



Habib Canadian Bank

Basel II Pillar 3 Supplemental Disclosures

as of Q2- end 2022

August 2022

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

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Note to Readers

Basel II Pillar 3 Supplemental Disclosures

(as of Q2-end, 2022)

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 OSFI Guideline D - 12 “Leverage Ratio Disclosure Requirements” (Revised 2018).

Note that the 2014 OSFI Guideline D-11 “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.

Throughout 2021 - 2022, the Bank’s reporting including disclosures had been guided by a number of internal and external considerations such as quality of the Bank’s assets, level of ECL provisioning, BCM measures, Bank’s own projections, OSFI guidelines and expectations on transitional arrangements for capital treatment of ECL, regulatory measures on supporting COVID-19 efforts, and expectations on the use of Pillar II capital buffers for DTIs using the Standardized Approach to credit risk.

In accordance with a new OSFI Pillar 3 Disclosure Guideline for Small and Medium-Sized Deposit-Taking Institutions (SMSBs) Capital and Liquidity Requirements (2022), the Bank will be revisiting its current disclosure practice during 2022 to ensure compliance with OSFI’s updated disclosure expectations for Pillar 3 disclosure requirements for SMSBs.

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 (2010-2020).

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. Due to COVID-19, the implementation is pushed further to 2023 by OSFI.

For information on OSFI's commitment to implementing the international Basel III framework refer to https://www.osfi-bsif.gc.ca/Eng/osfi-bsif/med/Pages/omni22_nr.aspx.

For more information on the Basel III: International regulatory framework for banks 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* ('*Pillar 3 Disclosures*') have been prepared in accordance with OSFI requirements and can be found on the Bank's website www.habibcanadian.com, "Disclosures" section habibcanadian.com/disclosures.

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 2019)); and should be read along with the *Bank's Annual Reports (audited) for 2021 and 2020*.

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 and the financial information in the *Bank's Annual Report (audited) for 2021 and 2020*.

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 2021 and 2020*, which was mainly reported at the balance sheet date and therefore does not reflect the likelihood of future drawings of committed credit lines.

In the second quarter of 2020, the Canadian Government launched the Canada Emergency Business Account Program as part of its response to COVID-19, under which the Bank issued loans that were funded by the government. The Bank determined these loans qualify for derecognition as substantially all risks and rewards were transferred; therefore, the Bank did not recognize these loans in the statements of financial position.

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

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.

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 2021, 2020 and 2019 fiscal years*.

Significant subsidiaries

The Bank has no subsidiaries or entities for consolidation.

Verification

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

The Bank's internal audit reviewed the Bank's *Pillar 3 Disclosures* compliance with *revised Basel Pillar 3* standard on initial application in 2019 and in 2021, subsequently, the review of the same will be conducted on a periodic basis.

Future changes

In January 2022, OSFI updated Pillar 3 disclosure expectations, disclosure, and internal audit review requirements in a new *Pillar 3 Disclosure Guideline for Small and Medium-Sized Deposit-Taking Institutions (SMSBs) Capital and Liquidity Requirements* with effective date of April 1, 2023.

In accordance with the Guideline, the Bank will revisit and change its Pillar 3 disclosure process, tables and templates as required.

3. Scope of Basel II/III 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 ('ECL') 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 HCB 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'), HCB's 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.

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.

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 [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 includes eligible Stage 1 and Stage 2 ECL in Tier 2 capital. The Bank's Total regulatory capital equals to the sum of Tier 1 and Tier 2, which calculated and reported under IFRSs.

The Common Equity Tier 1 ("CET1") capital included an amount of transitional adjustment to CET1 capital for ECL provisioning made during the COVID-19 pandemic calculated in accordance with the OSFI letter "Transitional arrangements for capital treatment of expected loss provisioning" (2020).

Up to the end of 2022, the transitional adjustment to CET1 capital will be made to Gross CET1 and therefore will affect deductions that use 10% of CET1 as a threshold, as well as large exposure limits, Tier 1 Capital (for both risk-based and leverage purposes), and Total Capital.

Regulatory ratios ('BCAR') are 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. OSFI formally established risk-based capital targets for deposit-taking institutions: a target CET1 ratio is of **7%**, a target Tier 1 ratio is of **8.5%**, 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 2021, 2020, and Q4, 2019.

Table 1A: Regulatory capital ratios for Q1, Q2, Q3 and Q4, 2022, and comparatives for 2021 and Q4, 2020 – Basel III

	June 30, 2022	March 31, 2022
Capital structure:		
Common Equity Tier 1 (CET1) capital:		
Common shares	\$ 30,000	\$ 30,000
Retained earnings	3,861	3,774
CET1 Transitional adjustment*	75	58
CET1 capital	33,936	33,832
Tier 1 capital	33,936	33,832
Tier 2 capital	991	915
Total (eligible) capital	34,927	34,747
Risk-weighted assets	221,558	204,552
Capital ratios:		
CET1 Ratio	15.31%	16.54%
Tier 1 Ratio	15.31%	16.54%
Total Ratio	15.76%	16.99%

Leverage Ratio:

Total Exposures	\$ 310,688	\$ 292,010
Tier 1 capital	33,936	33,832
Leverage Ratio	10.92%	11.59%

*CET1 Transitional adjustment for capital treatment of expected loss provisioning

	December 31, 2021
Capital structure:	
Common Equity Tier 1 (CET1) capital:	
Common shares	\$ 30,000
Retained earnings	3,786
CET1 Transitional adjustment*	69
CET1 capital	33,855
Tier 1 capital	33,855
Tier 2 capital	780
Total (eligible) capital	34,635
Risk-weighted assets	196,396
Capital ratios:	
CET1 Ratio	17.24%
Tier 1 Ratio	17.24%
Total Ratio	17.64%

Leverage Ratio:

Total Exposures	\$ 317,928
Tier 1 capital	33,855
Leverage Ratio	10.65%

*CET1 Transitional adjustment for capital treatment of expected loss provisioning

	September 30, 2021	June 30, 2021	March 31, 2021
Capital structure:			
Common Equity Tier 1 (CET1) capital:			
Common shares	\$ 30,000	\$ 30,000	\$ 30,000
Retained earnings	3,067	3,020	2,971
CET1 Transitional adjustment*	77	65	62
CET1 capital	33,144	33,085	33,033
Tier 1 capital	33,144	33,085	33,033
Tier 2 capital	793	771	767
Total (eligible) capital	33,937	33,856	33,800
Risk-weighted assets	199,121	191,538	189,203
Capital ratios:			
CET1 Ratio	16.65%	17.27%	17.46%
Tier 1 Ratio	16.65%	17.27%	17.46%
Total Ratio	17.04%	17.68%	17.86%

Leverage Ratio:

Total Exposures	\$ 314,141	\$ 312,254	\$ 280,636
Tier 1 capital	33,144	33,085	33,033
Leverage Ratio	10.55%	10.60%	11.77%

*CET1 Transitional adjustment for capital treatment of expected loss provisioning

	December 31, 2020
Capital structure:	
Common Equity Tier 1 (CET1) capital:	
Common shares	\$ 30,000
Retained earnings	3,009
CET1 Transitional adjustment*	62
CET1 capital	33,071
Tier 1 capital	33,071
Tier 2 capital	718
Total (eligible) capital	33,789
Risk-weighted assets	182,682
Capital ratios:	
CET1 Ratio	18.10%
Tier 1 Ratio	18.10%
Total Ratio	18.50%

Leverage Ratio:

Total Exposures	\$ 293,004
Tier 1 capital	33,071
Leverage Ratio	11.29%

*CET1 Transitional adjustment for capital treatment of expected loss provisioning

The Bank was following the imposed regulatory capital requirements to which it was subject.

5.3. Composition of Capital

The Bank is required to disclose the composition of its capital as required by the BCBS Disclosure Rules².

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 on a condensed basis.

The table was amended as per OSFI COVID-19 Measures: Disclosure expectations for ECL transitional arrangements that require to disclose the transitional scalar applied during the reporting period as well as each of the Common Equity Tier 1 (CET1), Tier 1 Capital, Total Capital, and Leverage ratios **had** the transitional arrangement for expected credit loss (ECL) provisioning **not been applied**. The scaling factor is set at 70% in fiscal 2020, 50% in fiscal 2021, and 25% in fiscal 2022.

