitors total capital against all material risks identified with respect to the Bank's business lines.

Through the internal governance processes, the Bank's senior management is responsible for the investment and capital allocation decisions and assessments, and ensures that returns on investment are adequate after taking account of capital (capital vs. risk) requirements. The strategy is to allocate capital to business lines on the basis of their economic profit generation, and regulatory and economic capital requirements.

The Bank prepares its business 'baseline' forecasts including capital forecasts within its Annual Budget and Capital planning process.

5.2. Regulatory capital structure and assessment

The three primary considerations for defining the consolidated capital of an institution for purposes of measuring capital adequacy are:

- its permanence
- its being free of mandatory fixed charges against earnings
- its subordinated legal position to the rights of depositors and other creditors of the institution

Basel III Capital structure in 2015 [effective Q1, 2013]:

Effective Q1, 2013, the OSFI's regulatory capital guidelines under Basel III allow for two tiers of capital. Common Equity Tier 1 ("CET1") capital includes common shares, retained earnings and accumulated other comprehensive income. The Bank currently does not hold any additional Tier 1 or Tier 2 capital instruments. Therefore, the Bank's CET1 is equal to its Tier 1 and Total regulatory capital, and were calculated and reported in accordance with IFRSs.

Regulatory ratios were calculated by dividing CET1, Tier 1 and Total capital by risk-weighted assets ("RWA").

The calculation of RWAs is determined by OSFI-prescribed rules relating to on-balance sheet and off-balance sheet exposures and included an amount for the market risk exposure associated with trading portfolios. In addition, OSFI formally established risk-based capital targets for deposit-taking institutions: a target CET1 ratio is of 7% and a target Total capital ratio of 10.5%.

The Basel III Leverage Ratio became effective January 2015; and, specifically for HCB, a new authorized minimum level of the Basel III Leverage Ratio was set by OSFI in 2014. For the Basel III Leverage Ratio disclosures refer to Section 5.5.

The table 1A below provides the regulatory capital and ratios for 2018, 2017, and Q4, 2016.

Table 1A: Regulatory capital ratios for Q1 – Q3, 2018, and comparatives for 2017 and Q4, 2016 – Basel III

	September 30, 2018	June 30, 2018	March 31, 2018
Capital structure:			
Common Equity Tier 1 (CET1) capital:			
Common shares	\$ 30,000	\$ 30,000	\$ 30,000
Retained earnings	2,002	1,764	1,575
CET1 capital	32,002	31,764	31,575
Tier 1 capital	32,002	31,764	31,575
Tier 2 capital		-	-
Total (eligible) capital	32,002	31,764	31,575
Risk-weighted assets	158,296	135,258	127,843
Capital ratios:			
CET1 Ratio	20.22%	23.48%	24.70%
Tier 1 Ratio	20.22%	23.48%	24.70%
Total Ratio	20.22%	23.48%	24.70%
Leverage Ratio:			
Total Exposures	\$ 215,106	\$ 203,555	\$ 197,010
Tier 1 capital	32,002	31,764	31,575
Leverage Ratio	14.88%	15.60%	16.03%
December 31, 2017			
Capital structure:			
Common Equity Tier 1 (CET1) capital:			
Common shares		\$ 30,000	
Retained earnings		1,134	
CET1 capital		31,134	
Tier 1 capital		31,134	
Tier 2 capital		-	
Total (eligible) capital		31,134	
Risk-weighted assets		128,471	
Capital ratios:			
CET1 Ratio		24.23%	
Tier 1 Ratio		24.23%	
Total Ratio		24.23%	
Leverage Ratio:			
Total Exposures		\$ 207,971	
Tier 1 capital		31,134	
Leverage Ratio		14.97%	

	September 30, 2017	June 30, 2017	March 31, 2017
Capital structure:			
Common Equity Tier 1 (CET1) capital:			
Common shares	\$ 30,000	\$ 30,000	\$ 30,000
Retained earnings	459	610	767
CET1 capital	30,459	30,610	30,767
Tier 1 capital	30,459	30,610	30,767
Tier 2 capital		--	-
Total (eligible) capital	30,459	30,610	30,767
Risk-weighted assets	132,167	124,796	124,329
Capital ratios:			
CET1 Ratio	23.05%	24.53%	24.75%
Tier 1 Ratio	23.05%	24.53%	24.75%
Total Ratio	23.05%	24.53%	24.75%

Leverage Ratio:

Total Exposures	\$ 212,971	\$ 206,025	\$ 201,199
Tier 1 capital	30,459	30,610	30,767
Leverage Ratio	14.30%	14.86%	15.29%

	December 31, 2016
Capital structure:	
Common Equity Tier 1 (CET1) capital:	
Common shares	\$ 30,000
Retained earnings	978
CET1 capital	30,978
Tier 1 capital	30,978
Tier 2 capital	-
Total (eligible) capital	30,978
Risk-weighted assets	124,635
Capital ratios:	
CET1 Ratio	24.85%
Tier 1 Ratio	24.85%
Total Ratio	24.85%

Leverage Ratio:

Total Exposures	\$ 201,653
Tier 1 capital	30,978
Leverage Ratio	15.36%

The Bank was in compliance with the imposed regulatory capital requirements to which it was subject.

5.3. Composition of Capital – Post and Interim transitional and all-in capital Basel III Pillar 3 disclosures

The Bank is required to disclose the composition of its capital as required by the BCBS Disclosure Rules² during the transition of regulatory adjustments (i.e. from 1 January 2013 to 1 January 2018), and post 1 January 2018.

For this purpose, the Bank used a Transitional Template that was prescribed by the OSFI letter³ (dated October 10, 2012). This “OSFI Modified Transitional Template” required disclosure of regulatory adjustments from Common Equity Tier 1 (CET1), Additional Tier 1, and Tier 2 capital on a condensed basis, rather than individually as prescribed under the BCBS Transitional Template. Post 1 January 2018 disclosure is completed based on a modified version of the Composition of Capital Template presented in the Annex 4 of the OSFI Guideline on Capital Disclosure Requirements.

The Table 1C below presents the Bank's post 1 January 2018 and interim transitional and all-in capital Basel III Pillar 3 disclosures for each quarter-end of 2017 with no variances for components of capital and capital ratios on an all-in basis and a transitional basis.

Table 1C-Q3, 2018: Composition of Capital – Post 1 January 2018 Disclosures for Q3, 2018

Modified Capital Disclosure Template		Amounts
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	30,000
2	Retained earnings	2,002
3	Accumulated other comprehensive income (and other reserves)	0
4	<i>Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)</i>	0
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	0
6	Common Equity Tier 1 capital before regulatory adjustments	32,002
Common Equity Tier 1 capital: regulatory adjustments		
28	Total regulatory adjustments to Common Equity Tier 1	0
29	Common Equity Tier 1 capital (CET1)	32,002
Additional Tier 1 capital: instruments		
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	0
31	of which: classified as equity under applicable accounting standards	0
32	of which: classified as liabilities under applicable accounting standards	0
33	<i>Directly issued capital instruments subject to phase out from Additional Tier 1</i>	0

² BCBS June 26, 2012: *Composition of capital disclosure requirements – Rules text* <http://www.bis.org/publ/bcbs221.pdf>

³ *New Required Interim Public Capital Disclosure Requirements related to Basel III Pillar 3* http://www.osfi-bsif.gc.ca/Eng/Docs/cdr_let.pdf

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)	0
35	<i>of which: instruments issued by subsidiaries subject to phase out</i>	0
36	Additional Tier 1 capital before regulatory adjustments	0
Additional Tier 1 capital: regulatory adjustments		
43	Total regulatory adjustments to Additional Tier 1 capital	0
44	Additional Tier 1 capital (AT1)	0
45	Tier 1 capital (T1 = CET1 + AT1)	32,002
Tier 2 capital: instruments and allowances		
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	0
47	<i>Directly issued capital instruments subject to phase out from Tier 2</i>	0
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)	0
49	<i>of which: instruments issued by subsidiaries subject to phase out</i>	0
50	Collective allowances	0
51	Tier 2 capital before regulatory adjustments	0
Tier 2 capital: regulatory adjustments		
57	Total regulatory adjustments to Tier 2 capital	0
58	Tier 2 capital (T2)	0
59	Total capital (TC = T1 + T2)	32,002
60	Total risk-weighted assets	158,296
60a	Common Equity Tier 1 (CET1) Capital RWA	n/a
60b	Tier 1 Capital RWA	n/a
60c	Total Capital RWA	n/a
Capital ratios		
61	Common Equity Tier 1 (as percentage of risk-weighted assets)	20.22 %
62	Tier 1 (as percentage of risk-weighted assets)	20.22 %
63	Total capital (as percentage of risk-weighted assets)	20.22 %
OSFI target		
69	Common Equity Tier 1 capital target ratio	7%
70	Tier 1 capital target ratio	8.5%
71	Total capital target ratio	10.5%
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2013 and 1 Jan 2022)		
80	<i>Current cap on CET1 instruments subject to phase out arrangements</i>	n/a
81	<i>Amounts excluded from CET1 due to cap (excess over cap after redemptions and maturities)</i>	n/a
82	<i>Current cap on AT1 instruments subject to phase out arrangements</i>	n/a
83	<i>Amounts excluded from AT1 due to cap (excess over cap after redemptions and maturities)</i>	n/a
84	<i>Current cap on T2 instruments subject to phase out arrangements</i>	n/a
85	<i>Amounts excluded from T2 due to cap (excess over cap after redemptions and maturities)</i>	n/a

Table1C-Q2, 2018: Composition of Capital – Post 1 January 2018 Disclosures for Q2, 2018

Modified Capital Disclosure Template		Amounts
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	30,000
2	Retained earnings	1,764

3	Accumulated other comprehensive income (and other reserves)	0
4	<i>Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)</i>	0
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	0
6	Common Equity Tier 1 capital before regulatory adjustments	31,764
Common Equity Tier 1 capital: regulatory adjustments		
28	Total regulatory adjustments to Common Equity Tier 1	0
29	Common Equity Tier 1 capital (CET1)	31,764
Additional Tier 1 capital: instruments		
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	0
31	of which: classified as equity under applicable accounting standards	0
32	of which: classified as liabilities under applicable accounting standards	0
33	<i>Directly issued capital instruments subject to phase out from Additional Tier 1</i>	0
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)	0
35	of which: instruments issued by subsidiaries subject to phase out	0
36	Additional Tier 1 capital before regulatory adjustments	0
Additional Tier 1 capital: regulatory adjustments		
43	Total regulatory adjustments to Additional Tier 1 capital	0
44	Additional Tier 1 capital (AT1)	0
45	Tier 1 capital (T1 = CET1 + AT1)	31,764
Tier 2 capital: instruments and allowances		
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	0
47	<i>Directly issued capital instruments subject to phase out from Tier 2</i>	0
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)	0
49	of which: instruments issued by subsidiaries subject to phase out	0
50	Collective allowances	0
51	Tier 2 capital before regulatory adjustments	0
Tier 2 capital: regulatory adjustments		
57	Total regulatory adjustments to Tier 2 capital	0
58	Tier 2 capital (T2)	0
59	Total capital (TC = T1 + T2)	31,764
60	Total risk-weighted assets	135,258
60a	Common Equity Tier 1 (CET1) Capital RWA	n/a
60b	Tier 1 Capital RWA	n/a
60c	Total Capital RWA	n/a
Capital ratios		
61	Common Equity Tier 1 (as percentage of risk-weighted assets)	23.48 %
62	Tier 1 (as percentage of risk-weighted assets)	23.48 %
63	Total capital (as percentage of risk-weighted assets)	23.48 %
OSFI target		
69	Common Equity Tier 1 capital target ratio	7%
70	Tier 1 capital target ratio	8.5%
71	Total capital target ratio	10.5%
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2013 and 1 Jan 2022)		
80	<i>Current cap on CET1 instruments subject to phase out arrangements</i>	n/a
81	<i>Amounts excluded from CET1 due to cap (excess over cap after redemptions and maturities)</i>	n/a
82	<i>Current cap on AT1 instruments subject to phase out arrangements</i>	n/a
83	<i>Amounts excluded from AT1 due to cap (excess over cap after redemptions and maturities)</i>	n/a
84	<i>Current cap on T2 instruments subject to phase out arrangements</i>	n/a

85	Amounts excluded from T2 due to cap (excess over cap after redemptions and maturities)	n/a
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Table1C-Q1, 2018: Composition of Capital – Post 1 January 2018 Disclosures for Q1, 2018

Modified Capital Disclosure Template		Amounts
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	30,000
2	Retained earnings	1,575
3	Accumulated other comprehensive income (and other reserves)	0
4	<i>Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)</i>	0
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	0
6	Common Equity Tier 1 capital before regulatory adjustments	31,575
Common Equity Tier 1 capital: regulatory adjustments		
28	Total regulatory adjustments to Common Equity Tier 1	0
29	Common Equity Tier 1 capital (CET1)	31,575
Additional Tier 1 capital: instruments		
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	0
31	of which: classified as equity under applicable accounting standards	0
32	of which: classified as liabilities under applicable accounting standards	0
33	<i>Directly issued capital instruments subject to phase out from Additional Tier 1</i>	0
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)	0
35	<i>of which: instruments issued by subsidiaries subject to phase out</i>	0
36	Additional Tier 1 capital before regulatory adjustments	0
Additional Tier 1 capital: regulatory adjustments		
43	Total regulatory adjustments to Additional Tier 1 capital	0
44	Additional Tier 1 capital (AT1)	0
45	Tier 1 capital (T1 = CET1 + AT1)	31,575
Tier 2 capital: instruments and allowances		
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	0
47	<i>Directly issued capital instruments subject to phase out from Tier 2</i>	0
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)	0
49	<i>of which: instruments issued by subsidiaries subject to phase out</i>	0
50	Collective allowances	0
51	Tier 2 capital before regulatory adjustments	0
Tier 2 capital: regulatory adjustments		
57	Total regulatory adjustments to Tier 2 capital	0
58	Tier 2 capital (T2)	0
59	Total capital (TC = T1 + T2)	31,575
60	Total risk-weighted assets	127,843
60a	Common Equity Tier 1 (CET1) Capital RWA	n/a
60b	Tier 1 Capital RWA	n/a
60c	Total Capital RWA	n/a
Capital ratios		
61	Common Equity Tier 1 (as percentage of risk-weighted assets)	24.70 %

62	Tier 1 (as percentage of risk-weighted assets)	24.70 %
63	Total capital (as percentage of risk-weighted assets)	24.70 %
OSFI target		
69	Common Equity Tier 1 capital target ratio	7%
70	Tier 1 capital target ratio	8.5%
71	Total capital target ratio	10.5%
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2013 and 1 Jan 2022)		
80	<i>Current cap on CET1 instruments subject to phase out arrangements</i>	n/a
81	<i>Amounts excluded from CET1 due to cap (excess over cap after redemptions and maturities)</i>	n/a
82	<i>Current cap on AT1 instruments subject to phase out arrangements</i>	n/a
83	<i>Amounts excluded from AT1 due to cap (excess over cap after redemptions and maturities)</i>	n/a
84	<i>Current cap on T2 instruments subject to phase out arrangements</i>	n/a
85	<i>Amounts excluded from T2 due to cap (excess over cap after redemptions and maturities)</i>	n/a

Note: description of each line item of the Modified Composition of Capital Template is provided in the Annex 1 of the OSFI Guideline on Capital Disclosure Requirements.

