Habib Canadian Bank

Basel II Pillar 3 Supplemental Disclosures

as of Q2- end 2020

August 2020

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, 2020)

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 quantative 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.

The COVID-19 pandemic caused significant financial market and social dislocation. The ultimate extent of the effect of this on the Bank continues to be uncertain. Management continues to monitor the effects on the operations and financial results of the Bank.

Throughout the COVID-19 pandemic, 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.

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.

The third installment of the Basel Accords (known as Basel I, Basel II) was developed in response to the deficiencies in financial regulation revealed by the late-2000s financial crisis. Basel III was supposed to strengthen bank capital requirements by increasing bank liquidity and decreasing bank leverage. Unlike Basel I and Basel II which are primarily related to the required level of bank loss reserves that must be held by banks for various classes of loans and other investments and assets that they have, Basel III is primarily related to the risks for the banks of a "run on the bank" ["banking panic"] by requiring differing levels of reserves for different forms of bank deposits and other borrowings. Therefore, Basel III rules do not for the most part supersede the guidelines known as Basel I and Basel II but work alongside them.

For more information on the Basel III: 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* for Q1, 2020 ('*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 2019 and 2018.*

The remuneration disclosure requirements were implemented beginning the 2012 fiscal year-end, and the frequency of remuneration disclosures is made only on an annual basis[1].

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 2019 and 2018*.

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 2019 and 2018*, which was mainly reported at the balance sheet date and therefore does not reflect the likelihood of future drawings of committed credit lines.

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

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

The preparation of the *Pillar 3 Disclosures* along with the Bank's financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are described in respective notes of the *Bank's Annual Report (audited) for 2019 and 2018 fiscal years*.

2019 year-end subsequent events:

Subsequent to 2019-year end, the coronavirus (COVID-19) pandemic caused significant financial market and social dislocation. The ultimate extent of the effect of this on the Bank is uncertain. Management has been and will continue to monitor the effects on the operations and financial results of the Bank.

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.

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

3. Scope of Basel II permissions

Credit risk capital requirements

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

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

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

Market risk capital requirements

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

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

Operational risk capital requirements

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

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

4. Forward Looking Statements

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

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

Examples of such forward looking statements include, but are not limited to, projections or expectations of the HCB’s future financial position including profit attributable to shareholders, expected credit loss (‘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 (i.e. the HCB minimum BCAR level was 14%). This buffer may be re-examined in the future.

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

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

Internal Capital Adequacy Process ("ICAAP"):

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

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

(i) Board and senior management oversight;

(ii) Sound capital assessment and planning;

(iii) Comprehensive assessment of risks;

(iv) Stress testing;

(v) Monitoring and reporting; and

(vi) Internal control review.

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.

As at March 31, 2020 and as at June 30, 2020, 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".

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 2020, 2019, and Q4, 2018.

Table1A: Regulatory capital ratios for Q1, Q2, Q3 and Q4, 2020, and comparatives for 2019 and Q4, 2018 – Basel III

	June 30, 2020	March 31, 2020
Capital structure:		
Common Equity Tier 1 (CET1) capital:		
Common shares	$ 30,000	$ 30,000
Retained earnings	2,950	3,090
CET1 Transitional adjustment*	35	25
CET1 capital	32,985	33,115
Tier 1 capital	32,985	33,115
Tier 2 capital	693	684
Total (eligible) capital	33,678	33,799
Risk-weighted assets	162,491	162,976
Capital ratios:		
CET1 Ratio	20.30%	20.32%
Tier 1 Ratio	20.30%	20.32%
Total Ratio	20.73%	20.73%
Leverage Ratio:		
Total Exposures	$ 262,052	$ 247,335
Tier 1 capital	32,985	33,115
Leverage Ratio	12.59%	13.39%

*CET1 Transitional adjustment for capital treatment of expected loss provisioning