Table 1C-Q2, 2022: Composition of Capital Disclosures for Q2, 2022

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	3,861
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	33,861
Common Equity Tier 1 capital: regulatory adjustments		
26	Other deductions or regulatory adjustments to CET1 as determined by OSFI	75
28	Total regulatory adjustments to Common Equity Tier 1	0
29	Common Equity Tier 1 capital (CET1)	33,936
29a	Common Equity Tier 1 capital (CET1) with transitional arrangements for ECL provisioning not applied	33,861
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

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

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)	33,936
45a	Tier 1 capital (T1 = CET1 + AT1) with transitional arrangements for ECL provisioning not applied	33,861
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	991
51	Tier 2 capital before regulatory adjustments	991
Tier 2 capital: regulatory adjustments		
57	Total regulatory adjustments to Tier 2 capital	0
58	Tier 2 capital (T2)	991
59	Total capital (TC = T1 + T2)	34,927
59a	Total capital (TC = T1 + T2) with transitional arrangements for ECL provisioning not applied	34,852
60	Total risk-weighted assets	221,558
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)	15.31 %
61a	Common Equity Tier 1 (as percentage of risk-weighted assets) with transitional arrangements for ECL provisioning not applied	15.28 %
62	Tier 1 (as percentage of risk-weighted assets)	15.31 %
62a	Tier 1 (as percentage of risk-weighted assets) with transitional arrangements for ECL provisioning not applied	15.28 %
63	Total capital (as percentage of risk-weighted assets)	15.76 %
63a	Total capital (as percentage of risk-weighted assets) with transitional arrangements for ECL provisioning not applied	15.76 %
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

Table 1C-Q1, 2022: Composition of Capital Disclosures for Q1, 2022

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	3,774
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	33,774
Common Equity Tier 1 capital: regulatory adjustments		
26	Other deductions or regulatory adjustments to CET1 as determined by OSFI	58
28	Total regulatory adjustments to Common Equity Tier 1	0
29	Common Equity Tier 1 capital (CET1)	33,832
29a	Common Equity Tier 1 capital (CET1) with transitional arrangements for ECL provisioning not applied	33,832
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)	33,832
45a	Tier 1 capital (T1 = CET1 + AT1) with transitional arrangements for ECL provisioning not applied	33,774
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	915
51	Tier 2 capital before regulatory adjustments	915
Tier 2 capital: regulatory adjustments		
57	Total regulatory adjustments to Tier 2 capital	0
58	Tier 2 capital (T2)	915
59	Total capital (TC = T1 + T2)	34,747
59a	Total capital (TC = T1 + T2) with transitional arrangements for ECL provisioning not applied	34,747
60	Total risk-weighted assets	204,552
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)	16.54 %
61a	Common Equity Tier 1 (as percentage of risk-weighted assets) with transitional arrangements for ECL provisioning not applied	16.51 %
62	Tier 1 (as percentage of risk-weighted assets)	16.54 %
62a	Tier 1 (as percentage of risk-weighted assets) with transitional arrangements for ECL provisioning not applied	16.51 %
63	Total capital (as percentage of risk-weighted assets)	16.99 %
63a	Total capital (as percentage of risk-weighted assets) with transitional arrangements for ECL provisioning not applied	16.99 %
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	Current cap on CET1 instruments subject to phase out arrangements	n/a
81	Amounts 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	Amounts 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	Amounts excluded from T2 due to cap (excess over cap after redemptions and maturities)	n/a

Table1C-Q4, 2021: Composition of Capital Disclosures for Q4, 2021

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	3,786
3	Accumulated other comprehensive income (and other reserves)	0
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	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	33,786
Common Equity Tier 1 capital: regulatory adjustments		
26	Other deductions or regulatory adjustments to CET1 as determined by OSFI	69
28	Total regulatory adjustments to Common Equity Tier 1	0
29	Common Equity Tier 1 capital (CET1)	33,855
29a	Common Equity Tier 1 capital (CET1) with transitional arrangements for ECL provisioning not applied	33,855
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	Directly issued capital instruments subject to phase out from Additional Tier 1	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)	33,855
45a	Tier 1 capital (T1 = CET1 + AT1) with transitional arrangements for ECL provisioning not applied	33,786
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	780
51	Tier 2 capital before regulatory adjustments	780
Tier 2 capital: regulatory adjustments		
57	Total regulatory adjustments to Tier 2 capital	0
58	Tier 2 capital (T2)	780
59	Total capital (TC = T1 + T2)	34,635
59a	Total capital (TC = T1 + T2) with transitional arrangements for ECL provisioning not applied	34,635
60	Total risk-weighted assets	196,396
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)	17.24 %
61a	Common Equity Tier 1 (as percentage of risk-weighted assets) with transitional arrangements for ECL provisioning not applied	17.20 %
62	Tier 1 (as percentage of risk-weighted assets)	17.24 %
62a	Tier 1 (as percentage of risk-weighted assets) with transitional arrangements for ECL provisioning not applied	17.20 %
63	Total capital (as percentage of risk-weighted assets)	17.64 %
63a	Total capital (as percentage of risk-weighted assets) with transitional arrangements for ECL provisioning not applied	17.64 %
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

Table 1C-Q3, 2021: Composition of Capital Disclosures for Q3, 2021

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	3,067
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	33,067
Common Equity Tier 1 capital: regulatory adjustments		
26	Other deductions or regulatory adjustments to CET1 as determined by OSFI	77
28	Total regulatory adjustments to Common Equity Tier 1	0
29	Common Equity Tier 1 capital (CET1)	33,144
29a	Common Equity Tier 1 capital (CET1) with transitional arrangements for ECL provisioning not applied	33,144
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)	33,144
45a	Tier 1 capital (T1 = CET1 + AT1) with transitional arrangements for ECL provisioning not applied	33,067
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	793
51	Tier 2 capital before regulatory adjustments	793
Tier 2 capital: regulatory adjustments		
57	Total regulatory adjustments to Tier 2 capital	0
58	Tier 2 capital (T2)	793
59	Total capital (TC = T1 + T2)	33,937
59a	Total capital (TC = T1 + T2) with transitional arrangements for ECL provisioning not applied	33,937
60	Total risk-weighted assets	199,121
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)	16.65 %
61a	Common Equity Tier 1 (as percentage of risk-weighted assets) with transitional arrangements for ECL provisioning not applied	16.61 %
62	Tier 1 (as percentage of risk-weighted assets)	16.65 %
62a	Tier 1 (as percentage of risk-weighted assets) with transitional arrangements for ECL provisioning not applied	16.61 %
63	Total capital (as percentage of risk-weighted assets)	17.04 %
63a	Total capital (as percentage of risk-weighted assets) with transitional arrangements for ECL provisioning not applied	17.04 %
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, 2021: Composition of Capital Disclosures for Q2, 2021

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	3,020
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	33,020
Common Equity Tier 1 capital: regulatory adjustments		
26	Other deductions or regulatory adjustments to CET1 as determined by OSFI	65
28	Total regulatory adjustments to Common Equity Tier 1	0
29	Common Equity Tier 1 capital (CET1)	33,085
29a	Common Equity Tier 1 capital (CET1) with transitional arrangements for ECL provisioning not applied	33,085
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)	33,085
45a	Tier 1 capital (T1 = CET1 + AT1) with transitional arrangements for ECL provisioning not applied	33,020
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	771
51	Tier 2 capital before regulatory adjustments	771
Tier 2 capital: regulatory adjustments		
57	Total regulatory adjustments to Tier 2 capital	0
58	Tier 2 capital (T2)	771
59	Total capital (TC = T1 + T2)	33,856
59a	Total capital (TC = T1 + T2) with transitional arrangements for ECL provisioning not applied	33,856
60	Total risk-weighted assets	191,538
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)	17.27 %
61a	Common Equity Tier 1 (as percentage of risk-weighted assets) with transitional arrangements for ECL provisioning not applied	17.24 %
62	Tier 1 (as percentage of risk-weighted assets)	17.27 %
62a	Tier 1 (as percentage of risk-weighted assets) with transitional arrangements for ECL provisioning not applied	17.24 %
63	Total capital (as percentage of risk-weighted assets)	17.68 %
63a	Total capital (as percentage of risk-weighted assets) with transitional arrangements for ECL provisioning not applied	17.68 %
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