Table 1C-Q4, 2017: Regulatory capital – Interim Disclosures for Q4, 2017 – Basel III

<i>In 000's CAD</i>		All-in Basis	Transitional Basis
Common Equity Tier 1 Capital: Instruments and Reserves and Regulatory Adjustments			
1	Common shares	30,000	30,000
7	Retained Earnings	1,134	1,134
3	Accumulated Other Comprehensive Income	-	-
5	Common shares issued by subsidiaries and held by third parties	-	-
28	Regulatory adjustments applied to Common Equity Tier 1 (CET1)	-	-
29	Common Equity Tier 1 Capital	31,134	31,134
Additional Tier 1 Capital: Instruments and Regulatory Adjustments			
30	Directly issued qualifying Additional Tier 1 instruments	-	-
33	Directly issued capital instruments subject to phase out from Additional Tier 1	-	-
34	Additional Tier 1 instruments issued by subsidiaries and held by third parties	-	-
35	<i>of which: instruments issued by subsidiaries subject to phase out</i>	-	-
43	Regulatory adjustments applied to Additional Tier 1	-	-
44	Additional Tier 1 Capital (AT1)	-	-
45	Tier 1 Capital (T1=CET1+ AT1)	31,134	31,134
Tier 2 Capital: Instruments and Provisions and Regulatory Adjustments			
46	Directly issued qualifying Tier 2 instruments	-	-
47	Directly issued capital instruments subject to phase out from Tier 2	-	-
48	Tier 2 instruments issued by subsidiaries and held by third parties	-	-
49	<i>of which: instruments issued by subsidiaries subject to phase out</i>	-	-
50	Provisions	-	-
57	Regulatory adjustments applied to Tier 2	-	-
58	Tier 2 Capital (T2)	-	-
59	Total Capital (TC = T1 + T2)	31,134	31,134
60	Total risk weighted-assets	128,471	128,471
Capital Ratios			
61	CET1	24.23%	24.23%
62	Tier 1	24.23%	24.23%
63	Total Capital	24.23%	24.23%
OSFI Target Ratios			
69	CET1	7.0%	3.5%

<i>In 000's CAD</i>		All-in Basis	Transitional Basis
70	Tier 1	n/a	4.5%
71	Total Capital	n/a	8.0%
Capital Instruments Subject To Phase Out Arrangements			
80	Current cap on CET1 instruments subject to phase out arrangements	n/a	-
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	n/a	-
82	Current cap on AT1 instruments subject to phase out arrangements	n/a	-
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	n/a	-
84	Current cap on T2 instruments subject to phase out arrangements	n/a	-
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	n/a	-

Table 1C-Q3, 2017: Regulatory capital – Interim Disclosures for Q3, 2017 – Basel III

<i>In 000's CAD</i>		All-in Basis	Transitional Basis
Common Equity Tier 1 Capital: Instruments and Reserves and Regulatory Adjustments			
1	Common shares	30,000	30,000
7	Retained Earnings	459	459
3	Accumulated Other Comprehensive Income	-	-
5	Common shares issued by subsidiaries and held by third parties	-	-
28	Regulatory adjustments applied to Common Equity Tier 1 (CET1)	-	-
29	Common Equity Tier 1 Capital	30,459	30,459
Additional Tier 1 Capital: Instruments and Regulatory Adjustments			
30	Directly issued qualifying Additional Tier 1 instruments	-	-
33	Directly issued capital instruments subject to phase out from Additional Tier 1	-	-
34	Additional Tier 1 instruments issued by subsidiaries and held by third parties	-	-
35	<i>of which: instruments issued by subsidiaries subject to phase out</i>	-	-
43	Regulatory adjustments applied to Additional Tier 1	-	-
44	Additional Tier 1 Capital (AT1)	-	-
45	Tier 1 Capital (T1=CET1+ AT1)	30,459	30,459
Tier 2 Capital: Instruments and Provisions and Regulatory Adjustments			
46	Directly issued qualifying Tier 2 instruments	-	-
47	Directly issued capital instruments subject to phase out from Tier 2	-	-
48	Tier 2 instruments issued by subsidiaries and held by third parties	-	-
49	<i>of which: instruments issued by subsidiaries subject to phase out</i>	-	-
50	Provisions	-	-
57	Regulatory adjustments applied to Tier 2	-	-
58	Tier 2 Capital (T2)	-	-
59	Total Capital (TC = T1 + T2)	30,459	30,459
60	Total risk weighted-assets	132,167	132,167
Capital Ratios			
61	CET1	23.05%	23.05%
62	Tier 1	23.05%	23.05%
63	Total Capital	23.05%	23.05%
OSFI Target Ratios			
69	CET1	7.0%	3.5%
70	Tier 1	n/a	4.5%
71	Total Capital	n/a	8.0%
Capital Instruments Subject To Phase Out Arrangements			
80	Current cap on CET1 instruments subject to phase out arrangements	n/a	-
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	n/a	-
82	Current cap on AT1 instruments subject to phase out arrangements	n/a	-
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	n/a	-
84	Current cap on T2 instruments subject to phase out arrangements	n/a	-

<i>In 000's CAD</i>		All-in Basis	Transitional Basis
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	n/a	-

Table 1C-Q2, 2017: Regulatory capital – Interim Disclosures for Q2, 2017 – Basel III

<i>In 000's CAD</i>		All-in Basis	Transitional Basis
Common Equity Tier 1 Capital: Instruments and Reserves and Regulatory Adjustments			
1	Common shares	30,000	30,000
7	Retained Earnings	610	610
3	Accumulated Other Comprehensive Income	-	-
5	Common shares issued by subsidiaries and held by third parties	-	-
28	Regulatory adjustments applied to Common Equity Tier 1 (CET1)	-	-
29	Common Equity Tier 1 Capital	30,610	30,610
Additional Tier 1 Capital: Instruments and Regulatory Adjustments			
30	Directly issued qualifying Additional Tier 1 instruments	-	-
33	Directly issued capital instruments subject to phase out from Additional Tier 1	-	-
34	Additional Tier 1 instruments issued by subsidiaries and held by third parties	-	-
35	<i>of which: instruments issued by subsidiaries subject to phase out</i>	-	-
43	Regulatory adjustments applied to Additional Tier 1	-	-
44	Additional Tier 1 Capital (AT1)	-	-
45	Tier 1 Capital (T1=CET1+ AT1)	30,610	30,610
Tier 2 Capital: Instruments and Provisions and Regulatory Adjustments			
46	Directly issued qualifying Tier 2 instruments	-	-
47	Directly issued capital instruments subject to phase out from Tier 2	-	-
48	Tier 2 instruments issued by subsidiaries and held by third parties	-	-
49	<i>of which: instruments issued by subsidiaries subject to phase out</i>	-	-
50	Provisions	-	-
57	Regulatory adjustments applied to Tier 2	-	-
58	Tier 2 Capital (T2)	-	-
59	Total Capital (TC = T1 + T2)	30,610	30,610
60	Total risk weighted-assets	124,796	124,796
Capital Ratios			
61	CET1	24.53%	24.53%
62	Tier 1	24.53%	24.53%
63	Total Capital	24.53%	24.53%
OSFI Target Ratios			
69	CET1	7.0%	3.5%
70	Tier 1	n/a	4.5%
71	Total Capital	n/a	8.0%
Capital Instruments Subject To Phase Out Arrangements			
80	Current cap on CET1 instruments subject to phase out arrangements	n/a	-
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	n/a	-
82	Current cap on AT1 instruments subject to phase out arrangements	n/a	-
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	n/a	-
84	Current cap on T2 instruments subject to phase out arrangements	n/a	-
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	n/a	-

Table 1C-Q1, 2017: Regulatory capital – Interim Disclosures for Q1, 2017 – Basel III

<i>In 000's CAD</i>		All-in Basis	Transitional Basis
Common Equity Tier 1 Capital: Instruments and Reserves and Regulatory Adjustments			
1	Common shares	30,000	30,000
7	Retained Earnings	767	767
3	Accumulated Other Comprehensive Income	-	-
5	Common shares issued by subsidiaries and held by third parties	-	-
28	Regulatory adjustments applied to Common Equity Tier 1 (CET1)	-	-
29	Common Equity Tier 1 Capital	30,767	30,767
Additional Tier 1 Capital: Instruments and Regulatory Adjustments			
30	Directly issued qualifying Additional Tier 1 instruments	-	-
33	Directly issued capital instruments subject to phase out from Additional Tier 1	-	-
34	Additional Tier 1 instruments issued by subsidiaries and held by third parties	-	-
35	<i>of which: instruments issued by subsidiaries subject to phase out</i>	-	-
43	Regulatory adjustments applied to Additional Tier 1	-	-
44	Additional Tier 1 Capital (AT1)	-	-
45	Tier 1 Capital (T1=CET1+ AT1)	30,767	30,767
Tier 2 Capital: Instruments and Provisions and Regulatory Adjustments			
46	Directly issued qualifying Tier 2 instruments	-	-
47	Directly issued capital instruments subject to phase out from Tier 2	-	-
48	Tier 2 instruments issued by subsidiaries and held by third parties	-	-
49	<i>of which: instruments issued by subsidiaries subject to phase out</i>	-	-
50	Provisions	-	-
57	Regulatory adjustments applied to Tier 2	-	-
58	Tier 2 Capital (T2)	-	-
59	Total Capital (TC = T1 + T2)	30,767	30,767
60	Total risk weighted-assets	124,329	124,329
Capital Ratios			
61	CET1	24.75%	24.75%
62	Tier 1	24.75%	24.75%
63	Total Capital	24.75%	24.75%
OSFI Target Ratios			
69	CET1	7.0%	3.5%
70	Tier 1	n/a	4.5%
71	Total Capital	n/a	8.0%
Capital Instruments Subject To Phase Out Arrangements			
80	Current cap on CET1 instruments subject to phase out arrangements	n/a	-
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	n/a	-
82	Current cap on AT1 instruments subject to phase out arrangements	n/a	-
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	n/a	-
84	Current cap on T2 instruments subject to phase out arrangements	n/a	-
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	n/a	-

5.4. Capital requirements for Risks

Table2: Risk-weighted assets - by risk type and regulatory capital requirements

2018 Quarterly – Basel III:

	September 30, 2018	
	RWAs	Capital required [*]
Credit risk	\$147,046	\$ 15,440
Market risk	\$ -	\$ -
Operational risk	\$ 11,250	\$1,1,181
Total	\$158,296	\$ 16,621
Total Capital		\$ 32,002
Surplus		\$ 16,621
Total Capital ratio		20.22%

^{*}Capital required for risk is the regulatory capital charge, calculated as 10.5% of RWAs

	June 30, 2018		March 31, 2018	
	RWAs	Capital required [*]	RWAs	Capital required [*]
Credit risk	\$ 124,508	\$ 13,073	\$117,443	\$ 12,332
Market risk	\$ -	\$ -	\$ -	\$ -
Operational risk	\$ 10,750	\$ 1,129	\$ 10,400	\$ 1,092
Total	\$ 135,258	\$ 14,202	\$127,843	\$ 13,424
Total Capital		\$ 31,764		\$ 31,575
Surplus		\$ 17,562		\$ 18,151
Total Capital ratio		23.48%		24.70%

^{*}Capital required for risk is the regulatory capital charge, calculated as 10.5% of RWAs

2017 Quarterly – Basel III:

	December 31, 2017		September 30, 2017	
	RWAs	Capital required [*]	RWAs	Capital required [*]
Credit risk	\$ 118,321	\$ 12,424	\$122,442	\$ 12,857
Market risk	\$ -	\$ -	\$ -	\$ -
Operational risk	\$ 10,150	\$ 1,066	\$ 9,725	\$ 1,021
Total	\$ 128,471	\$ 13,489	\$132,167	\$ 13,878
Total Capital		\$ 31,134		\$ 30,459
Surplus		\$ 17,645		\$ 16,581
Total Capital ratio		24.23%		23.05%

^{*}Capital required for risk is the regulatory capital charge, calculated as 10.5% of RWAs

	June 30, 2017		March 31, 2017	
	RWAs	Capital required [*]	RWAs	Capital required [*]
Credit risk	\$ 115,309	\$ 12,107	\$115,004	\$ 12,075
Market risk	\$ -	\$ -	\$ -	\$ -
Operational risk	\$ 9,487	\$ 996	\$ 9,325	\$ 979
Total	124,796	\$ 13,103	\$124,329	\$ 13,054
Total Capital		\$ 30,610		\$ 30,767
Surplus		\$ 17,507		\$ 17,713
Total Capital ratio		24.53%		24.75%

^{*}Capital required for risk is the regulatory capital charge, calculated as 10.5% of RWAs

2016 Quarterly – Basel III:

	December 31, 2016		September 30, 2016	
	RWAs	Capital required [*]	RWAs	Capital required [*]
Credit risk	\$ 115,472	\$ 12,125	\$107,068	\$ 11,242
Market risk	\$ -	\$ -	\$ -	\$ -
Operational risk	\$ 9,163	\$ 962	\$ 9,063	\$ 952
Total	\$ 124,635	\$ 13,087	\$116,131	\$ 12,194
Total Capital		\$ 30,978		\$ 31,475
Surplus		\$ 17,891		\$ 19,281
Total Capital ratio		24.85%		33.33%

^{*}Capital required for risk is the regulatory capital charge, calculated as 10.5% of RWAs

	June 30, 2016		March 31, 2016	
	RWAs	Capital required [*]	RWAs	Capital required [*]
Credit risk	\$ 97,898	\$ 10,279	\$ 94,040	\$ 9,874
Market risk	\$ -	\$ -	\$ -	\$ -
Operational risk	\$ 8,875	\$ 932	\$ 8,788	\$ 923
Total	\$ 106,773	\$ 11,211	\$102,828	\$ 10,797
Total Capital		\$ 31,611		\$ 31,713
Surplus		\$ 20,400		\$ 20,916
Total Capital ratio		29.61%		30.84%

^{*}Capital required for risk is the regulatory capital charge, calculated as 10.5% of RWAs

Note: Capital requirements for credit and market risk are subject only to standardized approach; capital requirements for operational risk are subject to basic indicator approach.