	December 31, 2019
Capital structure:	
Common Equity Tier 1 (CET1) capital:	
Common shares	$ 30,000
Retained earnings	2,991
CET1 capital	32,991
Tier 1 capital	32,991
Tier 2 capital	660
Total (eligible) capital	33,651
Risk-weighted assets	155,154
Capital ratios:	
CET1 Ratio	21.52%
Tier 1 Ratio	21.52%
Total Ratio	21.69%
Leverage Ratio:	
Total Exposures	$ 237,733
Tier 1 capital	32,991
Leverage Ratio	13.88%

	September 30, 2019	June 30, 2019	March 31, 2019
Capital structure:			
Common Equity Tier 1 (CET1) capital:			
Common shares	$ 30,000	$ 30,000	$ 30,000
Retained earnings	2,908	2,686	2,478
CET1 capital	32,908	32,686	32,478
Tier 1 capital	32,908	32,686	32,478
Tier 2 capital	677	-	-
Total (eligible) capital	33,585	32,686	32,478
Risk-weighted assets	152,928	151,402	151,934
Capital ratios:			
CET1 Ratio	21.52%	21.59%	21.38%
Tier 1 Ratio	21.52%	21.59%	21.38%
Total Ratio	21.96%	21.59%	21.38%
Leverage Ratio:			
Total Exposures	$ 236,098	$ 233,365	$ 222,566
Tier 1 capital	32,908	32,686	32,478
Leverage Ratio	13.94%	14.01%	14.59%

	December 31, 2018
Capital structure:	
Common Equity Tier 1 (CET1) capital:	
Common shares	$ 30,000
Retained earnings	2,222
CET1 capital	32,222
Tier 1 capital	32,222
Total (eligible) capital	32,222
Risk-weighted assets	156,065
Capital ratios:	
CET1 Ratio	20.65%
Tier 1 Ratio	20.65%
Total Ratio	20.65%
Leverage Ratio:	
Total Exposures	$ 230,830
Tier 1 capital	32,222
Leverage Ratio	13.96%

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

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

The Bank is required to disclose the composition of its capital as required by the BCBS Disclosure Rules[2].

Post 1 January 2018 disclosure is completed based on a modified version of the Composition of Capital Templated 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.

Table1C-Q2, 2020: Composition of Capital Disclosures for Q2, 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	2,950
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**	**32,950**
	Common Equity Tier 1 capital: regulatory adjustments	
26	Other deductions or regulatory adjustments to CET1 as determined by OSFI	**35**
28	Total regulatory adjustments to Common Equity Tier 1	0
29	**Common Equity Tier 1 capital (CET1)**	**32,985**
29a	**Common Equity Tier 1 capital (CET1)** with transitional arrangements for ECL provisioning not applied	**32,950**
	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	*of which: instruments issued by subsidiaries subject to phase out*	0
36	**Additional Tier 1 capital before regulatory adjustments**	**0**