Table 1C-Q1, 2021: Composition of Capital Disclosures for Q1, 2021

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	2,971
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	32,971
Common Equity Tier 1 capital: regulatory adjustments		
26	Other deductions or regulatory adjustments to CET1 as determined by OSFI	62
28	Total regulatory adjustments to Common Equity Tier 1	0
29	Common Equity Tier 1 capital (CET1)	33,033
29a	Common Equity Tier 1 capital (CET1) with transitional arrangements for ECL provisioning not applied	33,033
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)	33,033
45a	Tier 1 capital (T1 = CET1 + AT1) with transitional arrangements for ECL provisioning not applied	32,971
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	767
51	Tier 2 capital before regulatory adjustments	767
Tier 2 capital: regulatory adjustments		
57	Total regulatory adjustments to Tier 2 capital	0
58	Tier 2 capital (T2)	767
59	Total capital (TC = T1 + T2)	33,800
59a	Total capital (TC = T1 + T2) with transitional arrangements for ECL provisioning not applied	33,800
60	Total risk-weighted assets	189,203
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)	17.46 %
61a	Common Equity Tier 1 (as percentage of risk-weighted assets) with transitional arrangements for ECL provisioning not applied	17.43 %
62	Tier 1 (as percentage of risk-weighted assets)	17.46 %
62a	Tier 1 (as percentage of risk-weighted assets) with transitional arrangements for ECL provisioning not applied	17.43 %
63	Total capital (as percentage of risk-weighted assets)	17.86 %
63a	Total capital (as percentage of risk-weighted assets) with transitional arrangements for ECL provisioning not applied	17.86 %
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-Q4, 2020: Composition of Capital Disclosures for Q4, 2020

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	3,009
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	33,009
Common Equity Tier 1 capital: regulatory adjustments		
26	Other deductions or regulatory adjustments to CET1 as determined by OSFI	62
28	Total regulatory adjustments to Common Equity Tier 1	0
29	Common Equity Tier 1 capital (CET1)	33,071
29a	Common Equity Tier 1 capital (CET1) with transitional arrangements for ECL provisioning not applied	33,009
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)	33,071
45a	Tier 1 capital (T1 = CET1 + AT1) with transitional arrangements for ECL provisioning not applied	33,009
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	718
51	Tier 2 capital before regulatory adjustments	718
Tier 2 capital: regulatory adjustments		
57	Total regulatory adjustments to Tier 2 capital	0
58	Tier 2 capital (T2)	718
59	Total capital (TC = T1 + T2)	33,789
59a	Total capital (TC = T1 + T2) with transitional arrangements for ECL provisioning not applied	33,789
60	Total risk-weighted assets	182,682
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)	18.10 %
61a	Common Equity Tier 1 (as percentage of risk-weighted assets) with transitional arrangements for ECL provisioning not applied	18.07 %
62	Tier 1 (as percentage of risk-weighted assets)	18.10 %
62a	Tier 1 (as percentage of risk-weighted assets) with transitional arrangements for ECL provisioning not applied	18.07 %
63	Total capital (as percentage of risk-weighted assets)	18.50 %
63a	Total capital (as percentage of risk-weighted assets) with transitional arrangements for ECL provisioning not applied	18.50 %
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.

5.4. Capital requirements for Risks

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

2022 Quarterly – Basel III:

	June 30, 2022		March 31, 2022	
	RWAs	Capital required*	RWAs	Capital required*
Credit risk	\$ 206,308	\$ 21,662	\$189,464	\$ 19,894
Market risk	\$ -	\$ -	\$ -	\$ -
Operational risk	\$ 15,250	\$ 1,601	\$ 15,088	\$ 1,584
Total	\$ 221,558	\$ 23,264	\$204,552	\$ 21,478
Total Capital		\$ 34,927		\$ 34,747
Surplus		\$ 11,663		\$ 13,269
Total Capital ratio		15.76%		16.99%

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

2021 Quarterly – Basel III:

	December 31, 2021		September 30, 2021	
	RWAs	Capital required*	RWAs	Capital required*
Credit risk	\$ 181,371	\$ 19,044	\$184,133	\$ 19,334
Market risk	\$ -	\$ -	\$ -	\$ -
Operational risk	\$ 15,025	\$ 1,578	\$ 14,988	\$ 1,574
Total	\$ 196,396	\$ 20,622	\$199,121	\$ 20,908
Total Capital		\$ 34,635		\$ 33,937
Surplus		\$ 14,013		\$ 13,129
Total Capital ratio		17.64%		17.04%

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

	June 30, 2021		March 31, 2021	
	RWAs	Capital required*	RWAs	Capital required*
Credit risk	\$ 176,463	\$ 18,529	\$174,153	\$ 18,286
Market risk	\$ -	\$ -	\$ -	\$ -
Operational risk	\$ 15,075	\$ 1,583	\$ 15,050	\$ 1,580
Total	\$ 191,538	\$ 20,111	\$189,203	\$ 19,866
Total Capital		\$ 33,856		\$ 33,800
Surplus		\$ 13,745		\$ 13,934
Total Capital ratio		17.68%		17.86%

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

2020 Quarterly – Basel III:

	December 31, 2020		September 30, 2020	
	RWAs	Capital required*	RWAs	Capital required*
Credit risk	\$ 168,057	\$ 17,646	\$149,299	\$ 15,676
Market risk	\$ -	\$ -	\$ -	\$ -
Operational risk	\$ 14,625	\$ 1,536	\$ 14,312	\$ 1,503
Total	\$ 182,682	\$ 19,182	\$163,611	\$ 17,179
Total Capital		\$ 33,789		\$ 33,486
Surplus		\$ 14,607		\$ 16,307
Total Capital ratio		18.50%		20.47%

*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 2021 and 2020 fiscal years*, Note 2 “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), and OSFI Guideline D - 12 “Leverage Ratio Disclosure Requirements” (Revised 2018) 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 the OSFI’s Guideline D – 12 “Leverage Ratio Disclosure Requirements” (Revised 2018).

The table was amended as per OSFI COVID-19 Measures: Disclosure expectations for ECL transitional arrangements that require to disclose the transitional scalar applied during the reporting period as well as each of the Common Equity Tier 1 (CET1), Tier 1 Capital, Total Capital, and Leverage ratios **had** the transitional arrangement for expected credit loss (ECL) provisioning **not been applied**. The scaling factor is set at 70% in fiscal 2020, 50% in fiscal 2021, and 25% in fiscal 2022.

Table 3LR-Q2, 2022: Leverage Ratio Disclosures for Q2 2022 (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)	305,603
2	Gross-up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework (IFRS)	
3	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	
4	(Asset amounts deducted in determining Tier 1 capital)	
5	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 to 4)	305,603
Derivative exposures		
6	Replacement cost associated with all derivative transactions	
7	Add-on amounts for potential future exposure associated with all derivative transactions	
8	(Exempted central counterparty-leg of client cleared trade exposures)	
9	Adjusted effective notional amount of written credit derivatives	
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	
11	Total derivative exposures (sum of lines 6 to 10)	

Securities financing transaction exposures		
12	Gross SFT assets recognized 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	20,540
18	(Adjustments for conversion to credit equivalent amounts)	(15,445)
19	Off-balance sheet items (sum of lines 17 and 18)	5,085
Capital and Total Exposures		
20	Tier 1 capital	33,936
20a	Tier 1 capital with transitional arrangements for ECL provisioning not applied	33,861
21	Total Exposures (sum of lines 5, 11, 16 and 19)	310,688
Leverage Ratio		
22	Basel III leverage ratio	10.92 %
22a	Basel III leverage ratio with transitional arrangements for ECL provisioning not applied	10.90 %

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 LR guideline.
2	Grossed-up amount for collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework (IFRS).
3	Deductions of receivables assets from cash variation margin provided in derivative transactions according to paragraph 22 of the LR guideline, reported as negative amounts.
4	Deductions from Basel III Tier 1 capital determined by paragraphs 4, 15 and 16 of the LR guideline and excluded from the leverage ratio exposure measure, reported as negative amounts.
5	Sum of lines 1 to 4.
6	Replacement cost (RC) associated with all derivative transactions, (including exposure resulting from transactions described in paragraph 24 of the LR guideline), according to paragraph 21 of the LR guideline.