Note: Additional information regarding Bank's Risk management framework and processes can be found in the *Bank's Annual Report (audited) for 2017 fiscal year*, Note 3 "Nature and extent of risk arising from financial instruments".

5.5. Public Disclosure related to Basel III Leverage Ratio

Effective 2015, the Bank is required to disclose its Leverage Ratio (LR) in accordance with the BCBS LR Framework, OSFI's Leverage Requirement Guideline and Guideline "Public Disclosure Requirements related to Basel III Leverage Ratio" (revised December 2017) using the prescribed reporting table template "Leverage ratio common disclosure template for non-D-SIBs".

Note that the table has been extracted from and should be read in conjunction with the BCBS LR Framework and OSFI's Leverage Requirements guideline.

Table 3LR-Q3, 2018: Leverage Ratio Disclosures for Q3 2018 (in 000's CAD)

	Item	Leverage Ratio Framework
On-balance sheet exposures		
1	On-balance sheet items (excluding derivatives, SFTs and grandfathered securitization exposures but including collateral)	207,851
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	-
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	207,851
Derivative exposures		
4	Replacement cost associated with all derivative transactions (i.e. net of eligible cash variation margin)	-
5	Add-on amounts for PFE associated with all derivative transactions	-
6	Gross up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	-
7	(Deductions of receivables assets for cash variation margin provided in derivative transactions)	-
8	(Exempted CCP-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 (sum of lines 4 to 10)	-
Securities financing transaction exposures		

12	Gross SFT assets recognised for accounting purposes (with no recognition of netting), after adjusting for sale accounting transactions	-
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 (sum of lines 12 to 15)	-
Other off-balance sheet exposures		
17	Off-balance sheet exposure at gross notional amount	17,729
18	(Adjustments for conversion to credit equivalent amounts)	(10,474)
19	Off-balance sheet items (sum of lines 17 and 18)	7,255
Capital and Total Exposures		
20	Tier 1 capital	32,002
21	Total Exposures (sum of lines 3, 11, 16 and 19)	215,106
Leverage Ratios		
22	Basel III leverage ratio	14.88 %

The following table provides descriptions of each line item in Table 3LR above.

Row number	Explanation
1	On-balance sheet assets (excluding derivatives, SFTs and grandfathered securitization exposures, but including collateral) according to paragraphs 14 and 17 to 20 of the Leverage Requirements Guideline.
2	Deductions from Basel III Tier 1 capital determined by paragraphs 4, 15 and 16 of the Leverage Requirements Guideline and excluded from the leverage ratio exposure measure, reported as negative amounts.
3	Sum of lines 1 and 2.
4	Replacement cost (RC) associated with <u>all</u> derivative transactions, (including exposure resulting from transactions described in paragraph 42 of the Leverage Requirements Guideline), net of cash variation margin received and with, where applicable, bilateral netting according to paragraphs 22 to 35 and 40 of the Leverage Requirements Guideline.
5	Add-on amount for all derivatives exposure according to paragraphs 22 to 35 of the Leverage Requirements Guideline.
6	Grossed-up amount for collateral provided according to paragraph 38 of the Leverage Requirements Guideline.

Row number	Explanation
7	Deductions of receivables assets from cash variation margin provided in derivative transactions according to paragraph 40 of the Leverage Requirements Guideline, reported as negative amounts.
8	Exempted trade exposures associated with the CCP-leg of derivative transactions resulting from client cleared transactions according to paragraph 41 of the Leverage Requirements Guideline, reported as negative amounts.
9	Adjusted effective notional amount (i.e. the effective notional amount reduced by any negative change in fair value) for written credit derivatives according to paragraphs 45 to 47 of the Leverage Requirements Guideline.
10	Adjusted effective notional offsets of written credit derivatives according to paragraphs 45 to 47 of the Leverage Requirements Guideline and deducted add-on amounts relating to written credit derivatives according to paragraph 48 of the Leverage Requirements Guideline, reported as negative amounts.
11	Sum of lines 4 to 10.
12	Gross SFT assets recognised for accounting purposes with no recognition of any netting other than novation with QCCPs as set out in footnote 30 of the Leverage Requirements Guideline, removing certain securities received as determined by paragraph 50 (i) of the Leverage Requirements Guideline and adjusting for any sales accounting transactions as determined by paragraph 53 of the Leverage Requirements Guideline.
13	Cash payables and cash receivables of Gross SFT assets netted according to paragraph 50 (i) of the Leverage Requirements Guideline, reported as negative amounts.
14	Measure of counterparty credit risk for SFTs as determined by paragraph 50 (ii) of the Leverage Requirements Guideline.
15	Agent transaction exposure amount determined according to paragraphs 54 to 56 of the Leverage Requirements Guideline.
16	Sum of lines 12 to 15.
12	Gross SFT assets recognised for accounting purposes with no recognition of any netting other than novation with QCCPs as set out in footnote 30 of the Leverage Requirements Guideline, removing certain securities received as determined by paragraph 50 (i) of the Leverage Requirements Guideline and adjusting for any sales accounting transactions as determined by paragraph 53 of the Leverage Requirements Guideline.
13	Cash payables and cash receivables of Gross SFT assets netted according to paragraph 50 (i) of the Leverage Requirements Guideline, reported as negative amounts.
14	Measure of counterparty credit risk for SFTs as determined by paragraph 50 (ii) of the Leverage Requirements Guideline.
15	Agent transaction exposure amount determined according to paragraphs 54 to 56 of the Leverage Requirements Guideline.
16	Sum of lines 12 to 15.
17	Total off-balance sheet exposure amounts on a gross notional basis, before any adjustment for credit conversion factors according to paragraphs 57 to 65 of the Leverage Requirements Guideline.
18	Reduction in gross amount of off-balance sheet exposures due to the application of credit conversion factors in paragraphs 57 to 65 of the Leverage Requirements Guideline.

Row number	Explanation
19	Sum of lines 17 and 18.
20	Tier 1 capital as determined by paragraph 10 of the Leverage Requirements Guideline.
21	Sum of lines 3, 11, 16 and 19.
22	Basel III leverage ratio according to paragraph 5 of the Leverage Requirements Guideline. (Line 20/21)

Table 3LR-Q2, 2018: Leverage Ratio Disclosures for Q2 2018 (in 000's CAD)

	Item	Leverage Ratio Framework
On-balance sheet exposures		
1	On-balance sheet items (excluding derivatives, SFTs and grandfathered securitization exposures but including collateral)	198,017
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	-
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	198,017
Derivative exposures		
4	Replacement cost associated with all derivative transactions (i.e. net of eligible cash variation margin)	-
5	Add-on amounts for PFE associated with all derivative transactions	-
6	Gross up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	-
7	(Deductions of receivables assets for cash variation margin provided in derivative transactions)	-
8	(Exempted CCP-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 (sum of lines 4 to 10)	-
Securities financing transaction exposures		
12	Gross SFT assets recognised for accounting purposes (with no recognition of netting), after adjusting for sale accounting transactions	-

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 (sum of lines 12 to 15)	-
Other off-balance sheet exposures		
17	Off-balance sheet exposure at gross notional amount	16,050
18	(Adjustments for conversion to credit equivalent amounts)	(10,512)
19	Off-balance sheet items (sum of lines 17 and 18)	5,538
Capital and Total Exposures		
20	Tier 1 capital	31,764
21	Total Exposures (sum of lines 3, 11, 16 and 19)	203,555
Leverage Ratios		
22	Basel III leverage ratio	15.60 %

Table 3LR-Q1, 2018: Leverage Ratio Disclosures for Q1 2018 (in 000's CAD)

	Item	Leverage Ratio Framework
On-balance sheet exposures		
1	On-balance sheet items (excluding derivatives, SFTs and grandfathered securitization exposures but including collateral)	191,264
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	-
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	191,264
Derivative exposures		
4	Replacement cost associated with all derivative transactions (i.e. net of eligible cash variation margin)	2
5	Add-on amounts for PFE associated with all derivative transactions	6
6	Gross up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	-

7	(Deductions of receivables assets for cash variation margin provided in derivative transactions)	-
8	(Exempted CCP-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 (sum of lines 4 to 10)	8
Securities financing transaction exposures		
12	Gross SFT assets recognised for accounting purposes (with no recognition of netting), after adjusting for sale accounting transactions	-
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 (sum of lines 12 to 15)	-
Other off-balance sheet exposures		
17	Off-balance sheet exposure at gross notional amount	15,484
18	(Adjustments for conversion to credit equivalent amounts)	(9,746)
19	Off-balance sheet items (sum of lines 17 and 18)	5,738
Capital and Total Exposures		
20	Tier 1 capital	31,575
21	Total Exposures (sum of lines 3, 11, 16 and 19)	197,010
Leverage Ratios		
22	Basel III leverage ratio	16.03 %

Table 3LR-Q4, 2017: Leverage Ratio Disclosures for Q4 2017 (in 000's CAD)

	Item	Leverage Ratio Framework
On-balance sheet exposures		
1	On-balance sheet items (excluding derivatives, SFTs and grandfathered securitization exposures but including collateral)	201,908
2	(Asset amounts deducted in determining Basel III "all-in" Tier 1 capital)	-

3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	201,908
Derivative exposures		
4	Replacement cost associated with all derivative transactions (i.e. net of eligible cash variation margin)	19
5	Add-on amounts for PFE associated with all derivative transactions	22
11	Total derivative exposures (sum of lines 4 to 10)	41
Securities financing transaction exposures		
16	Total securities financing transaction exposures (sum of lines 12 to 15)	-
Other off-balance sheet exposures		
17	Off-balance sheet exposure at gross notional amount	16,830
18	(Adjustments for conversion to credit equivalent amounts)	(10,808)
19	Off-balance sheet items (sum of lines 17 and 18)	6,022
Capital and Total Exposures		
20	Tier 1 capital	31,134
21	Total Exposures (sum of lines 3, 11, 16 and 19)	207,971
Leverage Ratios		
22	Basel III leverage ratio	14.97 %

Table 3LR-Q3, 2017: Leverage Ratio Disclosures for Q3 2017 (in 000's CAD)

	Item	Leverage Ratio Framework
On-balance sheet exposures		
1	On-balance sheet items (excluding derivatives, SFTs and grandfathered securitization exposures but including collateral)	205,680
2	(Asset amounts deducted in determining Basel III "all-in" Tier 1 capital)	-
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	205,680
Derivative exposures		
4	Replacement cost associated with all derivative transactions (i.e. net of eligible cash variation margin)	7
5	Add-on amounts for PFE associated with all derivative transactions	14
11	Total derivative exposures (sum of lines 4 to 10)	21
Securities financing transaction exposures		
16	Total securities financing transaction exposures (sum of lines 12 to 15)	-
Other off-balance sheet exposures		
17	Off-balance sheet exposure at gross notional amount	17,877
18	(Adjustments for conversion to credit equivalent amounts)	(10,607)
19	Off-balance sheet items (sum of lines 17 and 18)	7,270

Capital and Total Exposures		
20	Tier 1 capital	30,459
21	Total Exposures (sum of lines 3, 11, 16 and 19)	212,971
Leverage Ratios		
22	Basel III leverage ratio	14.30 %

Table 3LR-Q2, 2017: Leverage Ratio Disclosures for Q2 2017 (in 000's CAD)

	Item	Leverage Ratio Framework
On-balance sheet exposures		
1	On-balance sheet items (excluding derivatives, SFTs and grandfathered securitization exposures but including collateral)	198,529
2	(Asset amounts deducted in determining Basel III "all-in" Tier 1 capital)	-
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	198,529
Derivative exposures		
4	Replacement cost associated with all derivative transactions (i.e. net of eligible cash variation margin)	38
5	Add-on amounts for PFE associated with all derivative transactions	20
11	Total derivative exposures (sum of lines 4 to 10)	58
Securities financing transaction exposures		
16	Total securities financing transaction exposures (sum of lines 12 to 15)	-
Other off-balance sheet exposures		
17	Off-balance sheet exposure at gross notional amount	19,667
18	(Adjustments for conversion to credit equivalent amounts)	(12,229)
19	Off-balance sheet items (sum of lines 17 and 18)	7,438
Capital and Total Exposures		
20	Tier 1 capital	30,610
21	Total Exposures (sum of lines 3, 11, 16 and 19)	206,025
Leverage Ratios		
22	Basel III leverage ratio	14.86 %

Table 3LR-Q1, 2017: Leverage Ratio Disclosures for Q1, 2017 (in 000's CAD)

	Item	Leverage Ratio Framework
On-balance sheet exposures		

1	On-balance sheet items (excluding derivatives, SFTs and grandfathered securitization exposures but including collateral)	194,084
2	(Asset amounts deducted in determining Basel III "all-in" Tier 1 capital)	-
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	194,084
Derivative exposures		
4	Replacement cost associated with all derivative transactions (i.e. net of eligible cash variation margin)	15
5	Add-on amounts for PFE associated with all derivative transactions	26
11	Total derivative exposures (sum of lines 4 to 10)	41
Securities financing transaction exposures		
16	Total securities financing transaction exposures (sum of lines 12 to 15)	-
Other off-balance sheet exposures		
17	Off-balance sheet exposure at gross notional amount	17,657
18	(Adjustments for conversion to credit equivalent amounts)	(10,583)
19	Off-balance sheet items (sum of lines 17 and 18)	7,074
Capital and Total Exposures		
20	Tier 1 capital	30,767
21	Total Exposures (sum of lines 3, 11, 16 and 19)	201,199
Leverage Ratios		
22	Basel III leverage ratio	15.29 %

Table 3LR-Q4, 2016: Leverage Ratio Disclosures for Q4, 2016 (in 000's CAD)

	Item	Leverage Ratio Framework
On-balance sheet exposures		
1	On-balance sheet items (excluding derivatives, SFTs and grandfathered securitization exposures but including collateral)	196,029
2	(Asset amounts deducted in determining Basel III "all-in" Tier 1 capital)	-
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	196,029
Derivative exposures		
4	Replacement cost associated with all derivative transactions (i.e. net of eligible cash variation margin)	18
5	Add-on amounts for PFE associated with all derivative transactions	54
11	Total derivative exposures (sum of lines 4 to 10)	72
Securities financing transaction exposures		
16	Total securities financing transaction exposures (sum of lines 12 to 15)	-
Other off-balance sheet exposures		

17	Off-balance sheet exposure at gross notional amount	13,909
18	(Adjustments for conversion to credit equivalent amounts)	(8,375)
19	Off-balance sheet items (sum of lines 17 and 18)	5,552
Capital and Total Exposures		
20	Tier 1 capital	30,978
21	Total Exposures (sum of lines 3, 11, 16 and 19)	201,653
Leverage Ratios		
22	Basel III leverage ratio	15.36 %

6. Credit risk: general disclosures

6.1. General qualitative disclosures

Qualitative disclosures with respect to definitions of past due and impaired (for accounting purposes), description of approaches followed for specific and general allowances, transition to IFRS 9 and discussion of the credit risk management policy are present in the *Bank's Annual Report (audited) for 2017 fiscal year*, Notes 1a (vii) "Identification and measurement of impairment", 1c "Loans and advances", 3a "Credit risk", and 5 "Past due and impaired assets and allowance for impairment".