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

	Additional Tier 1 capital: regulatory adjustments	
43	**Total regulatory adjustments to Additional Tier 1 capital**	**0**
44	**Additional Tier 1 capital (AT1)**	**0**
45	**Tier 1 capital (T1 = CET1 + AT1)**	**32,985**
45a	**Tier 1 capital (T1 = CET1 + AT1)** with transitional arrangements for ECL provisioning not applied	**32,950**
	Tier 2 capital: instruments and allowances	
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	0
47	*Directly issued capital instruments subject to phase out from Tier 2*	0
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	0
49	*of which: instruments issued by subsidiaries subject to phase out*	0
50	Collective allowances	693
51	**Tier 2 capital before regulatory adjustments**	**693**
	Tier 2 capital: regulatory adjustments	
57	**Total regulatory adjustments to Tier 2 capital**	**0**
58	**Tier 2 capital (T2)**	**693**
59	**Total capital (TC = T1 + T2)**	**33,678**
59a	**Total capital (TC = T1 + T2)** with transitional arrangements for ECL provisioning not applied	**33,643**
60	**Total risk-weighted assets**	**162,491**
60a	**Common Equity Tier 1 (CET1) Capital RWA**	**n/a**
60b	**Tier 1 Capital RWA**	**n/a**
60c	**Total Capital RWA**	**n/a**
	Capital ratios	
61	Common Equity Tier 1 (as percentage of risk-weighted assets)	20.30 %
61a	Common Equity Tier 1 (as percentage of risk-weighted assets) with transitional arrangements for ECL provisioning not applied	20.27 %
62	Tier 1 (as percentage of risk-weighted assets)	20.30 %
62a	Tier 1 (as percentage of risk-weighted assets) with transitional arrangements for ECL provisioning not applied	20.27 %
63	Total capital (as percentage of risk-weighted assets)	20.73 %
63a	Total capital (as percentage of risk-weighted assets) with transitional arrangements for ECL provisioning not applied	20.70 %
	OSFI target	
69	Common Equity Tier 1 capital target ratio	7%
70	Tier 1 capital target ratio	8.5%
71	Total capital target ratio	10.5%
	Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2013 and 1 Jan 2022)	
80	*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-Q1, 2020: Composition of Capital Disclosures for Q1, 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	3,090
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**	**33,090**
	Common Equity Tier 1 capital: regulatory adjustments	
26	Other deductions or regulatory adjustments to CET1 as determined by OSFI	**25**
28	Total regulatory adjustments to Common Equity Tier 1	0
29	**Common Equity Tier 1 capital (CET1)**	**33,115**
29a	**Common Equity Tier 1 capital (CET1)** with transitional arrangements for ECL provisioning not applied	**33,090**
	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	*of which: instruments issued by subsidiaries subject to phase out*	0
36	**Additional Tier 1 capital before regulatory adjustments**	**0**
	Additional Tier 1 capital: regulatory adjustments	
43	**Total regulatory adjustments to Additional Tier 1 capital**	**0**
44	**Additional Tier 1 capital (AT1)**	**0**
45	**Tier 1 capital (T1 = CET1 + AT1)**	**33,115**
45a	**Tier 1 capital (T1 = CET1 + AT1)** with transitional arrangements for ECL provisioning not applied	**33,090**
	Tier 2 capital: instruments and allowances	
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	0
47	*Directly issued capital instruments subject to phase out from Tier 2*	0
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	0
49	*of which: instruments issued by subsidiaries subject to phase out*	0
50	Collective allowances	684
51	**Tier 2 capital before regulatory adjustments**	**684**
	Tier 2 capital: regulatory adjustments	
57	**Total regulatory adjustments to Tier 2 capital**	**0**
58	**Tier 2 capital (T2)**	**684**
59	**Total capital (TC = T1 + T2)**	**33,799**
59a	**Total capital (TC = T1 + T2)** with transitional arrangements for ECL provisioning not applied	**33,774**
60	**Total risk-weighted assets**	**162,976**
60a	**Common Equity Tier 1 (CET1) Capital RWA**	**n/a**
60b	**Tier 1 Capital RWA**	**n/a**

60c	**Total Capital RWA**	**n/a**
	Capital ratios	
61	Common Equity Tier 1 (as percentage of risk-weighted assets)	20.32 %
61a	Common Equity Tier 1 (as percentage of risk-weighted assets) with transitional arrangements for ECL provisioning not applied	20.30 %
62	Tier 1 (as percentage of risk-weighted assets)	20.32 %
62a	Tier 1 (as percentage of risk-weighted assets) with transitional arrangements for ECL provisioning not applied	20.30 %
63	Total capital (as percentage of risk-weighted assets)	20.73 %
63a	Total capital (as percentage of risk-weighted assets) with transitional arrangements for ECL provisioning not applied	20.72 %
	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, 2019: Composition of Capital – Post 1 January 2018 Disclosures for Q4, 2019

	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	2,991
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**	**32,991**
	Common Equity Tier 1 capital: regulatory adjustments	
28	Total regulatory adjustments to Common Equity Tier 1	0
29	**Common Equity Tier 1 capital (CET1)**	**32,991**
	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	*of which: instruments issued by subsidiaries subject to phase out*	0
36	**Additional Tier 1 capital before regulatory adjustments**	**0**
	Additional Tier 1 capital: regulatory adjustments	