7	Add-on amount for all derivatives exposure according to paragraphs 21 to 30 of the LR guideline.
8	Exempted trade exposures associated with the central counterparty-leg of derivative transactions resulting from client cleared transactions according to paragraph 23 of the LR 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 27 to 29 of the LR guideline.
10	Adjusted effective notional offsets of written credit derivatives according to paragraphs 27 to 29 of the LR guideline and deducted add-on amounts relating to written credit derivatives according to paragraph 30 of the LR guideline, reported as negative amounts.
11	Sum of lines 6 to 10.
12	Gross SFT assets recognized for accounting purposes with no recognition of any netting other than novation with qualifying central counterparties (QCCPs) as set out in footnote 19 of the LR guideline, removing certain securities received as determined by paragraph 32 (i) of the LR guideline and adjusting for any sales accounting transactions as determined by paragraph 35 of the LR guideline.
13	Cash payables and cash receivables of Gross SFT assets netted according to paragraph 32 (i) of the LR guideline, reported as negative amounts.
14	Measure of counterparty credit risk for SFTs as determined by paragraph 32 (ii) of the LR guideline.
15	Agent transaction exposure amount determined according to paragraphs 36 to 38 of the LR 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 39 to 47 of the LR guideline.
18	Reduction in gross amount of off-balance sheet exposures due to the application of credit conversion factors in paragraphs 39 to 47 of the LR guideline.
19	Sum of lines 17 and 18.
20	Tier 1 capital as determined by paragraph 10 of the LR guideline.
21	Sum of lines 5, 11, 16 and 19.
22	Basel III leverage ratio according to paragraph 5 of the LR guideline. (Line 20/21)

Table 3LR-Q1, 2022: Leverage Ratio Disclosures for Q1 2022 (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)	286,595
2	Gross-up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework (IFRS)	
3	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	
4	(Asset amounts deducted in determining Tier 1 capital)	
5	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 to 4)	286,595
Derivative exposures		
6	Replacement cost associated with all derivative transactions	
7	Add-on amounts for potential future exposure associated with all derivative transactions	
8	(Exempted central counterparty-leg of client cleared trade exposures)	
9	Adjusted effective notional amount of written credit derivatives	
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	
11	Total derivative exposures (sum of lines 6 to 10)	
Securities financing transaction exposures		
12	Gross SFT assets recognized 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	22,196
18	(Adjustments for conversion to credit equivalent amounts)	(16,781)
19	Off-balance sheet items (sum of lines 17 and 18)	5,415
Capital and Total Exposures		
20	Tier 1 capital	33,832
20a	Tier 1 capital with transitional arrangements for ECL provisioning not applied	33,774
21	Total Exposures (sum of lines 5, 11, 16 and 19)	292,010

Leverage Ratio		
22	Basel III leverage ratio	11.59 %
22a	Basel III leverage ratio with transitional arrangements for ECL provisioning not applied	11.57 %

Table 3LR-Q4, 2021: Leverage Ratio Disclosures for Q4 2021 (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)	313,078
2	Gross-up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework (IFRS)	
3	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	
4	(Asset amounts deducted in determining Tier 1 capital)	
5	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 to 4)	313,078
Derivative exposures		
6	Replacement cost associated with all derivative transactions	
7	Add-on amounts for potential future exposure associated with all derivative transactions	
8	(Exempted central counterparty-leg of client cleared trade exposures)	
9	Adjusted effective notional amount of written credit derivatives	
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	
11	Total derivative exposures (sum of lines 6 to 10)	
Securities financing transaction exposures		
12	Gross SFT assets recognized 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	17,373

18	(Adjustments for conversion to credit equivalent amounts)	(12,523)
19	Off-balance sheet items (sum of lines 17 and 18)	4,850
Capital and Total Exposures		
20	Tier 1 capital	33,855
20a	Tier 1 capital with transitional arrangements for ECL provisioning not applied	33,786
21	Total Exposures (sum of lines 5, 11, 16 and 19)	317,928
Leverage Ratio		
22	Basel III leverage ratio	10.65 %
22a	Basel III leverage ratio with transitional arrangements for ECL provisioning not applied	10.63 %

Table 3LR-Q3, 2021: Leverage Ratio Disclosures for Q3 2021 (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)	306,602
2	Gross-up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework (IFRS)	
3	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	
4	(Asset amounts deducted in determining Tier 1 capital)	
5	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 to 4)	306,602
Derivative exposures		
6	Replacement cost associated with all derivative transactions	
7	Add-on amounts for potential future exposure associated with all derivative transactions	
8	(Exempted central counterparty-leg of client cleared trade exposures)	
9	Adjusted effective notional amount of written credit derivatives	
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	
11	Total derivative exposures (sum of lines 6 to 10)	
Securities financing transaction exposures		
12	Gross SFT assets recognized 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	23,877
18	(Adjustments for conversion to credit equivalent amounts)	(16,338)
19	Off-balance sheet items (sum of lines 17 and 18)	7,539
Capital and Total Exposures		
20	Tier 1 capital	33,144
20a	Tier 1 capital with transitional arrangements for ECL provisioning not applied	33,067
21	Total Exposures (sum of lines 5, 11, 16 and 19)	314,141
Leverage Ratio		
22	Basel III leverage ratio	10.55 %
22a	Basel III leverage ratio with transitional arrangements for ECL provisioning not applied	10.53 %

Table 3LR-Q2, 2021: Leverage Ratio Disclosures for Q2 2021 (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)	305,673
2	Gross-up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework (IFRS)	
3	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	
4	(Asset amounts deducted in determining Tier 1 capital)	
5	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 to 4)	305,673
Derivative exposures		
6	Replacement cost associated with all derivative transactions	
7	Add-on amounts for potential future exposure associated with all derivative transactions	

8	(Exempted central counterparty-leg of client cleared trade exposures)	
9	Adjusted effective notional amount of written credit derivatives	
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	
11	Total derivative exposures (sum of lines 6 to 10)	
Securities financing transaction exposures		
12	Gross SFT assets recognized 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	19,249
18	(Adjustments for conversion to credit equivalent amounts)	(12,668)
19	Off-balance sheet items (sum of lines 17 and 18)	6,581
Capital and Total Exposures		
20	Tier 1 capital	33,085
20a	Tier 1 capital with transitional arrangements for ECL provisioning not applied	33,020
21	Total Exposures (sum of lines 5, 11, 16 and 19)	312,254
Leverage Ratio		
22	Basel III leverage ratio	10.60 %
22a	Basel III leverage ratio with transitional arrangements for ECL provisioning not applied	10.57 %

Table 3LR-Q1, 2021: Leverage Ratio Disclosures for Q1 2021 (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)	274,236
2	Gross-up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework (IFRS)	
3	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	
4	(Asset amounts deducted in determining Tier 1 capital)	
5	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 to 4)	274,236
Derivative exposures		
6	Replacement cost associated with all derivative transactions	
7	Add-on amounts for potential future exposure associated with all derivative transactions	
8	(Exempted central counterparty-leg of client cleared trade exposures)	
9	Adjusted effective notional amount of written credit derivatives	
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	
11	Total derivative exposures (sum of lines 6 to 10)	
Securities financing transaction exposures		
12	Gross SFT assets recognized 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	18,337
18	(Adjustments for conversion to credit equivalent amounts)	(11,937)
19	Off-balance sheet items (sum of lines 17 and 18)	6,400
Capital and Total Exposures		
20	Tier 1 capital	33,033
20a	Tier 1 capital with transitional arrangements for ECL provisioning not applied	32,971
21	Total Exposures (sum of lines 5, 11, 16 and 19)	280,636
Leverage Ratio		
22	Basel III leverage ratio	11.77 %

22a	Basel III leverage ratio with transitional arrangements for ECL provisioning not applied	11.75 %
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Table 3LR-Q4, 2020: Leverage Ratio Disclosures for Q4 2020 (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)	286,170
2	Gross-up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework (IFRS)	
3	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	
4	(Asset amounts deducted in determining Tier 1 capital)	
5	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 to 4)	286,170
Derivative exposures		
6	Replacement cost associated with all derivative transactions	
7	Add-on amounts for potential future exposure associated with all derivative transactions	
8	(Exempted central counterparty-leg of client cleared trade exposures)	
9	Adjusted effective notional amount of written credit derivatives	
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	
11	Total derivative exposures (sum of lines 6 to 10)	
Securities financing transaction exposures		
12	Gross SFT assets recognized 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	20,487
18	(Adjustments for conversion to credit equivalent amounts)	(13,653)
19	Off-balance sheet items (sum of lines 17 and 18)	6,834

Capital and Total Exposures		
20	Tier 1 capital	33,071
20a	Tier 1 capital with transitional arrangements for ECL provisioning not applied	33,009
21	Total Exposures (sum of lines 5, 11, 16 and 19)	293,004
Leverage Ratio		
22	Basel III leverage ratio	11.29 %
22a	Basel III leverage ratio with transitional arrangements for ECL provisioning not applied	11.27 %

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 allowances for credit risk under IFRS 9, and discussion of the credit risk management policy are present in the *Bank's Annual Reports (audited) for 2021, 2020 and 2019 fiscal years*, Notes 1a (i) "Classification, measurement and impairment of financial assets", 1c "Loans and advances", 2a "Credit risk", and 4 "Past due and impaired assets and allowance for credit risk".