6.2. Quantative disclosures

Quantitative disclosures with respect to

- total gross credit risk exposures* broken down by major types of credit exposure,
- geographic distribution of exposures of exposures broken down in significant areas by major types of credit exposure,
- industry distribution broken down by major types of credit exposure,
- disclosure on amount of impaired loans and past due loans, specific and collective allowances, charges for specific allowances and charge-offs during the period, and reconciliation of charges in the allowances for loan impairment are presented below.

*Exposure represents gross exposure at default before allowances and credit risk mitigation.

- Total Gross Credit Exposure - Counterparty type distribution broken down by major types of credit exposure (for each quarter-end for 2018 and comparative data for 2017 year):

2018:

September 30, 2018

Standardized	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	RWAs
Bank	\$44,943	-	-	\$2,745	\$47,688	\$21,132
Sovereign	\$9,994	-	-	-	\$9,994	-
Corporate	\$105,397	\$7,072	-	\$4,716	\$117,185	\$106,890
Retail Residential Mortgages	\$46,444	\$3,159	-	-	\$49,603	\$16,445
Other Retail	\$126	\$37	-	-	\$163	\$89
Total Gross Credit Exposure	\$206,904	\$10,268	-	\$7,461	\$224,633	\$144,556

Reconciliation to Statements of Financial Position

Other Assets (not included in Standardized)	\$2,187					\$2,490
Total Assets subject to credit risk	\$209,091					
Less Allowance for impairment	\$700					
Less Collective Allowance	\$540					
Total Assets	\$207,851			Total RWAs		\$147,046

*includes replacement values

June 30, 2018

Standardized	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	RWAs
Bank	\$50,510	-	-	\$826	\$51,336	\$13,187
Sovereign	\$9,962	-	-	-	\$9,962	-
Corporate	\$94,103	\$8,041	-	\$3,191	\$105,335	\$93,663
Retail Residential Mortgages	\$42,276	\$3,957	-	-	\$46,233	\$15,038
Other Retail	\$116	\$35	-	-	\$151	\$65
Total Gross Credit Exposure	\$196,967	\$12,033	-	\$4,017	\$213,017	\$121,953

Reconciliation to Statements of Financial Position

Other Assets (not included in Standardized)	\$2,219					\$2,555
Total Assets subject to credit risk	\$199,186					
Less Allowance for impairment	\$700					
Less Collective Allowance	\$469					
Total Assets	\$198,017			Total RWAs		\$124,508

*includes replacement values

March 31, 2018

Standardized	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	RWAs
Bank	\$47,744	-	\$2	\$938	\$48,684	\$11,302
Sovereign	\$9,995	-	-	-	\$9,995	-
Corporate	\$87,534	\$6,094	-	\$3,713	\$97,341	\$87,245
Retail Residential Mortgages	\$44,444	\$4,700	-	-	\$49,144	\$15,849
Other Retail	\$223	\$39	-	-	\$262	\$143
Total Gross Credit Exposure	\$189,940	\$10,833	\$2	\$4,651	\$205,426	\$114,539
<u>Reconciliation to Statements of Financial Position</u>						
Other Assets (not included in Standardized)	\$2,568					\$2,904
Total Assets subject to credit risk	\$192,508					
Less Allowance for impairment	\$700					
Less Collective Allowance	\$542					
Total Assets	\$191,266			Total RWAs		\$117,443
*includes replacement values						

2017:

December 31, 2017

Standardized	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	RWAs
Bank	\$66,139	-	\$14	\$1,825	\$67,978	\$18,335
Sovereign	\$9,968	-	-	-	\$9,968	-
Corporate	\$82,170	\$6,509	\$5	\$3,466	\$92,150	\$81,797
Retail Residential Mortgages	\$42,160	\$4,983	-	-	\$47,143	\$15,069
Other Retail	\$210	\$47	-	-	\$257	\$133
Total Gross Credit Exposure	\$200,647	\$11,539	\$19	\$5,291	\$217,496	\$115,334
<u>Reconciliation to Statements of Financial Position</u>						
Other Assets (not included in Standardized)	\$2,880					\$2,987
Total Assets subject to credit risk	\$203,527					
Less Allowance for impairment	\$700					
Less Collective Allowance	\$900					
Total Assets	\$201,927			Total RWAs		\$118,321
*includes replacement values						

September 30, 2017

Standardized	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	RWAs
Bank	\$66,268	-	\$3	\$1,750	\$68,021	\$18,133
Sovereign	\$9,994	-	-	-	\$9,994	-
Corporate	\$85,760	\$6,535	\$4	\$4,954	\$97,253	\$85,613
Retail Residential Mortgages	\$42,444	\$4,594	-	-	\$47,038	\$15,139
Other Retail	\$218	\$44	-	-	\$262	\$135
Total Gross Credit Exposure	\$204,684	\$11,173	\$7	\$6,704	\$222,568	\$119,020
<u>Reconciliation to Statements of Financial Position</u>						
Other Assets (not included in Standardized)	\$3,091					\$3,422
Total Assets subject to credit risk	\$207,775					
Less Allowance for impairment	\$1,200					
Less Collective Allowance	\$888					
Total Assets	\$205,687			Total RWAs		\$122,442
*includes replacement values						

June 30, 2017

Standardized	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	RWAs
Bank	\$72,808	-	-	-	\$72,808	\$18,756
Sovereign	\$9,993	-	-	-	\$9,993	-
Corporate	\$80,930	\$10,339	38	\$4,416	\$95,723	\$81,101
Retail Residential Mortgages	\$33,770	\$4,873	-	-	\$38,643	\$12,121
Other Retail	\$227	\$39	-	-	\$266	\$139
Total Gross Credit Exposure	\$197,728	\$15,251	\$38	\$4,416	\$217,433	\$112,117
<u>Reconciliation to Statements of Financial Position</u>						
Other Assets (not included in Standardized)	\$2,853					\$3,192
Total Assets subject to credit risk	\$200,581					
Less Allowance for impairment	\$1,200					
Less Collective Allowance	\$814					
Total Assets	\$198,567			Total RWAs		\$115,309
*includes replacement values						

March 31, 2017

Standardized	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	RWAs
Bank	\$79,368	-	\$15	-	\$79,383	\$21,516
Sovereign	\$9,980	-	-	-	\$9,980	-
Corporate	\$79,783	\$8,017	-	\$5,140	\$92,940	\$81,428
Retail Residential Mortgages	\$23,692	\$4,486	-	-	\$28,178	\$8,561
Other Retail	\$248	\$14	-	-	\$262	\$137
Total Gross Credit Exposure	\$193,071	\$12,517	\$15	\$5,140	\$210,743	\$111,642
<u>Reconciliation to Statements of Financial Position</u>						
Other Assets (not included in Standardized)	\$3,042					\$3,362
Total Assets subject to credit risk	\$196,113					
Less Allowance for impairment	\$1,200					
Less Collective Allowance	\$814					
Total Assets	\$194,099			Total RWAs		\$115,004
*includes replacement values						

2016:

December 31, 2016						
Standardized	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	RWAs
<i>Bank</i>	\$80,276	-	\$6	\$152	\$80,434	\$21,825
<i>Sovereign</i>	\$9,995	-	-	-	\$9,995	-
<i>Corporate</i>	\$81,237	\$5,602	\$12	\$3,806	\$90,657	\$81,875
<i>Retail Residential Mortgages</i>	\$23,589	\$4,314	-	-	\$27,903	\$8,517
<i>Other Retail</i>	\$243	\$35	-	-	\$278	\$149
Total Gross Credit Exposure	\$195,340	\$9,951	\$18	\$3,958	\$209,267	\$112,366
<i>Reconciliation to Statements of Financial Position</i>						
<i>Other Assets (not included in Standardized)</i>	\$2,728					\$3,106
Total Assets subject to credit risk	\$198,068					
<i>Less Allowance for impairment</i>	\$1,200					
<i>Less Collective Allowance</i>	\$821					
Total Assets	\$196,047				Total RWAs	\$115,472
<i>*includes replacement values</i>						

Note: Statements of Financial Position for September 30, June 30, and March 31 of 2018, 2017 and 2016 are not audited.

- Geographic distribution of exposures broken down by major types of credit exposure:

2018:

September 30, 2018

Geographic Distribution of Exposures	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	(%)
Canada:	\$185,483	\$10,268	-	\$4,717	\$200,468	89.24%
Ontario	\$185,035	\$10,268	-	\$4,691	\$199,994	89.03%
Alberta	-	-	-	\$26	\$26	0.01%
British Columbia	\$448	-	-	-	\$448	0.20%
Quebec	-	-	-	-	-	0.00%
USA	\$1,627	-	-	-	\$1,627	0.72%
Other	\$19,794	-	-	\$2,744	\$22,538	10.03%
Total Gross Credit Exposure	\$206,904	\$10,268	\$0	\$7,461	\$224,633	100%

*includes replacement values

June 30, 2018

Geographic Distribution of Exposures	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	(%)
Canada:	\$186,858	\$12,033	-	\$3,190	\$202,081	94.87%
Ontario	\$186,408	\$12,033	-	\$3,164	\$201,605	94.64%
Alberta	-	-	-	\$26	\$26	0.01%
British Columbia	\$450	-	-	-	\$450	0.21%
Quebec	-	-	-	-	-	0.00%
USA	\$2,209	-	-	-	\$2,209	1.04%
Other	\$7,900	-	-	\$827	\$8,727	4.10%
Total Gross Credit Exposure	\$196,967	\$12,033	\$0	\$4,017	\$213,017	100%

*includes replacement values

March 31, 2018

Geographic Distribution of Exposures	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	(%)
Canada:	\$178,971	\$10,833	\$2	\$3,713	\$193,519	94.20%
Ontario	\$178,518	\$10,833	\$2	\$3,690	\$193,043	93.97%
Alberta	-	-	-	\$23	\$23	0.01%
British Columbia	\$453	-	-	-	\$453	0.22%
Quebec	-	-	-	-	-	0.00%
USA	\$3,971	-	-	-	\$3,971	1.93%
Other	\$6,998	-	-	\$938	\$7,936	3.86%
Total Gross Credit Exposure	\$189,940	\$10,833	\$2	\$4,651	\$205,426	100%

*includes replacement values

2017:

December 31, 2017

Geographic Distribution of Exposures	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	(%)
Canada:	\$186,921	\$11,539	\$19	\$3,466	\$201,945	92.85%
Ontario	\$186,465	\$11,539	\$19	\$3,442	\$201,465	92.63%
Alberta	-	-	-	\$24	\$24	0.01%
British Columbia	\$456	-	-	-	\$456	0.21%
Quebec	-	-	-	-	-	0.00%
USA	\$3,276	-	-	-	\$3,276	1.51%
Other	\$10,450	-	-	\$1,825	\$12,275	5.64%
Total Gross Credit Exposure	\$200,647	\$11,539	\$19	\$5,291	\$217,496	100%

*includes replacement values

September 30, 2017

Geographic Distribution of Exposures	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	(%)
<i>Canada:</i>	\$193,333	\$11,173	\$7	\$4,954	\$209,467	94.11%
<i>Ontario</i>	\$192,874	\$11,173	\$7	\$4,930	\$208,984	93.90%
<i>Alberta</i>	-	-	-	\$24	\$24	0.01%
<i>British Columbia</i>	\$459	-	-	-	\$459	0.21%
<i>Quebec</i>	-	-	-	-	-	0.00%
<i>USA</i>	\$1,796	-	-	-	\$1,796	0.81%
<i>Other</i>	\$9,555	-	-	\$1,750	\$11,305	5.08%
Total Gross Credit Exposure	\$204,684	\$11,173	\$7	\$6,704	\$222,568	100%

*includes replacement values

June 30, 2017

Geographic Distribution of Exposures	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	(%)
<i>Canada:</i>	\$184,621	\$15,251	\$38	\$4,416	\$204,326	93.97%
<i>Ontario</i>	\$184,159	\$15,251	\$24	\$4,391	\$203,825	93.74%
<i>Alberta</i>	-	-	\$14	\$25	\$39	0.02%
<i>British Columbia</i>	\$462	-	-	-	\$462	0.21%
<i>Quebec</i>	-	-	-	-	-	0.00%
<i>USA</i>	\$5,008	-	-	-	\$5,008	2.30%
<i>Other</i>	\$8,099	-	-	-	\$8,099	3.72%
Total Gross Credit Exposure	\$197,728	\$15,251	\$38	\$4,416	\$217,433	100%

*includes replacement values

March 31, 2017

Geographic Distribution of Exposures	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	(%)
<i>Canada:</i>	\$177,816	\$12,517	\$15	\$5,140	\$195,488	92.76%
<i>Ontario</i>	\$177,350	\$12,517	\$15	\$5,140	\$195,022	92.54%
<i>Alberta</i>	-	-	-	-	\$0	0.00%
<i>British Columbia</i>	\$466	-	-	-	\$466	0.22%
<i>Quebec</i>	-	-	-	-	\$0	0.00%
<i>USA</i>	\$4,864	-	-	-	\$4,864	2.31%
<i>Other</i>	\$10,391	-	-	-	\$10,391	4.93%
Total Gross Credit Exposure	\$193,071	\$12,517	\$15	\$5,140	\$210,743	100%

*includes replacement values

2016:

December 31, 2016

Geographic Distribution of Exposures	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	(%)
<i>Canada:</i>	\$173,186	\$9,951	\$15	\$3,806	\$186,958	89.34%
<i>Ontario</i>	\$172,717	\$9,951	\$15	\$3,806	\$186,489	89.12%
<i>Alberta</i>	-	-	-	-	\$0	0.00%
<i>British Columbia</i>	\$469	-	-	-	\$469	0.22%
<i>Quebec</i>	-	-	-	-	\$0	0.00%
<i>USA</i>	\$10,395	-	-	-	\$10,395	4.97%
<i>Other</i>	\$11,759	-	\$3	\$152	\$11,914	5.69%
Total Gross Credit Exposure	\$195,340	\$9,951	\$18	\$3,958	\$209,267	100%

*includes replacement values

- Industry (and Expected credit loss allowances) distribution of exposures broken down by major types of credit exposure:

In June 2016, OSFI issued a final guideline on IFRS 9 Financial Instruments and Disclosures. The guideline provides guidance on the application of IFRS 9, including the implementation of the expected credit loss framework under IFRS 9. The standard is effective for the Bank's fiscal year beginning January 1, 2018. The new classification and measurement and impairment requirements will be applied by adjusting the Bank's balance sheet on January 1, 2018, the date of initial application of IFRS 9, with no restatement of comparative period financial information.