43	**Total regulatory adjustments to Additional Tier 1 capital**	**0**
44	**Additional Tier 1 capital (AT1)**	**0**
45	**Tier 1 capital (T1 = CET1 + AT1)**	**32,991**
	Tier 2 capital: instruments and allowances	
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	0
47	*Directly issued capital instruments subject to phase out from Tier 2*	0
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	0
49	*of which: instruments issued by subsidiaries subject to phase out*	0
50	Collective allowances	660
51	**Tier 2 capital before regulatory adjustments**	**660**
	Tier 2 capital: regulatory adjustments	
57	**Total regulatory adjustments to Tier 2 capital**	**0**
58	**Tier 2 capital (T2)**	**660**
59	**Total capital (TC = T1 + T2)**	**33,651**
60	**Total risk-weighted assets**	**155,154**
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)	21.52 %
62	Tier 1 (as percentage of risk-weighted assets)	21.52 %
63	Total capital (as percentage of risk-weighted assets)	21.69 %
	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-Q3, 2019: Composition of Capital – Post 1 January 2018 Disclosures for Q3, 2019

	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	2,908
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**	**32,908**
	Common Equity Tier 1 capital: regulatory adjustments	

28	Total regulatory adjustments to Common Equity Tier 1	0
29	**Common Equity Tier 1 capital (CET1)**	**32,686**
	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	*of which: instruments issued by subsidiaries subject to phase out*	0
36	**Additional Tier 1 capital before regulatory adjustments**	**0**
	Additional Tier 1 capital: regulatory adjustments	
43	**Total regulatory adjustments to Additional Tier 1 capital**	**0**
44	**Additional Tier 1 capital (AT1)**	**0**
45	**Tier 1 capital (T1 = CET1 + AT1)**	**32,686**
	Tier 2 capital: instruments and allowances	
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	0
47	*Directly issued capital instruments subject to phase out from Tier 2*	0
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	0
49	*of which: instruments issued by subsidiaries subject to phase out*	0
50	Collective allowances	677
51	**Tier 2 capital before regulatory adjustments**	**677**
	Tier 2 capital: regulatory adjustments	
57	**Total regulatory adjustments to Tier 2 capital**	**0**
58	**Tier 2 capital (T2)**	**677**
59	**Total capital (TC = T1 + T2)**	**33,585**
60	**Total risk-weighted assets**	**152,928**
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)	21.52 %
62	Tier 1 (as percentage of risk-weighted assets)	21.52 %
63	Total capital (as percentage of risk-weighted assets)	21.96 %
	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-Q2, 2019: Composition of Capital – Post 1 January 2018 Disclosures for Q2, 2019

	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	2,686
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**	**32,686**
	Common Equity Tier 1 capital: regulatory adjustments	
28	Total regulatory adjustments to Common Equity Tier 1	0
29	**Common Equity Tier 1 capital (CET1)**	**32,686**
	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	*of which: instruments issued by subsidiaries subject to phase out*	0
36	**Additional Tier 1 capital before regulatory adjustments**	**0**
	Additional Tier 1 capital: regulatory adjustments	
43	**Total regulatory adjustments to Additional Tier 1 capital**	**0**
44	**Additional Tier 1 capital (AT1)**	**0**
45	**Tier 1 capital (T1 = CET1 + AT1)**	**32,686**
	Tier 2 capital: instruments and allowances	
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	0
47	*Directly issued capital instruments subject to phase out from Tier 2*	0
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	0
49	*of which: instruments issued by subsidiaries subject to phase out*	0
50	Collective allowances	0
51	**Tier 2 capital before regulatory adjustments**	**0**
	Tier 2 capital: regulatory adjustments	
57	**Total regulatory adjustments to Tier 2 capital**	**0**
58	**Tier 2 capital (T2)**	**0**
59	**Total capital (TC = T1 + T2)**	**32,686**
60	**Total risk-weighted assets**	**151,402**
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)	21.59 %
62	Tier 1 (as percentage of risk-weighted assets)	21.59 %
63	Total capital (as percentage of risk-weighted assets)	21.59 %
	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-Q1, 2019: Composition of Capital – Post 1 January 2018 Disclosures for Q1, 2019