6.2. Quantitative 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 2022 and comparative data for 2021 year):

2022:

June 30, 2022						
Standardized	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	RWAs
Bank	\$106,137	-	-	-	\$106,137	\$23,220
Sovereign	-	-	-	-	-	-
Corporate	\$172,260	\$11,638	-	\$1,221	\$185,119	\$170,184
Retail Residential Mortgages	\$24,926	\$6,733	-	-	\$31,659	\$9,141
Other Retail	\$381	\$948	-	-	\$1,329	\$327
Total Gross Credit Exposure	\$303,704	\$19,319	-	\$1,221	\$324,244	\$202,872
<i>Reconciliation to Statements of Financial Position</i>						
Other Assets (not included in Standardized)	\$3,265					\$3,436
Total Assets subject to credit risk	\$306,969					
Less St.3 ECL Allowance	\$300	-	-	-	\$300	
Less St. 1 & St.2 ECL Allowance	\$1,066	-	-	-	\$1,066	
Total Assets	\$305,603					\$206,308
				Total RWAs		\$206,308

*includes replacement values

March 31, 2022						
Standardized	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	RWAs
Bank	\$98,366	-	-	-	\$98,366	\$21,584
Sovereign	-	-	-	-	-	-
Corporate	\$159,185	\$12,100	-	\$6,366	\$177,651	\$154,706
Retail Residential Mortgages	\$26,683	\$2,797	-	-	\$29,480	\$9,474
Other Retail	\$438	\$933	-	-	\$1,371	\$362
Total Gross Credit Exposure	\$284,672	\$15,830	-	\$6,366	\$306,868	\$186,126
<i>Reconciliation to Statements of Financial Position</i>						
Other Assets (not included in Standardized)	\$3,141					\$3,338
Total Assets subject to credit risk	\$287,813					
Less St.3 ECL Allowance	\$300	-	-	-	\$300	
Less St. 1 & St.2 ECL Allowance	\$918	-	-	\$55	\$973	
Total Assets	\$286,595					\$189,464
				Total RWAs		\$189,464

*includes replacement values

2021:

December 31, 2021						
Standardized	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	RWAs
Bank	\$138,686	-	-	-	\$138,686	\$30,083
Sovereign	-	-	-	-	-	-
Corporate	\$143,299	\$11,785	-	\$2,367	\$157,451	\$137,989
Retail Residential Mortgages	\$29,496	\$2,557	-	-	\$32,053	\$10,449
Other Retail	\$323	\$664	-	-	\$987	\$248
Total Gross Credit Exposure	\$311,804	\$15,006	-	\$2,367	\$329,177	\$178,769
<u>Reconciliation to Statements of Financial Position</u>						
Other Assets (not included in Standardized)	\$2,423					\$2,602
Total Assets subject to credit risk	\$314,227					
Less St.3 ECL Allowance	\$300	-	-	-	\$300	
Less St. 1 & St.2 ECL Allowance	\$849	-	-	-	\$849	
Total Assets	\$313,078			Total RWAs		\$181,371
*includes replacement values						

September 30, 2021						
Standardized	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	RWAs
Bank	\$125,834	-	-	-	\$125,834	\$27,785
Sovereign	-	-	-	-	-	-
Corporate	\$140,982	\$14,772	-	\$3,454	\$159,208	\$139,517
Retail Residential Mortgages	\$37,733	\$4,986	-	-	\$42,719	\$13,502
Other Retail	\$261	\$665	-	-	\$926	\$200
Total Gross Credit Exposure	\$304,810	\$20,423	-	\$3,454	\$328,687	\$181,004
<u>Reconciliation to Statements of Financial Position</u>						
Other Assets (not included in Standardized)	\$3,255					\$3,129
Total Assets subject to credit risk	\$308,065					
Less St.3 ECL Allowance	\$600	-	-	-	\$600	
Less St. 1 & St.2 ECL Allowance	\$863	-	-	\$7	\$870	
Total Assets	\$306,602			Total RWAs		\$184,133
*includes replacement values						

June 30, 2021						
Standardized	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	RWAs
Bank	\$130,157	-	-	-	\$130,157	\$28,546
Sovereign	-	-	-	-	-	-
Corporate	\$131,378	\$11,817	-	\$3,853	\$147,048	\$129,729
Retail Residential Mortgages	\$42,473	\$2,908	-	-	\$45,381	\$15,016
Other Retail	\$199	\$671	-	-	\$870	\$151
Total Gross Credit Exposure	\$304,207	\$15,396	-	\$3,853	\$323,456	\$173,442
<u>Reconciliation to Statements of Financial Position</u>						
Other Assets (not included in Standardized)	\$2,995					\$3,021
Total Assets subject to credit risk	\$307,202					
Less St.3 ECL Allowance	\$700	-	-	-	\$700	
Less St. 1 & St.2 ECL Allowance	\$829	-	-	\$7	\$836	
Total Assets	\$305,673			Total RWAs		\$176,463
*includes replacement values						

March 31, 2021							
Standardized	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	RWAs	
<i>Bank</i>	\$107,433	-	-	-	\$107,433	\$32,554	
<i>Sovereign</i>	-	-	-	-	-	-	
<i>Corporate</i>	\$119,561	\$11,704	-	\$3,668	\$134,933	\$121,490	
<i>Retail Residential Mortgages</i>	\$44,171	\$2,287	-	-	\$46,458	\$15,548	
<i>Other Retail</i>	\$204	\$678	-	-	\$882	\$162	
Total Gross Credit Exposure	\$271,369	\$14,669	-	\$3,668	\$289,706	\$169,754	
<i>Reconciliation to Statements of Financial Position</i>							
<i>Other Assets (not included in Standardized)</i>	\$4,388					\$4,399	
Total Assets subject to credit risk	\$275,757						
<i>Less St.3 ECL Allowance</i>	\$700	-	-	-	\$700		
<i>Less St. 1 & St.2 ECL Allowance</i>	\$821	-	-	\$8	\$829		
Total Assets	\$274,236			Total RWAs		\$174,153	
<i>*includes replacement values</i>							

2020:

December 31, 2020						
Standardized	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	RWAs
Bank	\$113,013	-	-	-	\$113,013	\$29,810
Sovereign	\$10,000	-	-	-	\$10,000	-
Corporate	\$115,564	\$13,318	-	\$3,566	\$132,448	\$117,368
Retail Residential Mortgages	\$46,484	\$2,980	-	-	\$49,464	\$18,299
Other Retail	\$279	\$623	-	-	\$902	\$186
Total Gross Credit Exposure	\$285,340	\$16,921	-	\$3,566	\$305,827	\$165,663
<i>Reconciliation to Statements of Financial Position</i>						
Other Assets (not included in Standardized)	\$2,303					\$2,394
Total Assets subject to credit risk	\$287,643					
Less St.3 ECL Allowance	\$700	-	-	-	\$700	
Less St. 1 & St.2 ECL Allowance	\$773	-	-	\$7	\$780	
Total Assets	\$286,170			Total RWAs		\$168,057

*includes replacement values

Note: Statements of Financial Position for March 31, June 30, and September 30 of 2021, 2020, and 2019 are not audited.

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

2022:

June 30, 2022						
Geographic Distribution of Exposures	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	(%)
Canada:	\$291,976	\$19,319	-	\$1,221	\$312,516	96.38%
Ontario	\$289,114	\$19,319	-	\$1,221	\$309,654	95.50%
Alberta	-	-	-	-	-	-
British Columbia	-	-	-	-	-	-
Quebec	\$2,862	-	-	-	\$2,862	0.88%
USA	\$972	-	-	-	\$972	0.30%
Other	\$10,756	-	-	-	\$10,756	3.32%
Total Gross Credit Exposure	\$303,704	\$19,319	-	\$1,221	\$324,244	100.00%

*includes replacement values

March 31, 2022						
Geographic Distribution of Exposures	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	(%)
Canada:	\$275,874	\$15,830	-	\$6,366	\$298,070	97.13%
Ontario	\$273,949	\$15,830	-	\$6,359	\$296,138	96.50%
Alberta	-	-	-	\$2	\$2	0.00%
British Columbia	-	-	-	\$5	\$5	0.00%
Quebec	\$1,925	-	-	-	\$1,925	0.63%
USA	\$2,962	-	-	-	\$2,962	0.97%
Other	\$5,836	-	-	-	\$5,836	1.90%
Total Gross Credit Exposure	\$284,672	\$15,830	-	\$6,366	\$306,868	100.00%

*includes replacement values

2021:

December 31, 2021

Geographic Distribution of Exposures	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	(%)
Canada:	\$301,976	\$15,006	-	\$2,367	\$319,349	97.01%
Ontario	\$299,070	\$15,006	-	\$2,363	\$316,439	96.13%
Alberta	-	-	-	\$2	\$2	0.00%
British Columbia	-	-	-	\$2	\$2	0.00%
Quebec	\$2,906	-	-	-	\$2,906	0.88%
USA	\$3,324	-	-	-	\$3,324	1.01%
Other	\$6,504	-	-	-	\$6,504	1.98%
Total Gross Credit Exposure	\$311,804	\$15,006	-	\$2,367	\$329,177	100.00%

**includes replacement values*

September 30, 2021

Geographic Distribution of Exposures	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	(%)
Canada:	\$294,140	\$20,423	-	\$3,454	\$318,017	96.75%
Ontario	\$291,205	\$20,423	-	\$3,450	\$315,078	95.86%
Alberta	-	-	-	\$2	\$2	0.00%
British Columbia	-	-	-	\$2	\$2	0.00%
Quebec	\$2,935	-	-	-	\$2,935	0.89%
USA	\$3,563	-	-	-	\$3,563	1.08%
Other	\$7,107	-	-	-	\$7,107	2.16%
Total Gross Credit Exposure	\$304,810	\$20,423	-	\$3,454	\$328,687	100.00%

**includes replacement values*

June 30, 2021

Geographic Distribution of Exposures	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	(%)
Canada:	\$292,789	\$15,396	-	\$3,853	\$312,038	96.47%
Ontario	\$292,789	\$15,396	-	\$3,851	\$312,036	96.47%
Alberta	-	-	-	\$2	\$2	0.00%
British Columbia	-	-	-	-	-	-
Quebec	-	-	-	-	-	-
USA	\$4,576	-	-	-	\$4,576	1.41%
Other	\$6,842	-	-	-	\$6,842	2.12%
Total Gross Credit Exposure	\$304,207	\$15,396	-	\$3,853	\$323,456	100.00%

**includes replacement values*

March 31, 2021

Geographic Distribution of Exposures	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	(%)
Canada:	\$250,850	\$14,669	-	\$3,668	\$269,187	92.92%
Ontario	\$250,850	\$14,669	-	\$3,666	\$269,185	92.92%
Alberta	-	-	-	\$2	\$2	0.00%
British Columbia	-	-	-	-	-	-
Quebec	-	-	-	-	-	-
USA	\$2,385	-	-	-	\$2,385	0.82%
Other	\$18,134	-	-	-	\$18,134	6.26%
Total Gross Credit Exposure	\$271,369	\$14,669	-	\$3,668	\$289,706	100.00%

**includes replacement values*

2020:

December 31, 2020						
Geographic Distribution of Exposures	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	(%)
<i>Canada:</i>	\$269,349	\$16,921	-	\$3,566	\$289,836	94.77%
<i>Ontario</i>	\$269,349	\$16,921	-	\$3,561	\$289,831	94.77%
<i>Alberta</i>	-	-	-	\$5	\$5	0.00%
<i>British Columbia</i>	-	-	-	-	-	-
<i>Quebec</i>	-	-	-	-	-	-
<i>USA</i>	\$3,837	-	-	-	\$3,837	1.25%
<i>Other</i>	\$12,154	-	-	-	\$12,154	3.97%
Total Gross Credit Exposure	\$285,340	\$16,921	-	\$3,566	\$305,827	100.00%

*includes replacement values

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

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.

2022:

June 30, 2022									
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	-	-	-	-	-	-	-	-	-
Bank	\$106,137	-	-	-	\$106,137	32.73%	\$83	-	-
Financial Services	\$106,137	-	-	-	\$106,137	32.73%	\$83	-	-
Corporate	\$172,260	\$11,638	-	\$1,221	\$185,119	57.09%	\$936	-	\$300
Capital Goods	-	\$75	-	-	\$75	0.02%	-	-	-
Life Sciences	-	-	-	-	-	-	-	-	-
Communications	-	-	-	-	-	-	-	-	-
Manufacturing	-	-	-	-	-	-	-	-	-
Metal & Mining	\$25,950	\$184	-	-	\$26,134	8.06%	\$246	-	-
Real Estate	\$129,221	\$1,241	-	\$969	\$131,431	40.53%	\$565	-	\$300
Resources & Basic Materials	-	\$1,291	-	-	\$1,291	0.40%	-	-	-
Retail & Wholesale	\$10,589	\$8,536	-	\$78	\$19,203	5.92%	\$111	-	-
Services	\$4,971	-	-	\$174	\$5,145	1.59%	\$6	-	-
Transportation	\$732	\$18	-	-	\$750	0.23%	\$8	-	-
Other	\$797	\$293	-	-	\$1,090	0.34%	-	-	-
Retail Residential Mortgages	\$24,926	\$6,733	-	-	\$31,659	9.76%	\$37	-	-
Other Retail	\$381	\$948	-	-	\$1,329	0.41%	\$10	-	-
Total Gross Credit Exposure	\$303,704	\$19,319	-	\$1,221	\$324,244	100%	\$1,066	-	\$300

*Includes replacement values

March 31, 2022									
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	-	-	-	-	-	-	-	-	-
Bank	\$98,366	-	-	-	\$98,366	32.05%	\$51	-	-
Financial Services	\$98,366	-	-	-	\$98,366	32.05%	\$51	-	-
Corporate	\$159,185	\$12,100	-	\$6,366	\$177,651	57.89%	\$862	-	\$300
Capital Goods	-	\$75	-	-	\$75	0.02%	-	-	-
Life Sciences	-	-	-	-	-	-	-	-	-
Communications	-	-	-	-	-	-	-	-	-
Manufacturing	-	-	-	-	-	-	-	-	-
Metal & Mining	\$23,336	\$147	-	\$5,146	\$28,629	9.33%	\$239	-	-
Real Estate	\$119,147	\$801	-	\$969	\$120,917	39.40%	\$494	-	\$300
Resources & Basic Materials	-	\$1,251	-	-	\$1,251	0.41%	-	-	-
Retail & Wholesale	\$13,692	\$9,403	-	\$76	\$23,171	7.55%	\$119	-	-
Services	\$271	-	-	\$175	\$446	0.15%	\$2	-	-
Transportation	\$723	\$27	-	-	\$750	0.24%	\$8	-	-
Other	\$2,016	\$396	-	-	\$2,412	0.79%	-	-	-
Retail Residential Mortgages	\$26,683	\$2,797	-	-	\$29,480	9.61%	\$33	-	-
Other Retail	\$438	\$933	-	-	\$1,371	0.45%	\$27	-	-
Total Gross Credit Exposure	\$284,672	\$15,830	-	\$6,366	\$306,868	100%	\$973	-	\$300

*Includes replacement values

2021:

December 31, 2021									
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	-	-	-	-	-	-	-	-	-
Bank	\$138,686	-	-	-	\$138,686	42.13%	\$54	-	-
Financial Services	\$138,686	-	-	-	\$138,686	42.13%	\$54	-	-
Corporate	\$143,299	\$11,785	-	\$2,367	\$157,451	47.83%	\$743	-	\$300
Capital Goods	-	\$75	-	-	\$75	0.02%	-	-	-
Life Sciences	\$199	\$1	-	-	\$200	0.06%	\$2	-	-
Communications	-	-	-	-	-	-	-	-	-
Manufacturing	-	-	-	-	-	-	-	-	-
Metal & Mining	\$20,278	\$138	-	\$736	\$21,152	6.43%	\$170	-	-
Real Estate	\$105,886	\$543	-	\$1,400	\$107,829	32.76%	\$445	-	\$300
Resources & Basic Materials	-	\$1,268	-	-	\$1,268	0.39%	-	-	-
Retail & Wholesale	\$12,963	\$9,013	-	\$60	\$22,036	6.69%	\$116	-	-
Services	\$433	-	-	\$171	\$604	0.18%	\$2	-	-
Transportation	\$715	\$35	-	-	\$750	0.23%	\$8	-	-
Other	\$2,825	\$712	-	-	\$3,537	1.07%	-	-	-
Retail Residential Mortgages	\$29,496	\$2,557	-	-	\$32,053	9.74%	\$31	-	-
Other Retail	\$323	\$664	-	-	\$987	0.30%	\$21	-	-
Total Gross Credit Exposure	\$311,804	\$15,006	-	\$2,367	\$329,177	100%	\$849	-	\$300