Reconciliation of changes in the Expected credit loss (ECL) allowance will be presented in the Bank's Annual Report (audited) for 2018 fiscal year.

ECL impairment model

Under IFRS 9, credit loss allowances are measured on each reporting date according to a three-stage ECL impairment model:

- Stage 1 – From initial recognition of a financial asset to the date on which the asset has experienced a significant increase in credit risk relative to its initial recognition, a loss allowance is recognized equal to the credit losses expected to result from defaults occurring over the next 12 months.
- Stage 2 – Following a significant increase in credit risk relative to the initial recognition of the financial asset, a loss allowance is recognized equal to the credit losses expected over the remaining lifetime of the asset.
- Stage 3 – When a financial asset is considered to be credit-impaired, a loss allowance equal to full lifetime expected credit losses will be recognized. Interest revenue is calculated based on the carrying amount of the asset, net of the loss allowance, rather than on its gross carrying amount.

Stage 1 and Stage 2 credit loss allowances effectively replaced the collectively-assessed allowance for financial assets not yet identified as impaired recorded under IAS 39, while Stage 3 credit loss allowances effectively replaced the individually and collectively assessed allowances for impaired financial assets.

2018:

September 30, 2018

Standardized exposure by Industry	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	(%)	Stage 1 - ECL allowance	Stage 2 - ECL allowance	Stage 3 - ECL allowance
Sovereign	\$9,994	-	-	-	\$9,994	4.45%	-	-	-
Bank	\$44,944	-	-	\$2,745	\$47,689	21.23%	\$23	-	-
Financial Services	\$44,944	-	-	\$2,745	\$47,689	21.23%	\$23	-	-
Corporate	\$105,395	\$7,072	-	\$4,716	\$117,183	52.17%	\$465	-	\$700,000
Capital Goods	\$55	\$20	-	\$8	\$83	0.04%	\$1	-	-
Communications	-	-	-	-	-	-	-	-	-
Manufacturing	\$1,560	-	-	-	\$1,560	0.69%	\$4	-	-
Metal & Mining	\$12,513	\$1,520	-	\$18	\$14,051	6.26%	\$94	-	-
Real Estate	\$72,845	\$428	-	\$4,224	\$77,497	34.50%	\$291	-	-
Resources & Basic Materials	\$715	\$579	-	-	\$1,294	0.58%	\$6	-	-
Retail & Wholesale	\$9,113	\$3,265	-	\$105	\$12,483	5.56%	\$56	-	-
Services	\$8,173	\$77	-	\$361	\$8,611	3.83%	\$13	-	\$700,000
Transportation	-	-	-	-	-	-	-	-	-
Other	\$421	\$1,183	-	-	\$1,604	0.71%	-	-	-
Retail Residential Mortgages	\$46,445	\$3,159	-	-	\$49,604	22.08%	\$56	-	-
Other Retail	\$126	\$37	-	-	\$163	0.07%	\$3	-	-
Total Gross Credit Exposure	\$206,904	\$10,268	-	\$7,461	\$224,633	100%	\$547	-	\$700,000

*Includes replacement values

June 30, 2018

Standardized exposure by Industry	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	(%)	Stage 1 - ECL allowance	Stage 2 - ECL allowance	Stage 3 - ECL allowance
Sovereign	\$9,962	-	-	-	\$9,962	4.68%	-	-	-
Bank	\$50,510	-	-	\$826	\$51,336	24.10%	\$28	-	-
Financial Services	\$50,510	-	-	\$826	\$51,336	24.10%	\$28	-	-
Corporate	\$94,103	\$8,041	-	\$3,191	\$105,335	49.45%	\$402	-	\$700,000
Capital Goods	\$39	\$36	-	-	\$75	0.04%	\$1	-	-
Communications	-	-	-	-	-	-	-	-	-
Manufacturing	\$1,571	-	-	-	\$1,571	0.74%	\$5	-	-
Metal & Mining	\$10,425	\$1,472	-	\$197	\$12,094	5.68%	\$49	-	-
Real Estate	\$63,782	\$422	-	\$2,458	\$66,662	31.29%	\$242	-	-
Resources & Basic Materials	\$854	\$463	-	-	\$1,317	0.62%	\$8	-	-
Retail & Wholesale	\$8,781	\$4,381	-	\$135	\$13,297	6.24%	\$57	-	-
Services	\$8,216	\$91	-	\$401	\$8,708	4.09%	\$12	-	\$700,000
Transportation	-	-	-	-	-	-	-	-	-
Other	\$435	1,176	-	-	\$1,611	0.76%	\$28	-	-
Retail Residential Mortgages	\$42,276	\$3,957	-	-	\$46,233	21.70%	\$50	-	-
Other Retail	\$116	\$35	-	-	\$151	0.07%	\$2	-	-
Total Gross Credit Exposure	\$196,967	\$12,033	-	\$4,017	\$213,017	100%	\$482	-	\$700,000

*Includes replacement values

March 31, 2018

Standardized exposure by Industry	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	(%)	Stage 1 - ECL allowance	Stage 2 - ECL allowance	Stage 3 - ECL allowance
Sovereign	\$9,995	-	-	-	\$9,995	4.87%	-	-	-
Bank	\$47,744	-	\$2	\$938	\$48,684	23.70%	\$64	-	-
Financial Services	\$47,744	-	\$2	\$938	\$48,684	23.70%	\$64	-	-
Corporate	\$87,534	\$6,094	-	\$3,713	\$97,341	47.38%	\$338	-	\$700,000
Capital Goods	\$80	-	-	-	\$80	0.04%	\$1	-	-
Communications	-	-	-	-	-	-	-	-	-
Manufacturing	\$1,583	-	-	-	\$1,583	0.77%	\$5	-	-
Metal & Mining	\$11,085	\$566	-	-	\$11,651	5.67%	\$64	-	-
Real Estate	\$53,484	\$656	-	\$2,813	\$56,953	27.72%	\$179	-	-
Resources & Basic Materials	\$1,033	\$257	-	-	\$1,290	0.63%	\$9	-	-
Retail & Wholesale	\$9,677	\$3,331	-	\$435	\$13,443	6.54%	\$61	-	-
Services	\$10,080	\$128	-	\$465	\$10,673	5.20%	\$18	-	\$700,000
Transportation	-	-	-	-	-	-	-	-	-
Other	\$512	1,156	-	-	\$1,668	0.81%	\$1	-	-
Retail Residential Mortgages	\$44,444	\$4,700	-	-	\$49,144	23.92%	\$122	-	-
Other Retail	\$223	\$39	-	-	\$262	0.13%	18	-	-
Total Gross Credit Exposure	\$189,940	\$10,833	\$2	\$4,651	\$205,426	100%	\$542	-	\$700,000

*Includes replacement values

2017:

- Industry (and Collective allowance) distribution of exposures broken down by major types of credit exposure:

Reconciliation of changes in the allowances for impairment is presented in the Bank's Annual Report (audited) for 2017 fiscal year, Notes 3 "Nature and extent of risk arising from financial instruments", 4 "Exposure to credit risk", and 5 "Past due and impaired assets and allowance for impairment".

December 31, 2017								
Standardized exposure by Industry	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	(%)	Collective Allowance	Specific Allowance
Sovereign	\$9,968	-	-	-	\$9,968	4.58%	-	-
Bank	\$66,139	-	\$14	\$1,825	\$67,978	31.25%	\$49	-
Financial Services	\$66,139	-	\$14	\$1,825	\$67,978	31.25%	\$49	-
Corporate	\$82,171	\$6,509	\$5	\$3,466	\$92,151	42.37%	\$627	\$700
Capital Goods	\$67	\$8	-	-	\$75	0.03%	\$1	-
Communications	-	-	-	-	-	-	-	-
Manufacturing	\$1,595	-	-	-	\$1,595	0.73%	\$14	-
Metal & Mining	\$10,343	\$1,328	\$5	\$0	\$11,676	5.37%	\$85	-
Real Estate	\$47,628	\$685	-	\$2,823	\$51,136	23.51%	\$401	-
Resources & Basic Materials	\$951	\$304	-	-	\$1,255	0.58%	\$8	-
Retail & Wholesale	\$9,187	\$3,361	-	\$170	\$12,718	5.85%	\$48	-
Services	\$9,940	\$124	-	\$473	\$10,537	4.84%	\$54	\$700
Transportation	-	-	-	-	-	-	-	-
Other	\$2,460	699	-	\$0	\$3,159	1.45%	\$16	-
Retail Residential Mortgages	\$42,160	\$4,983	-	-	\$47,143	21.68%	\$224	-
Other Retail	\$209	\$47	-	-	\$256	0.12%	-	-
Total Gross Credit Exposure	\$200,647	\$11,539	\$19	\$5,291	\$217,496	100%	\$900	\$700

*includes replacement values

September 30, 2017								
Standardized exposure by Industry	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	(%)	Collective Allowance	Specific Allowance
Sovereign	\$9,994	-	-	-	\$9,994	4.49%	-	-
Bank	\$66,268	-	\$3	\$1,750	\$68,021	30.56%	\$43	-
Financial Services	\$66,268	-	\$3	\$1,750	\$68,021	30.56%	\$43	-
Corporate	\$85,760	\$6,535	\$4	\$4,954	\$97,253	43.70%	\$622	\$1,200
Capital Goods	\$65	\$10	-	-	\$75	0.03%	\$1	-
Communications	-	-	-	-	-	-	-	-
Metal & Mining	\$10,385	\$1,945	\$4	\$623	\$12,957	5.82%	\$85	-
Real Estate	\$49,334	\$701	-	\$2,823	\$52,858	23.75%	\$408	-
Resources & Basic Materials	\$699	\$549	-	-	\$1,248	0.56%	\$6	-
Retail & Wholesale	\$9,271	\$3,212	-	\$37	\$12,520	5.63%	\$53	-
Services	\$12,933	\$118	-	\$471	\$13,522	6.08%	\$54	\$1,200
Transportation	-	-	-	-	-	-	-	-
Other	\$3,073	-	-	\$1,000	\$4,073	1.83%	\$15	-
Retail Residential Mortgages	\$42,444	\$4,594	-	-	\$47,038	21.13%	\$223	-
Other Retail	\$218	\$44	-	-	\$262	0.12%	-	-
Total Gross Credit Exposure	\$204,684	\$11,173	\$7	\$6,704	\$222,568	100%	\$888	\$1,200

*includes replacement values

June 30, 2017

Standardized exposure by Industry	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	(%)	Collective Allowance	Specific Allowance
Sovereign	\$9,993	-	-	-	\$9,993	4.60%	-	-
Bank	\$72,808	-	-	-	\$72,808	33.49%	\$39	-
Financial Services	\$72,808	-	-	-	\$72,808	33.49%	\$39	-
Corporate	\$80,931	\$10,339	\$38	\$4,416	\$95,724	44.02%	\$598	\$1,200
Capital Goods	\$60	\$15	-	-	\$75	0.03%	-	-
Communications	-	-	-	-	-	-	-	-
Metal & Mining	\$7,546	\$3,944	-	\$95	\$11,585	5.33%	\$62	-
Real Estate	\$47,720	\$1,449	-	\$2,773	\$51,942	23.89%	\$417	-
Resources & Basic Materials	\$655	\$642	-	-	\$1,297	0.60%	\$5	-
Retail & Wholesale	\$8,323	\$4,204	-	\$136	\$12,663	5.82%	\$44	-
Services	\$12,405	\$85	-	\$413	\$12,903	5.93%	\$54	\$1,200
Transportation	-	-	-	-	-	-	-	-
Other	\$4,222	-	\$38	\$999	\$5,259	2.42%	\$16	-
Retail Residential Mortgages	\$33,769	\$4,873	-	-	\$38,642	17.77%	\$176	-
Other Retail	\$227	\$39	-	-	\$266	0.12%	\$1	-
Total Gross Credit Exposure	\$197,728	\$15,251	\$38	\$4,416	\$217,433	100%	\$814	\$1,200

*includes replacement values

March 31, 2017

Standardized exposure by Industry	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	(%)	Collective Allowance	Specific Allowance
Sovereign	\$9,980	-	-	-	\$9,980	4.74%	-	-
Bank	\$79,368	-	\$15	-	\$79,383	37.67%	\$53	-
Financial Services	\$79,368	-	\$15	-	\$79,383	37.67%	\$53	-
Corporate	\$79,783	\$8,017	-	\$5,140	\$92,940	44.10%	\$634	\$1,200
Capital Goods	\$60	\$15	-	\$8	\$83	0.04%	\$1	-
Communications	-	-	-	-	-	-	-	-
Metal & Mining	\$10,374	\$2,968	-	\$635	\$13,977	6.63%	\$85	-
Real Estate	\$44,650	\$900	-	\$2,877	\$48,427	22.98%	\$374	-
Resources & Basic Materials	\$840	\$490	-	-	\$1,330	0.63%	\$7	-
Retail & Wholesale	\$6,803	\$3,533	-	\$202	\$10,538	5.00%	\$45	-
Services	\$12,497	\$72	-	\$418	\$12,987	6.16%	\$104	\$1,200
Transportation	-	-	-	-	-	-	-	-
Other	\$4,559	\$39	-	\$1,000	\$5,598	2.66%	\$18	-
Retail Residential Mortgages	\$23,692	\$4,486	-	-	\$28,178	13.37%	\$125	-
Other Retail	\$248	\$14	-	-	\$262	0.12%	\$2	-
Total Gross Credit Exposure	\$193,071	\$12,517	\$15	\$5,140	\$210,743	100%	\$814	\$1,200

*includes replacement values

2016:

December 31, 2016

Standardized exposure by Industry	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	(%)	Collective Allowance	Specific Allowance
Sovereign	\$9,995	-	-	-	\$9,995	4.78%	-	-
Bank	\$80,276	-	\$6	\$152	\$80,434	38.44%	\$54	-
Financial Services	\$80,276	-	\$6	\$152	\$80,434	38.44%	\$54	-
Corporate	\$81,237	\$5,602	\$12	\$3,806	\$90,657	43.32%	\$646	\$1,200
Capital Goods	\$57	\$18	-	\$0	\$75	0.04%	-	-
Communications	-	-	-	-	-	-	-	-
Metal & Mining	\$10,902	\$919	\$12	\$211	\$12,044	5.76%	\$88	-
Real Estate	\$41,749	\$929	-	\$2,877	\$45,555	21.77%	\$349	-
Resources & Basic Materials	\$863	\$0	-	-	\$863	0.41%	\$5	-
Retail & Wholesale	\$6,699	\$3,306	-	\$332	\$10,337	4.94%	\$45	-
Services	\$15,752	\$239	-	\$386	\$16,377	7.83%	\$132	\$1,200
Transportation	-	-	-	-	-	-	-	-
Other	\$5,215	\$191	-	-	\$5,406	2.58%	\$27	-
Retail Residential Mortgages	\$23,589	\$4,314	-	-	\$27,903	13.33%	\$119	-
Other Retail	\$243	\$35	-	-	\$278	0.13%	\$2	-
Total Gross Credit Exposure	\$195,340	\$9,951	\$18	\$3,958	\$209,267	100%	\$821	\$1,200

*includes replacement values

Note: At December 31, 2016, the Bank had past due and individually impaired assets. For more details refer to the Bank's Annual Report (audited) for 2016 fiscal year, Notes 3 "Nature and extent of risk arising from financial instruments", 4 "Exposure to credit risk", and 5 "Past due and impaired assets and allowance for impairment".

- Residual contractual maturity breakdown of the whole portfolio broken down by major types of credit exposure:

2018:

September 30, 2018					
Residual Contractual Maturity Breakdown	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total
Within 1 year	\$106,370	\$10,268	-	\$7,461	\$124,099
1 - 5 year	\$100,534	-	-	-	\$100,534
Greater than 5 year	-	-	-	-	-
No specific maturity	-	-	-	-	-
Total Gross Credit Exposure	\$206,904	\$10,268	-	\$7,461	\$224,633

*includes replacement values

June 30, 2018					
Residual Contractual Maturity Breakdown	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total
Within 1 year	\$102,258	\$12,033	-	\$4,017	\$118,308
1 - 5 year	\$94,709	-	-	-	\$94,709
Greater than 5 year	-	-	-	-	-
No specific maturity	-	-	-	-	-
Total Gross Credit Exposure	\$196,967	\$12,033	-	\$4,017	\$213,017

*includes replacement values

March 31, 2018					
Residual Contractual Maturity Breakdown	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total
Within 1 year	\$98,844	\$10,833	\$2	\$4,651	\$114,330
1 - 5 year	\$91,096	-	-	-	\$91,096
Greater than 5 year	-	-	-	-	-
No specific maturity	-	-	-	-	-
Total Gross Credit Exposure	\$189,940	\$10,833	\$2	\$4,651	\$205,426

*includes replacement values

2017:

December 31, 2017

Residual Contractual Maturity Breakdown	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total
<i>Within 1 year</i>	\$114,951	\$11,539	\$19	\$5,291	\$131,800
<i>1 - 5 year</i>	\$85,696	-	-	-	\$85,696
<i>Greater than 5 year</i>	-	-	-	-	-
<i>No specific maturity</i>	-	-	-	-	-
Total Gross Credit Exposure	\$200,647	\$11,539	\$19	\$5,291	\$217,496

**includes replacement values*

September 30, 2017

Residual Contractual Maturity Breakdown	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total
<i>Within 1 year</i>	\$112,978	\$11,173	\$7	\$6,704	\$130,862
<i>1 - 5 year</i>	\$91,706	-	-	-	\$91,706
<i>Greater than 5 year</i>	-	-	-	-	-
<i>No specific maturity</i>	-	-	-	-	-
Total Gross Credit Exposure	\$204,684	\$11,173	\$7	\$6,704	\$222,568

**includes replacement values*

June 30, 2017

Residual Contractual Maturity Breakdown	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total
<i>Within 1 year</i>	\$114,625	\$15,251	\$38	\$4,416	\$134,330
<i>1 - 5 year</i>	\$83,103	-	-	-	\$83,103
<i>Greater than 5 year</i>	-	-	-	-	-
<i>No specific maturity</i>	-	-	-	-	-
Total Gross Credit Exposure	\$197,728	\$15,251	\$38	\$4,416	\$217,433

**includes replacement values*

March 31, 2017

Residual Contractual Maturity Breakdown	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total
<i>Within 1 year</i>	\$123,616	\$12,517	\$15	\$5,140	\$141,288
<i>1 - 5 year</i>	\$69,455	-	-	-	\$69,455
<i>Greater than 5 year</i>	-	-	-	-	-
<i>No specific maturity</i>	-	-	-	-	-
Total Gross Credit Exposure	\$193,071	\$12,517	\$15	\$5,140	\$210,743

**includes replacement values*

2016:

December 31, 2016

Residual Contractual Maturity Breakdown	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total
<i>Within 1 year</i>	\$118,596	\$9,951	\$18	\$3,958	\$132,523
<i>1 - 5 year</i>	\$76,744	-	-	-	\$76,744
<i>Greater than 5 year</i>	-	-	-	-	-
<i>No specific maturity</i>	-	-	-	-	-
Total Gross Credit Exposure	\$195,340	\$9,951	\$18	\$3,958	\$209,267

**includes replacement values*

7. Credit risk: Disclosures for Portfolios subject to the Standardized Approach

Eligible External Credit Assessment Institution (ECAI) ratings are used to assess the credit quality of all exposure classes, where applicable, using the credit quality assessment scale mapping set by OSFI in its Guideline on Capital Adequacy Requirements (CAR) – Chapter 3 – Credit Risk – Standardized Approach.

The Bank rates exposure classes (claims) for claims on sovereigns and rating changes are used to update existing ratings as appropriate. All corporate credit exposures are unrated.

Claims on sovereigns and their central banks are risk weighted as follows:

Credit Assessment ⁴	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	Below B-	Unrated
Risk Weight	0%	20%	50%	100%	150%	100%

In accordance with the OSFI CAR Guideline, a risk weight applied to a claim on a bank (a deposit taking institution, DTI) is dependent on the credit assessment of a sovereign in the bank's country of incorporation. The bank risk weight is one notch less favorable than that which applies to its sovereign of incorporation. The following risk weights apply to claims on DTIs and banks:

Credit assessment of Sovereign	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	Below B-	Unrated
DTI / Bank Risk Weight (Sovereign Credit quality step 1 plus notch)	20%	50%	100%	100%	150%	100%

The information below sets out the distribution of standardized exposures (bank's outstandings after risk mitigation subject to standardized approach) across credit quality steps for exposure classes (claims) for DTIs and banks.

⁴ This notation refers to section 3.6.2.1. of the CAR Guideline to determine the applicable risk weight for rating agency methodologies.

2018:

September 30, 2018

Standardized - Bank's Outstandings	Risk Weight	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	RWAs
<i>Sovereign</i>	0%	\$9,994	-	-	-	\$9,994	-
<i>Bank</i>							
<i>Sovereign Credit quality step 1 plus notch</i>	20%	\$30,450	-	-	-	\$30,450	\$6,090
<i>Sovereign Credit quality step 1 plus notch</i>	50%	-	-	-	-	-	-
<i>Sovereign Credit quality step 1 plus notch</i>	100%	-	-	-	-	-	-
<i>Sovereign Credit quality step 1 plus notch</i>	150%	-	-	-	-	-	-
<i>Unrated</i>	100%	\$14,493	-	-	\$2,745	\$17,238	\$15,042
Total Bank exposure		\$44,943	-	-	\$2,745	\$47,688	\$21,132
<i>Corporate</i>							
<i>Corporate - all unrated</i>	100%	\$103,284	\$7,072	-	\$4,716	\$117,185	\$103,720
<i>Corporate - all unrated past due</i>	150%	\$2,113	-	-	-	-	\$3,170
Total Corporate exposure		\$105,397	\$7,072	-	\$4,716	\$117,185	\$106,890
<i>Retail Residential Mortgages - all unrated</i>	35%	\$46,444	\$3,159	-	-	\$49,603	\$16,445
<i>Other Retail - all unrated</i>	75%	\$126	\$37	-	-	\$163	\$89
Total Gross Credit Exposure		\$206,904	\$10,268	-	\$7,461	\$224,633	\$144,556

*includes replacement values

June 30, 2018

Standardized - Bank's Outstandings	Risk Weight	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	RWAs
<i>Sovereign</i>	0%	\$9,962	-	-	-	\$9,962	-
<i>Bank</i>							
<i>Sovereign Credit quality step 1 plus notch</i>	20%	\$46,860	-	-	-	\$46,860	\$9,372
<i>Sovereign Credit quality step 1 plus notch</i>	50%	-	-	-	-	-	-
<i>Sovereign Credit quality step 1 plus notch</i>	100%	-	-	-	-	-	-
<i>Sovereign Credit quality step 1 plus notch</i>	150%	-	-	-	-	-	-
<i>Unrated</i>	100%	\$3,650	-	-	\$826	\$4,476	\$3,815
Total Bank exposure		\$50,510	-	-	\$826	\$51,336	\$13,187
<i>Corporate</i>							
<i>Corporate - all unrated</i>	100%	\$92,880	\$8,041	-	\$3,191	\$105,335	\$91,828
<i>Corporate - all unrated past due</i>	150%	\$1,223	-	-	-	-	\$1,835
Total Corporate exposure		\$94,103	\$8,041	-	\$3,191	\$105,335	\$93,663
<i>Retail Residential Mortgages - all unrated</i>	35%	\$42,276	\$3,957	-	-	\$46,233	\$15,038
<i>Other Retail - all unrated</i>	75%	\$116	\$35	-	-	\$151	\$65
Total Gross Credit Exposure		\$196,967	\$12,033	-	\$4,017	\$213,017	\$121,953

*includes replacement values

March 31, 2018

Standardized - Bank's Outstandings	Risk Weight	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	RWAs
<i>Sovereign</i>	0%	\$9,995	-	-	-	\$9,995	-
<i>Bank</i>							
<i>Sovereign Credit quality step 1 plus notch</i>	20%	\$45,789	-	\$2	-	\$45,791	\$9,159
<i>Sovereign Credit quality step 1 plus notch</i>	50%	-	-	-	-	-	-
<i>Sovereign Credit quality step 1 plus notch</i>	100%	-	-	-	-	-	-
<i>Sovereign Credit quality step 1 plus notch</i>	150%	-	-	-	-	-	-
<i>Unrated</i>	100%	\$1,955	-	-	\$938	\$2,893	\$2,143
Total Bank exposure		\$47,744	-	\$2	\$938	\$48,684	\$11,302
<i>Corporate</i>							
<i>Corporate - all unrated</i>	100%	\$83,649	\$6,094	-	\$3,713	\$97,341	\$82,467
<i>Corporate - all unrated past due</i>	150%	\$3,885	-	-	-	-	\$4,778
Total Corporate exposure		\$87,534	\$6,094	-	\$3,713	\$97,341	\$87,245
<i>Retail Residential Mortgages - all unrated</i>	35%	\$44,444	\$4,700	-	-	\$49,144	\$15,849
<i>Other Retail - all unrated</i>	75%	\$223	\$39	-	-	\$262	\$143
Total Gross Credit Exposure		\$189,940	\$10,833	\$2	\$4,651	\$205,426	\$114,539

*includes replacement values

2017:

December 31, 2017

Standardized - Bank's Outstandings	Risk Weight	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	RWAs
<i>Sovereign</i>	0%	\$9,968	-	-	-	\$9,968	-
<i>Bank</i>							
<i>Sovereign Credit quality step 1 plus notch</i>	20%	\$60,218	-	\$14	-	\$60,232	\$12,049
<i>Sovereign Credit quality step 1 plus notch</i>	50%	-	-	-	-	-	-
<i>Sovereign Credit quality step 1 plus notch</i>	100%	-	-	-	-	-	-
<i>Sovereign Credit quality step 1 plus notch</i>	150%	-	-	-	-	-	-
<i>Unrated</i>	100%	\$5,921	-	-	\$1,825	\$7,746	\$6,286
Total Bank exposure		\$66,139	-	\$14	\$1,825	\$67,978	\$18,335
<i>Corporate</i>							
<i>Corporate - all unrated</i>	100%	\$78,488	\$6,509	\$5	\$3,466	\$92,150	\$77,324
<i>Corporate - all unrated past due</i>	150%	\$3,682	-	-	-	-	\$4,473
Total Corporate exposure		\$82,170	\$6,509	\$5	\$3,466	\$92,150	\$81,797
<i>Retail Residential Mortgages - all unrated</i>	35%	\$42,160	\$4,983	-	-	\$47,143	\$15,069
<i>Other Retail - all unrated</i>	75%	\$210	\$47	-	-	\$257	\$133
Total Gross Credit Exposure		\$200,647	\$11,539	\$19	\$5,291	\$217,496	\$115,334