*Includes replacement values

HCB Basel II Pillar 3 Supplemental Disclosures – Q2, 2022

September 30, 2021									
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	-	-	-	-	-	-	-	-	-
Bank	\$125,834	-	-	-	\$125,834	38.28%	\$57	-	-
Financial Services	\$125,834	-	-	-	\$125,834	38.28%	\$57	-	-
Corporate	\$140,982	\$14,772	-	\$3,454	\$159,208	48.44%	\$726	-	\$600
Capital Goods	-	\$75	-	\$75	-	0.02%	-	-	-
Life Sciences	-	\$200	-	-	\$200	0.06%	-	-	-
Communications	-	-	-	-	-	-	-	-	-
Manufacturing	-	-	-	-	-	-	-	-	-
Metal & Mining	\$16,566	\$672	-	\$88	\$17,326	5.27%	\$146	-	-
Real Estate	\$104,027	\$1,414	-	\$3,134	\$108,575	33.03%	\$453	-	\$300
Resources & Basic Materials	-	\$1,274	-	\$1,274	-	0.39%	-	-	-
Retail & Wholesale	\$12,419	\$10,385	-	\$60	\$22,864	6.96%	\$117	-	-
Services	\$4,168	-	-	\$172	\$4,340	1.32%	\$2	-	\$300
Transportation	708	\$42	-	-	\$750	0.23%	\$8	-	-
Other	\$3,094	\$710	-	-	\$3,804	1.16%	-	-	-
Retail Residential Mortgages	\$37,733	\$4,986	-	-	\$42,719	13.00%	\$77	-	-
Other Retail	\$261	\$665	-	-	\$926	0.28%	\$10	-	-
Total Gross Credit Exposure	\$304,810	\$20,423	-	\$3,454	\$328,687	100%	\$870	-	\$600

*Includes replacement values

June 30, 2021									
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	-	-	-	-	-	-	-	-	-
Bank	\$130,157	-	-	-	\$130,157	40.24%	\$60	-	-
Financial Services	\$130,157	-	-	-	\$130,157	40.24%	\$60	-	-
Corporate	\$131,378	\$11,817	-	\$3,853	\$147,048	45.46%	\$664	-	\$700
Capital Goods	-	\$75	-	-	\$75	0.02%	-	-	-
Life Sciences	\$193	\$7	-	-	\$200	0.06%	\$3	-	-
Communications	-	-	-	-	-	-	-	-	-
Manufacturing	-	-	-	-	-	-	-	-	-
Metal & Mining	\$16,216	\$736	-	\$526	\$17,478	5.40%	\$135	-	-
Real Estate	\$95,700	\$488	-	\$3,134	\$99,322	30.71%	\$409	-	\$200
Resources & Basic Materials	\$300	\$939	-	-	\$1,239	0.38%	\$3	-	-
Retail & Wholesale	\$12,008	\$9,043	-	\$58	\$21,109	6.53%	\$112	-	\$200
Services	\$4,174	-	-	\$135	\$4,309	1.33%	\$2	-	\$300
Transportation	-	-	-	-	-	-	-	-	-
Other	\$2,787	\$529	-	-	\$3,316	1.03%	-	-	-
Retail Residential Mortgages	\$42,473	\$2,908	-	-	\$45,381	14.03%	\$96	-	-
Other Retail	\$199	\$671	-	-	\$870	0.27%	\$16	-	-
Total Gross Credit Exposure	\$304,207	\$15,396	-	\$3,853	\$323,456	100%	\$836	-	\$700

*Includes replacement values

March 31, 2021									
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	-	-	-	-	-	-	-	-	-
Bank	\$107,433	-	-	-	\$107,433	37.08%	\$62	-	-
Financial Services	\$107,433	-	-	-	\$107,433	37.08%	\$62	-	-
Corporate	\$119,561	\$11,704	-	\$3,668	\$134,933	46.58%	\$613	\$16	\$700
Capital Goods	-	\$75	-	-	\$75	0.03%	-	-	-
Life Sciences	\$195	\$5	-	-	\$200	0.07%	\$2	-	-
Communications	-	-	-	-	-	-	-	-	-
Manufacturing	-	-	-	-	-	-	-	-	-
Metal & Mining	\$16,868	\$159	-	\$340	\$17,367	5.99%	\$158	-	-
Real Estate	\$84,330	\$148	-	\$3,134	\$87,612	30.24%	\$340	\$16	\$200
Resources & Basic Materials	\$255	\$1,003	-	-	\$1,258	0.43%	\$2	-	-
Retail & Wholesale	\$12,720	\$9,880	-	\$59	\$22,659	7.82%	\$109	-	\$200
Services	\$4,175	-	-	\$135	\$4,310	1.49%	\$2	-	\$300
Transportation	-	-	-	-	-	-	-	-	-
Other	\$1,018	\$434	-	-	\$1,452	0.50%	-	-	-
Retail Residential Mortgages	\$44,171	\$2,287	-	-	\$46,458	16.04%	\$95	\$29	-
Other Retail	\$204	\$678	-	-	\$882	0.30%	\$14	-	-
Total Gross Credit Exposure	\$271,369	\$14,669	-	\$3,668	\$289,706	100%	\$784	\$45	\$700

*Includes replacement values

2020:

December 31, 2020									
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	\$10,000	-	-	-	\$10,000	3.27%	-	-	-
Bank	\$113,013	-	-	-	\$113,013	36.95%	\$69	-	-
Financial Services	\$113,013	-	-	-	\$113,013	36.95%	\$69	-	-
Corporate	\$115,564	\$13,318	-	\$3,566	\$132,448	43.31%	\$592	-	\$700
Capital Goods	-	\$75	-	-	\$75	0.02%	-	-	-
Life Sciences	\$461	\$6	-	-	\$467	0.15%	\$6	-	-
Communications	-	-	-	-	-	-	-	-	-
Manufacturing	-	-	-	-	-	-	-	-	-
Metal & Mining	\$18,922	\$159	-	\$234	\$19,315	6.32%	\$155	-	\$10
Real Estate	\$80,591	\$154	-	\$3,134	\$83,879	27.43%	\$328	-	\$200
Resources & Basic Materials	\$17	\$1,257	-	-	\$1,274	0.42%	-	-	-
Retail & Wholesale	\$10,795	\$11,240	-	\$63	\$22,098	7.23%	\$97	-	\$190
Services	\$4,286	-	-	\$135	\$4,421	1.45%	\$2	-	\$300
Transportation	-	-	-	-	-	-	-	-	-
Other	\$492	427	-	-	\$919	0.30%	\$4	-	-
Retail Residential Mortgages	\$46,484	\$2,980	-	-	\$49,464	16.17%	\$99	\$19	-
Other Retail	\$279	\$623	-	-	\$902	0.29%	\$1	-	-
Total Gross Credit Exposure	\$285,340	\$16,921	-	\$3,566	\$305,827	100%	\$761	\$19	\$700

**includes replacement values*

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

2022:

June 30, 2022					
Residual Contractual Maturity Breakdown	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total
Within 1 year	\$173,045	\$19,319	-	\$1,221	\$193,585
1 - 5 year	\$130,659	-	-	-	\$130,659
Greater than 5 year	-	-	-	-	-
No specific maturity	-	-	-	-	-
Total Gross Credit Exposure	\$303,704	\$19,319	-	\$1,221	\$324,244

**includes replacement values*

March 31, 2022					
Residual Contractual Maturity Breakdown	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total
Within 1 year	\$162,823	\$15,830	-	\$6,366	\$185,019
1 - 5 year	\$121,849	-	-	-	\$121,849
Greater than 5 year	-	-	-	-	-
No specific maturity	-	-	-	-	-
Total Gross Credit Exposure	\$284,672	\$15,830	-	\$6,366	\$306,868

**includes replacement values*

2021:

December 31, 2021					
Residual Contractual Maturity Breakdown	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total
<i>Within 1 year</i>	\$207,800	\$15,006	-	\$2,367	\$225,173
<i>1 - 5 year</i>	\$104,004	-	-	-	\$104,004
<i>Greater than 5 year</i>	-	-	-	-	-
<i>No specific maturity</i>	-	-	-	-	-
Total Gross Credit Exposure	\$311,804	\$15,006	-	\$2,367	\$329,177

**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 ³	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 (<i>Sovereign Credit quality step 1 plus notch</i>)	20%	50%	100%	100%	150%	100%

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

³ This notation refers to section 3.6.2.1. of the CAR Guideline to determine the applicable risk weight for rating agency methodologies.