*includes replacement values

September 30, 2017

Standardized - Bank's Outstandings	Risk Weight	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	RWAs
<i>Sovereign</i>	0%	\$9,994	-	-	-	\$9,994	-
<i>Bank</i>							
<i>Sovereign Credit quality step 1 plus notch</i>	20%	\$60,609	-	\$3	-	\$60,612	\$12,124
<i>Sovereign Credit quality step 1 plus notch</i>	50%	-	-	-	-	-	-
<i>Sovereign Credit quality step 1 plus notch</i>	100%	-	-	-	-	-	-
<i>Sovereign Credit quality step 1 plus notch</i>	150%	-	-	-	-	-	-
<i>Unrated</i>	100%	\$5,659	-	-	\$1,750	\$7,409	\$6,009
Total Bank exposure		\$66,268	-	\$3	\$1,750	\$68,021	\$18,133
<i>Corporate</i>							
<i>Corporate - all unrated</i>	100%	\$79,151	\$6,535	\$4	\$4,954	\$97,253	\$77,499
<i>Corporate - all unrated past due</i>	150%	\$6,609	-	-	-	-	\$8,114
Total Corporate exposure		\$85,760	\$6,535	\$4	\$4,954	\$97,253	\$85,613
<i>Retail Residential Mortgages - all unrated</i>	35%	\$42,444	\$4,594	-	-	\$47,038	\$15,139
<i>Other Retail - all unrated</i>	75%	\$218	\$44	-	-	\$262	\$135
Total Gross Credit Exposure		\$204,684	\$11,173	\$7	\$6,704	\$222,568	\$119,020

*includes replacement values

June 30, 2017

Standardized - Bank's Outstandings	Risk Weight	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	RWAs
<i>Sovereign</i>	0%	\$9,993	-	-	-	\$9,993	-
<i>Bank</i>							
<i>Sovereign Credit quality step 1 plus notch</i>	20%	\$67,568	-	-	-	\$67,568	\$13,516
<i>Sovereign Credit quality step 1 plus notch</i>	50%	-	-	-	-	-	-
<i>Sovereign Credit quality step 1 plus notch</i>	100%	-	-	-	-	-	-
<i>Sovereign Credit quality step 1 plus notch</i>	150%	-	-	-	-	-	-
<i>Unrated</i>	100%	\$5,240	-	-	-	\$5,240	\$5,240
Total Bank exposure		\$72,808	-	-	-	\$72,808	\$18,756
<i>Corporate</i>							
<i>Corporate - all unrated</i>	100%	\$74,354	\$10,339	\$38	\$4,416	\$95,723	\$73,037
<i>Corporate - all unrated past due</i>	150%	\$6,576	-	-	-	-	\$8,064
Total Corporate exposure		\$80,930	\$10,339	\$38	\$4,416	\$95,723	\$81,101
<i>Retail Residential Mortgages - all unrated</i>	35%	\$33,770	\$4,873	-	-	\$38,643	\$12,121
<i>Other Retail - all unrated</i>	75%	\$227	\$39	-	-	\$266	\$139
Total Gross Credit Exposure		\$197,728	\$15,251	\$38	\$4,416	\$217,433	\$112,117

*includes replacement values

March 31, 2017

Standardized - Bank's Outstandings	Risk Weight	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	RWAs
<i>Sovereign</i>	0%	\$9,980	-	-	-	\$9,980	-
<i>Bank</i>							
<i>Sovereign Credit quality step 1 plus notch</i>	20%	\$72,322	-	\$15	-	\$72,337	\$14,470
<i>Sovereign Credit quality step 1 plus notch</i>	50%	-	-	-	-	-	-
<i>Sovereign Credit quality step 1 plus notch</i>	100%	-	-	-	-	-	-
<i>Sovereign Credit quality step 1 plus notch</i>	150%	-	-	-	-	-	-
<i>Unrated</i>	100%	\$7,046	-	-	-	-	\$7,046
Total Bank exposure		\$79,368	-	\$15	-	\$79,383	\$21,516
<i>Corporate</i>							
<i>Corporate - all unrated</i>	100%	\$73,183	\$8,017	-	\$5,140	\$92,940	\$73,328
<i>Corporate - all unrated past due</i>	150%	\$6,600	-	-	-	-	\$8,100
Total Corporate exposure		\$79,783	\$8,017	-	\$5,140	\$92,940	\$81,428
<i>Retail Residential Mortgages - all unrated</i>	35%	\$23,692	\$4,486	-	-	\$28,178	\$8,561
<i>Other Retail - all unrated</i>	75%	\$248	\$14	-	-	\$262	\$137
Total Gross Credit Exposure		\$193,071	\$12,517	\$15	\$5,140	\$210,743	\$111,642

*includes replacement values

2016:

December 31, 2016

Standardized - Bank's Outstandings	Risk Weight	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	RWAs
<i>Sovereign</i>	0%	\$9,995	-	-	-	\$9,995	-
<i>Bank</i>							
<i>Sovereign Credit quality step 1 plus notch</i>	20%	\$73,177	-	\$6	-	\$73,183	\$14,642
<i>Sovereign Credit quality step 1 plus notch</i>	50%	-	-	-	-	-	-
<i>Sovereign Credit quality step 1 plus notch</i>	100%	-	-	-	-	-	-
<i>Sovereign Credit quality step 1 plus notch</i>	150%	-	-	-	-	-	-
<i>Unrated</i>	100%	\$7,099	-	-	\$152	-	\$7,183
Total Bank exposure		\$80,276	-	6	\$152	\$80,434	\$21,825
<i>Corporate</i>							
<i>Corporate - all unrated</i>	100%	\$74,598	\$5,602	\$12	\$3,806	\$90,657	\$73,716
<i>Corporate - all unrated past due</i>	150%	\$6,639	-	-	-	-	\$8,159
Total Corporate exposure		\$81,237	\$5,602	\$12	\$3,806	\$90,657	\$81,875
<i>Retail Residential Mortgages - all unrated</i>	35%	\$23,589	\$4,314	-	-	\$27,903	\$8,517
<i>Other Retail - all unrated</i>	75%	\$243	\$35	-	-	\$278	\$149
Total Gross Credit Exposure		\$195,340	\$9,951	\$18	\$3,958	\$209,267	\$112,366

*includes replacement values

Note: All corporate exposures are unrated that receive a risk weight of 100% and a risk weight of 150% for past due exposures. Residential mortgages and other retail items are unrated because the credit quality step methodology does not apply.

8. Credit Risk Mitigation

Risk mitigation:

The Bank's approach when granting credit facilities is to do so on the basis of capacity to repay rather than place primary reliance on credit risk mitigants. Depending on a customer's standing and the type of product, facilities may be provided unsecured.

Mitigation of credit risk is nevertheless a key aspect of effective risk management and takes many forms.

The Bank's general policy is to promote the use of credit risk mitigation, justified by commercial prudence and good practice as well as capital efficiency. Specific, detailed policies cover the acceptability, structuring and terms of various types of business with regard to the availability of credit risk mitigation, for example in the form of collateral security. These policies, together with the determination of suitable valuation parameters, are subject to regular review to ensure that they are supported by empirical evidence and continue to fulfill their intended purpose.

The most common method of mitigating credit risk is to take collateral.

Collateral and other security enhancements:

The Bank holds collateral against business and personal loans in the form of mortgage interest over property, cash and term deposits, other security over assets, and guarantees. Guarantees from third parties can arise where the Bank extends facilities without the benefit of any alternative form of security.

Policies and procedures administer the protection of the Bank's position from the start of a customer relationship, for instance in requiring standard terms and conditions or specifically agreed documentation permitting the offset of credit balances against debt obligations, and through controls over the integrity, current valuation and, if necessary, realization of collateral security.

Estimates of fair value are based on the value of collateral assessed at the time of borrowing, and generally are not updated, except when a loan is renewed or individually assessed as impaired.

An estimate of the fair value of collateral (main types) and other security enhancements held against business and personal loans is presented in the *Bank's Annual Report (audited) for 2017 fiscal year*, Note 4 "Exposure to credit risk".

Risk concentrations within the mitigation taken:

The Bank follows prudent practices to mitigate risk concentrations under the collateral obtained. The Bank's loan portfolio (consisting of personal lines of credit, business lines of credit, personal loans, business loans and facilities, commercial mortgage loans, and residential mortgage loans and home equity lines of credit) is primarily secured by tangible securities.

Tangible securities consist of bank's first charge on commercial and / or residential property to the maximum of loan to value of 75%, bank guarantees, and cash collateral. The Bank further mitigates the concentration risk by obtaining first charge on borrowers' assets (commercial loans), subordination and postponement of shareholders and related party claims (commercial loans), personal guarantees of borrowers / directors (commercial and personal loans and residential mortgages), and through comprehensive insurance on properties with the Bank noted as loss payee (commercial and residential mortgages).

As at December 31, 2017, the credit facilities secured against industrial buildings were of 11.02% (2016 - 13.6%) of the credit risk portfolio. In addition, these credit facilities are mitigated by additional securities such as first charge on borrowers' (corporate) assets, personal guarantees of beneficial shareholders, subordination and postponement of shareholders and related party loans, and comprehensive insurance of properties with the Bank noted as loss payee.

Overall risk concentrations within the mitigations taken are considered as low given the tangible and intangible securities obtained by the Bank.

The **following information** gives details of the exposure (on- and / or off-balance sheet netting is not applicable) covered by eligible financial collateral and by guarantees / credit derivatives (as per Basel II / III requirements, the tables exclude other types of collateral mentioned above).

2018:

September 30, 2018							
Standardized	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	Eligible Financial Collateral**	Credit Derivatives / Guarantees**
<i>Bank</i>	\$44,943	-	-	\$2,745	\$47,688	-	-
<i>Sovereign</i>	\$9,994	-	-	-	\$9,994	-	-
<i>Corporate</i>	\$105,397	\$7,072	-	\$4,716	\$117,185	\$4,982	-
<i>Retail Residential Mortgages</i>	\$46,444	\$3,159	-	-	\$49,603	\$93	-
<i>Other Retail</i>	\$126	\$37	-	-	\$163	\$15	-
Total Gross Credit Exposure	\$206,904	\$10,268	-	\$7,461	\$224,633	\$5,090	-

*Includes replacement values

**Exposures covered under Standardized (Simple) Approach (by cash and bank guarantees)

June 30, 2018

Standardized	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	Eligible Financial Collateral**	Credit Derivatives / Guarantees**
Bank	\$50,510	-	\$0	\$826	\$51,336	-	-
Sovereign	\$9,962	-	-	-	\$9,962	-	-
Corporate	\$94,103	\$8,041	\$0	\$3,191	\$105,335	\$4,980	-
Retail Residential Mortgages	\$42,276	\$3,957	-	-	\$46,233	\$103	-
Other Retail	\$116	\$35	-	-	\$151	\$45	-
Total Gross Credit Exposure	\$196,967	\$12,033	\$0	\$4,017	\$213,017	\$5,128	-

*includes replacement values

**Exposures covered under Standardized (Simple) Approach (by cash and bank guarantees)

March 31, 2018

Standardized	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	Eligible Financial Collateral**	Credit Derivatives / Guarantees**
Bank	\$47,744	-	\$2	\$938	\$48,684	-	-
Sovereign	\$9,995	-	-	-	\$9,995	-	-
Corporate	\$87,534	\$6,094	\$0	\$3,713	\$97,341	\$5,938	-
Retail Residential Mortgages	\$44,444	\$4,700	-	-	\$49,144	\$103	-
Other Retail	\$223	\$39	-	-	\$262	\$50	-
Total Gross Credit Exposure	\$189,940	\$10,833	\$2	\$4,651	\$205,426	\$6,091	-

*includes replacement values

**Exposures covered under Standardized (Simple) Approach (by cash and bank guarantees)

2017:

December 31, 2017

Standardized	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	Eligible Financial Collateral**	Credit Derivatives / Guarantees**
Bank	\$66,139	-	\$14	\$1,825	\$67,978	-	-
Sovereign	\$9,968	-	-	-	\$9,968	-	-
Corporate	\$82,170	\$6,509	\$5	\$3,466	\$92,150	\$5,984	-
Retail Residential Mortgages	\$42,160	\$4,983	-	-	\$47,143	\$103	-
Other Retail	\$210	\$47	-	-	\$257	\$53	-
Total Gross Credit Exposure	\$200,647	\$11,539	\$19	\$5,291	\$217,496	\$6,140	-

*includes replacement values

**Exposures covered under Standardized (Simple) Approach (by cash and bank guarantees)

September 30, 2017

Standardized	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	Eligible Financial Collateral**	Credit Derivatives / Guarantees**
Bank	\$66,268	-	\$3	\$1,750	\$68,021	-	-
Sovereign	\$9,994	-	-	-	\$9,994	-	-
Corporate	\$85,760	\$6,535	\$4	\$4,954	\$97,253	\$7,807	-
Retail Residential Mortgages	\$42,444	\$4,594	-	-	\$47,038	\$109	-
Other Retail	\$218	\$44	-	-	\$262	\$58	-
Total Gross Credit Exposure	\$204,684	\$11,173	\$7	\$6,704	\$222,568	\$7,974	-

*includes replacement values

**Exposures covered under Standardized (Simple) Approach (by cash and bank guarantees)

June 30, 2017

Standardized	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	Eligible Financial Collateral**	Credit Derivatives / Guarantees**
Bank	\$72,808	-	-	-	\$72,808	-	-
Sovereign	\$9,993	-	-	-	\$9,993	-	-
Corporate	\$80,930	\$10,339	\$38	\$4,416	\$95,723	\$8,184	-
Retail Residential Mortgages	\$33,770	\$4,873	-	-	\$38,643	\$111	-
Other Retail	\$227	\$39	-	-	\$266	\$61	-
Total Gross Credit Exposure	\$197,728	\$15,251	\$38	\$4,416	\$217,433	\$8,356	-

*includes replacement values

**Exposures covered under Standardized (Simple) Approach (by cash and bank guarantees)

March 31, 2017

Standardized	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	Eligible Financial Collateral**	Credit Derivatives / Guarantees**
Bank	\$79,368	-	\$15	\$0	\$79,383	-	-
Sovereign	\$9,980	-	-	-	\$9,980	-	-
Corporate	\$79,783	\$8,017	\$0	\$5,140	\$92,940	\$6,622	-
Retail Residential Mortgages	\$23,692	\$4,486	-	-	\$28,178	\$120	-
Other Retail	\$248	\$14	-	-	\$262	\$82	-
Total Gross Credit Exposure	\$193,071	\$12,517	\$15	\$5,140	\$210,743	\$6,824	-

*includes replacement values

**Exposures covered under Standardized (Simple) Approach (by cash and bank guarantees)

2016:

December 31, 2016

Standardized	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	Eligible Financial Collateral**	Credit Derivatives / Guarantees**
Bank	\$80,276	-	\$6	\$152	\$80,434	-	-
Sovereign	\$9,995	-	-	-	\$9,995	-	-
Corporate	\$81,237	\$5,602	\$12	\$3,806	\$90,657	\$6,204	-
Retail Residential Mortgages	\$23,589	\$4,314	-	-	\$27,903	\$116	-
Other Retail	\$243	\$35	-	-	\$278	\$65	-
Total Gross Credit Exposure	\$195,340	\$9,951	\$18	\$3,958	\$209,267	\$6,385	-

*includes replacement values

**Exposures covered under Standardized (Simple) Approach (by cash and bank guarantees)

9. Derivatives

All of the Bank's derivative contracts are OTC foreign exchange forward transactions that are privately negotiated between the Bank and the counterparty to the contract.

Foreign exchange forwards are contracts in which one party contracts with another to exchange a specified amount of one currency for a specified amount of a second currency at a future date or range of dates.

All derivative instruments were originated in Canada with maturities of six months or less.

The Bank does not engage in other types of derivative products.

The tables below provide an analysis of the Bank's derivative portfolio and related credit exposure:

2018:

(a) Fair value of derivative financial instruments:

	September 30, 2018	
	Favourable	Unfavourable
Foreign exchange forward contracts	\$ -	\$ -

	June 30, 2018		March 31, 2018	
	Favourable	Unfavourable	Favourable	Unfavourable
Foreign exchange forward contracts	\$ -	\$ -	\$ 2	\$ 2

(b) Notional principal and credit exposure:

Foreign exchange forward contracts		September 30, 2018	
Notional amount*		\$	-
Current replacement cost**			-
Credit risk equivalent***			-
RWAs****			-

Foreign exchange forward contracts				
	June 30, 2018		March 31, 2018	
Notional amount*	\$	-	\$	520
Current replacement cost**		-		2
Credit risk equivalent***		-		8
RWAs****		-		4

2017:

(a) Fair value of derivative financial instruments:

	December 31, 2017		September 30, 2017	
	Favourable	Unfavourable	Favourable	Unfavourable
Foreign exchange forward contracts	\$ 19	\$ 17	\$ 7	\$ 6

	June 30, 2017		March 31, 2017	
	Favourable	Unfavourable	Favourable	Unfavourable
Foreign exchange forward contracts	\$ 38	\$ 38	\$ 15	\$ 14

(b) Notional principal and credit exposure:

Foreign exchange forward contracts				
	December 31, 2017		September 30, 2017	
Notional amount*	\$	2,280	\$	1,249
Current replacement cost**		19		7
Credit risk equivalent***		41		21
RWAs****		21		13

Foreign exchange forward contracts				
	June 30, 2017		March 31, 2017	
Notional amount*	\$	2,153	\$	2,372
Current replacement cost**		38		15
Credit risk equivalent***		20		41
RWAs****		50		19

2016:

(a) Fair value of derivative financial instruments:

	December 31, 2016	
	Favourable	Unfavourable
Foreign exchange forward contracts	\$ 18	\$ 14

(b) Notional principal and credit exposure:

	Foreign exchange forward contracts	
	December 31, 2016	
Notional amount*	\$	5,994
Current replacement cost**		18
Credit risk equivalent***		72
Risk-adjusted balance****		46

*The *Notional amount* is not recorded as an asset or liability as it represents the face amount of the contract to which a rate or price is applied to determine the amount of cash flows to be exchanged. Notional principal amounts do not represent the potential gain or loss associated with market risk and are not indicative of the credit risk associated with derivative financial instruments.

***Current replacement cost* represents the cost of replacing all contracts that have a favourable fair value, using current market rates. It represents in effect the unrealized gains on the Bank's derivative instruments. Replacement cost disclosed in the table above represents the net amount of the asset and liability to a specific counterparty where the Bank has a legally enforceable right to offset the amount owed to the Bank with the amount owed by the Bank and the Bank intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

****Credit risk equivalent* represents the total replacement cost plus an amount representing the potential future credit exposure, as outlined in the Capital Adequacy Guideline of the Superintendent.

**** *RWAs ('risk-adjusted balance')* represents the credit risk equivalent, weighted based on the creditworthiness of the counterparty, as prescribed by the Superintendent.

For qualitative and quantitative disclosures refer to the *Bank's Annual Report (audited) for 2017 fiscal year*, Note 1(n) "Derivative instruments – accounting policy", Note 3 "Nature and extent of risk arising from financial instruments", Note 4 "Exposure to credit risk", Note 13 "Fair value of financial instruments", and Note 14 "Derivative financial instruments".

10. Market Risk and Interest Rate Risk in the Banking Book

Market risk is a risk of loss due to changes in interest and foreign currency rates. The Bank manages these risks through specific policies that are approved by the Board.

In determining its market risk capital requirements, the Bank has adopted the standardized approach. At December 31, 2017 and 2016, the Bank had immaterial levels of its open currency position and its capital requirements were nil.

For qualitative and quantitative disclosures refer to the *Bank's Annual Report (audited) for 2017 fiscal year*, Note 1(a) "Financial assets and liabilities", Note 1 (f) Foreign currency transactions, Note 3 "Nature and extent of risk arising from financial instruments", and Note 12 "Interest rate sensitivity".

The following tables summarize balance sheet assets, liabilities and shareholder's equity to arrive at the Bank's interest rate gap based on the earlier of contractual repricing and maturity dates (as March 31, June 30, September 30 of 2018 and 2017 unaudited).

2018:

September 30, 2018						
	Floating Rate	Within 3 months	3 months to 1 year	1 to 5 years	Non-rate sensitive	Total
Assets						
Cash resources	\$41,856	\$1,621	-	-	\$1,707	\$45,184
Securities		\$9,994	\$0			\$9,994
Loans	\$148,297	\$0	1,468	\$2,202	(\$1,218)	\$150,749
Other assets	-	-	-	-	\$1,924	\$1,924
Total	\$190,153	\$11,615	\$1,468	\$2,202	\$2,413	\$207,851
Liabilities & Shareholder's Equity						
Deposits	\$72,968	\$39,450	\$17,199	\$32,139	\$10,608	\$172,364
Other Liabilities	-	-	-	-	\$3,485	\$3,485
Shareholder's Equity	-	-	-	-	\$32,002	\$32,002
Total	\$72,968	\$39,450	\$17,199	\$32,139	\$46,095	\$207,851
Total gap	\$117,185	(\$27,835)	(\$15,731)	(\$29,937)	(\$43,682)	\$0

As of September 30, 2018, a one percentage point change in the market interest rate over a one-year period would have an impact of approximately \$474 on net interest income over the next year.

June 30, 2018

	<i>Floating</i>	<i>Within 3</i>	<i>3 months</i>	<i>1 to 5</i>	<i>Non-rate</i>	
	<i>Rate</i>	<i>months</i>	<i>to 1 year</i>	<i>years</i>	<i>sensitive</i>	<i>Total</i>
Assets						
<i>Cash resources</i>	\$43,656	\$1,666	-	-	\$2,891	\$48,213
<i>Securities</i>		\$0	\$9,962			\$9,962
<i>Loans</i>	\$135,312	\$1,445	-	\$2,237	(\$1,141)	\$137,853
<i>Other assets</i>	-	-	-	-	\$1,989	\$1,989
Total	\$178,968	\$3,111	\$9,962	\$2,237	\$3,739	\$198,017
Liabilities & Shareholder's Equity						
<i>Deposits</i>	\$79,206	\$27,698	\$22,685	\$20,514	\$13,088	\$163,191
<i>Other Liabilities</i>	-	-	-	-	\$3,062	\$3,062
Shareholder's Equity	-	-	-	-	\$31,764	\$31,764
Total	\$79,206	\$27,698	\$22,685	\$20,514	\$47,914	\$198,017
Total gap	\$99,762	(\$24,587)	(\$12,723)	(\$18,277)	(\$44,175)	\$0

As of June 30, 2018, a one percentage point change in the market interest rate over a one-year period would have an impact of approximately \$558 on net interest income over the next year.

March 31, 2018

	<i>Floating</i>	<i>Within 3</i>	<i>3 months</i>	<i>1 to 5</i>	<i>Non-rate</i>	
	<i>Rate</i>	<i>months</i>	<i>to 1 year</i>	<i>years</i>	<i>sensitive</i>	<i>Total</i>
Assets						
<i>Cash resources</i>	\$41,269	\$1,302	-	-	\$4,112	\$46,683
<i>Securities</i>		\$9,995	\$0			\$9,995
<i>Loans</i>	\$129,746	\$1,457	\$0	\$2,270	(\$1,225)	\$132,248
<i>Other assets</i>	-	-	-	-	\$2,340	\$2,340
Total	\$171,015	\$12,754	\$0	\$2,270	\$5,227	\$191,266
Liabilities & Shareholder's Equity						
<i>Deposits</i>	\$80,027	\$15,324	\$24,841	\$25,388	\$11,581	\$157,161
<i>Other Liabilities</i>	-	-	-	-	\$2,530	\$2,530
Shareholder's Equity	-	-	-	-	\$31,575	\$31,575
Total	\$80,027	\$15,324	\$24,841	\$25,388	\$45,686	\$191,266
Total gap	\$90,988	(\$2,570)	(\$24,841)	(\$23,118)	(\$40,459)	\$0

As of March 31, 2018, a one percentage point change in the market interest rate over a one-year period would have an impact of approximately \$379 on net interest income over the next year.

2017:

September 30, 2017						
	<i>Floating</i>	<i>Within 3</i>	<i>3 months</i>	<i>1 to 5</i>	<i>Non-rate</i>	
	<i>Rate</i>	<i>months</i>	<i>to 1 year</i>	<i>years</i>	<i>sensitive</i>	<i>Total</i>
Assets						
<i>Cash resources</i>	\$58,018	\$1,597	-	-	\$3,102	\$62,717
<i>Securities</i>		\$0	\$9,994			\$9,994
<i>Loans</i>	\$128,415	\$0	\$1,482	\$2,338	(\$2,077)	\$130,158
<i>Other assets</i>	-	-	-	-	\$2,818	\$2,818
Total	\$186,433	\$1,597	\$11,476	\$2,338	\$3,843	\$205,687
Liabilities & Shareholder's Equity						
<i>Deposits</i>	\$83,093	\$36,709	\$17,544	\$23,989	\$9,939	\$171,274
<i>Other Liabilities</i>	-	-	-	-	\$3,954	\$3,954
Shareholder's Equity	-	-	-	-	\$30,459	\$30,459
Total	\$83,093	\$36,709	\$17,544	\$23,989	\$44,352	\$205,687
Total gap	\$103,340	(\$35,112)	(\$6,068)	(\$21,651)	(\$40,509)	\$0

As of September 30, 2017, a one percentage point change in the market interest rate over a one-year period would have an impact of approximately \$340 on net interest income over the next year.

June 30, 2017						
	<i>Floating</i>	<i>Within 3</i>	<i>3 months</i>	<i>1 to 5</i>	<i>Non-rate</i>	
	<i>Rate</i>	<i>months</i>	<i>to 1 year</i>	<i>years</i>	<i>sensitive</i>	<i>Total</i>
Assets						
<i>Cash resources</i>	\$65,985	\$1,609	-	-	\$1,989	\$69,583
<i>Securities</i>		\$9,993	\$0			\$9,993
<i>Loans</i>	\$114,509	\$0	\$1,493	\$2,371	(\$2,003)	\$116,370
<i>Other assets</i>	-	-	-	-	\$2,621	\$2,621
Total	\$180,494	\$11,602	\$1,493	\$2,371	\$2,607	\$198,567
Liabilities & Shareholder's Equity						
<i>Deposits</i>	\$84,503	\$21,908	\$27,651	\$22,972	\$8,462	\$165,496
<i>Other Liabilities</i>	-	-	-	-	\$2,461	\$2,461
Shareholder's Equity	-	-	-	-	\$30,610	\$30,610
Total	\$84,503	\$21,908	\$27,651	\$22,972	\$41,533	\$198,567
Total gap	\$95,991	(\$10,306)	(\$26,158)	(\$20,601)	(\$38,926)	\$0

As of June 30, 2017, a one percentage point change in the market interest rate over a one-year period would have an impact of approximately \$406 on net interest income over the next year.

March 31, 2017

	<i>Floating</i>	<i>Within 3</i>	<i>3 months</i>	<i>1 to 5</i>	<i>Non-rate</i>	
	<i>Rate</i>	<i>months</i>	<i>to 1 year</i>	<i>years</i>	<i>sensitive</i>	<i>Total</i>
Assets						
<i>Cash resources</i>	\$72,141	\$1,589	-	-	\$2,553	\$76,283
<i>Securities</i>		-	\$9,980			\$9,980
<i>Loans</i>	\$103,146	-	-	\$3,910	(\$1,988)	\$105,068
<i>Other assets</i>	-	-	-	-	\$2,768	\$2,768
Total	\$175,287	\$1,589	\$9,980	\$3,910	\$3,333	\$194,099
Liabilities & Shareholder's Equity						
<i>Deposits</i>	\$84,410	\$13,615	\$30,806	\$22,775	\$9,563	\$161,169
<i>Other Liabilities</i>	-	-	-	-	\$2,163	\$2,163
Shareholder's Equity	-	-	-	-	\$30,767	\$30,767
Total	\$84,410	\$13,615	\$30,806	\$22,775	\$42,493	\$194,099
Total gap	\$90,877	(\$12,026)	(\$20,826)	(\$18,865)	(\$39,160)	\$0

As of March 31, 2017, a one percentage point change in the market interest rate over a one-year period would have an impact of approximately \$403 on net interest income over the next year.

11. Operational Risk

The Bank has adopted the basic indicator approach in determining its operational risk capital requirement.

For qualitative and quantitative disclosures refer to the Bank's Annual Report (audited) for 2017 fiscal year, Note 3(d) "Operational risk", and **Table 2** (Section 5.3) "Risk-weighted assets - by risk type and regulatory capital requirements" above.

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November, 2018