2022:

June 30, 2022

Standardized - Bank's Outstandings	Risk Weight	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	RWAs
<i>Sovereign</i>	-	-	-	-	-	-	-
<i>Bank</i>							
<i>Sovereign Credit quality step 1 plus notch</i>	20%	\$103,612	-	-	-	\$103,612	\$20,722
<i>Sovereign Credit quality step 1 plus notch</i>	50%	\$54	-	-	-	\$54	\$27
<i>Sovereign Credit quality step 1 plus notch</i>	100%	\$2,471	-	-	-	\$2,471	\$2,471
<i>Sovereign Credit quality step 1 plus notch</i>	150%	-	-	-	-	-	-
<i>Unrated</i>	100%	-	-	-	-	-	-
Total Bank exposure		\$106,137	-	-	-	\$106,137	\$23,220
<i>Corporate</i>							
<i>Corporate - all unrated</i>	100%	\$172,260	\$11,638	-	\$1,221	\$185,119	\$170,184
<i>Corporate - all unrated past due</i>	150%	-	-	-	-	-	-
Total Corporate exposure		\$172,260	\$11,638	-	\$1,221	\$185,119	\$170,184
<i>Retail Residential Mortgages</i>							
<i>Retail Residential Mortgages - all unrated</i>	35%	\$24,926	\$6,733	-	-	\$31,659	\$9,141
<i>Retail Residential Mortgages - all unrated past due</i>	100%	-	-	-	-	-	-
Total Residential Mortgages exposure		\$24,926	\$6,733	-	-	\$31,659	\$9,141
<i>Other Retail - all unrated</i>	75%	\$381	\$948	-	-	\$1,329	\$327
Total Gross Credit Exposure		\$303,704	\$19,319	-	\$1,221	\$324,244	\$202,872

*includes replacement values

March 31, 2022

Standardized - Bank's Outstandings	Risk Weight	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	RWAs
<i>Sovereign</i>	-	-	-	-	-	-	-
<i>Bank</i>							
<i>Sovereign Credit quality step 1 plus notch</i>	20%	\$95,945	-	-	-	\$95,945	\$19,189
<i>Sovereign Credit quality step 1 plus notch</i>	50%	\$53	-	-	-	\$53	\$27
<i>Sovereign Credit quality step 1 plus notch</i>	100%	\$2,368	-	-	-	\$2,368	\$2,368
<i>Sovereign Credit quality step 1 plus notch</i>	150%	-	-	-	-	-	-
<i>Unrated</i>	100%	-	-	-	-	-	-
Total Bank exposure		\$98,366	-	-	-	\$98,366	\$21,584
<i>Corporate</i>							
<i>Corporate - all unrated</i>	100%	\$159,185	\$12,100	-	\$6,366	\$177,651	\$154,706
<i>Corporate - all unrated past due</i>	150%	-	-	-	-	-	-
Total Corporate exposure		\$159,185	\$12,100	-	\$6,366	\$177,651	\$154,706
<i>Retail Residential Mortgages</i>							
<i>Retail Residential Mortgages - all unrated</i>	35%	\$26,683	\$2,797	-	-	\$29,480	\$9,474
<i>Retail Residential Mortgages - all unrated past due</i>	100%	-	-	-	-	-	-
Total Residential Mortgages exposure		\$26,683	\$2,797	-	-	\$29,480	\$9,474
<i>Other Retail - all unrated</i>	75%	\$438	\$933	-	-	\$1,371	\$362
Total Gross Credit Exposure		\$284,672	\$15,830	-	\$6,366	\$306,868	\$186,126

*includes replacement values

2021:

December 31, 2021							
Standardized - Bank's Outstandings	Risk Weight	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	RWAs
<i>Sovereign</i>	-	-	-	-	-	-	-
<i>Bank</i>							
<i>Sovereign Credit quality step 1 plus notch</i>	20%	\$135,720	-	-	-	\$135,720	\$27,144
<i>Sovereign Credit quality step 1 plus notch</i>	50%	\$54	-	-	-	\$54	\$27
<i>Sovereign Credit quality step 1 plus notch</i>	100%	\$2,912	-	-	-	\$2,912	\$2,912
<i>Sovereign Credit quality step 1 plus notch</i>	150%	-	-	-	-	-	-
<i>Unrated</i>	100%	-	-	-	-	-	-
Total Bank exposure		\$138,686	-	-	-	\$138,686	\$30,083
<i>Corporate</i>							
<i>Corporate - all unrated</i>	100%	\$143,299	\$11,785	-	\$2,367	\$157,451	\$137,989
<i>Corporate - all unrated past due</i>	150%	\$0	-	-	-	\$0	\$0
Total Corporate exposure		\$143,299	\$11,785	-	\$2,367	\$157,451	\$137,989
<i>Retail Residential Mortgages</i>							
<i>Retail Residential Mortgages - all unrated</i>	35%	\$29,496	\$2,557	-	-	\$32,053	\$10,449
<i>Retail Residential Mortgages - all unrated past due</i>	100%	-	-	-	-	-	-
Total Residential Mortgages exposure		\$29,496	\$2,557	-	-	\$32,053	\$10,449
<i>Other Retail - all unrated</i>	75%	\$323	\$664	-	-	\$987	\$248
Total Gross Credit Exposure		\$311,804	\$15,006	-	\$2,367	\$329,177	\$178,769

*includes replacement values

Note: All corporate exposures are unrated and receive a risk weight of 100% and a risk weight of 100% or 150% for qualified past due exposures. Residential mortgages receive a risk weight of 35% and a risk weight of 100% for past due exposures and other retail items are unrated therefore 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 2021 fiscal year*, Note 3 "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, 2021, the credit facilities secured against industrial buildings were of 19.75% (2020 - 17.50%) 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).

2022:

June 30, 2022

Standardized	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	Eligible Financial Collateral**	Credit Derivatives / Guarantees**
Bank	\$106,137	-	-	-	\$106,137	-	-
Sovereign	-	-	-	-	-	-	-
Corporate	\$172,260	\$11,638	-	\$1,221	\$185,119	\$5,452	-
Retail Residential Mortgages	\$24,926	\$6,733	-	-	\$31,659	\$154	-
Other Retail	\$381	\$948	-	-	\$1,329	\$140	-
Total Gross Credit Exposure	\$303,704	\$19,319	-	\$1,221	\$324,244	\$5,746	-

*Includes replacement values

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

March 31, 2022

Standardized	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	Eligible Financial Collateral**	Credit Derivatives / Guarantees**
Bank	\$98,366	-	-	-	\$98,366	-	-
Sovereign	-	-	-	-	-	-	-
Corporate	\$159,185	\$12,100	-	\$6,366	\$177,651	\$9,221	-
Retail Residential Mortgages	\$26,683	\$2,797	-	-	\$29,480	\$174	-
Other Retail	\$438	\$933	-	-	\$1,371	\$148	-
Total Gross Credit Exposure	\$284,672	\$15,830	-	\$6,366	\$306,868	\$9,543	-

*Includes replacement values

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

2021:

December 31, 2021

Standardized	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	Eligible Financial Collateral**	Credit Derivatives / Guarantees**
<i>Bank</i>	\$138,686	-	-	-	\$138,686	-	-
<i>Sovereign</i>	-	-	-	-	-	-	-
<i>Corporate</i>	\$143,299	\$11,785	-	\$2,367	\$157,451	\$9,538	-
<i>Retail Residential Mortgages</i>	\$29,496	\$2,557	-	-	\$32,053	\$154	-
<i>Other Retail</i>	\$323	\$664	-	-	\$987	\$131	-
Total Gross Credit Exposure	\$311,804	\$15,006	-	\$2,367	\$329,177	\$9,823	-

*includes replacement values

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

9. Derivatives

2022:

As at June 30, 2022, and March 31, 2022, the Bank had no derivative financial instruments.

2021:

As of December 31, 2021, September 30, 2021, June 30, 2021 and March 31, 2021, the Bank had no 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, 2021 and 2020, the Bank had immaterial levels of its open currency position and its capital requirements were nil.

For respective year-end qualitative and quantitative disclosures refer to the *Bank's Annual Report (audited) for 2021 and 2020 fiscal years*, Note 1(a) "Financial instruments", Note 1 (f) Foreign currency transactions, Note 2 "Nature and extent of risk arising from financial instruments", and Note 11 "Interest rate sensitivity".

In accordance with the OSFI Pillar 3 Disclosure Guideline for Small and Medium-Sized Deposit-Taking Institutions (SMSBs) Capital and Liquidity Requirements (2022), the level of IRRBB exposures will be disclosed on an annual basis, as required, in the Bank's Annual Report (audited).

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 2021 fiscal year, Note 2(d) "Operational risk", and **Table 2** (Section 5.3) "Risk-weighted assets - by risk type and regulatory capital requirements" above.

In accordance with the OSFI Pillar 3 Disclosure Guideline for Small and Medium-Sized Deposit-Taking Institutions (SMSBs) Capital and Liquidity Requirements (2022), the ORA - General qualitative information on the Bank's operational risk framework will be disclosed on an annual basis, as required, in the Bank's Annual Report (audited).

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August, 2022