	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	2,478
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**	**32,478**
	Common Equity Tier 1 capital: regulatory adjustments	
28	Total regulatory adjustments to Common Equity Tier 1	0
29	**Common Equity Tier 1 capital (CET1)**	**32,478**
	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	*of which: instruments issued by subsidiaries subject to phase out*	0
36	**Additional Tier 1 capital before regulatory adjustments**	**0**
	Additional Tier 1 capital: regulatory adjustments	
43	**Total regulatory adjustments to Additional Tier 1 capital**	**0**
44	**Additional Tier 1 capital (AT1)**	**0**
45	**Tier 1 capital (T1 = CET1 + AT1)**	**32,478**
	Tier 2 capital: instruments and allowances	
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	0
47	*Directly issued capital instruments subject to phase out from Tier 2*	0
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	0
49	*of which: instruments issued by subsidiaries subject to phase out*	0
50	Collective allowances	0
51	**Tier 2 capital before regulatory adjustments**	**0**
	Tier 2 capital: regulatory adjustments	
57	**Total regulatory adjustments to Tier 2 capital**	**0**
58	**Tier 2 capital (T2)**	**0**

59	**Total capital (TC = T1 + T2)**	**32,478**
60	**Total risk-weighted assets**	**151,934**
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)	21.38 %
62	Tier 1 (as percentage of risk-weighted assets)	21.38 %
63	Total capital (as percentage of risk-weighted assets)	21.38 %
	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, 2018: Composition of Capital – Post 1 January 2018 Disclosures for Q4, 2018

	Modified Capital Disclosure Template	**Amounts**
	Common Equity Tier 1 capital: instruments and reserves	
1	Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus	30,000
2	Retained earnings	2,222
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**	**32,222**
	Common Equity Tier 1 capital: regulatory adjustments	
28	Total regulatory adjustments to Common Equity Tier 1	0
29	**Common Equity Tier 1 capital (CET1)**	**32,222**
	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	*of which: instruments issued by subsidiaries subject to phase out*	0
36	**Additional Tier 1 capital before regulatory adjustments**	**0**
	Additional Tier 1 capital: regulatory adjustments	
43	**Total regulatory adjustments to Additional Tier 1 capital**	**0**
44	**Additional Tier 1 capital (AT1)**	**0**

45	**Tier 1 capital (T1 = CET1 + AT1)**	**32,222**
	Tier 2 capital: instruments and allowances	
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	0
47	*Directly issued capital instruments subject to phase out from Tier 2*	0
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	0
49	*of which: instruments issued by subsidiaries subject to phase out*	0
50	Collective allowances	0
51	**Tier 2 capital before regulatory adjustments**	**0**
	Tier 2 capital: regulatory adjustments	
57	**Total regulatory adjustments to Tier 2 capital**	**0**
58	**Tier 2 capital (T2)**	**0**
59	**Total capital (TC = T1 + T2)**	**32,222**
60	**Total risk-weighted assets**	**156,065**
60a	**Common Equity Tier 1 (CET1) Capital RWA**	**n/a**
60b	**Tier 1 Capital RWA**	**n/a**
60c	**Total Capital RWA**	**n/a**
	Capital ratios	
61	Common Equity Tier 1 (as percentage of risk-weighted assets)	20.65 %
62	Tier 1 (as percentage of risk-weighted assets)	20.65 %
63	Total capital (as percentage of risk-weighted assets)	20.65 %
	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

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

2020 Quarterly – Basel III:

	June 30, 2020		March 31, 2020	
	RWAs	Capital required*	RWAs	Capital required*
Credit risk	$ 148,303	$ 15,572	$148,938	$ 15,638
Market risk	$ -	$ -	$ -	$ -
Operational risk	$ 14,188	$ 1,490	$ 14,038	$ 1,474
Total	$ 162,491	$ 17,062	$162,976	$ 17,112
Total Capital		$ 33,678		$ 33,799
Surplus		$ 16,616		$ 16,687
Total Capital ratio		20.73%		20.73%

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

2019 Quarterly – Basel III:

	December 31, 2019		September 30, 2019	
	RWAs	Capital required*	RWAs	Capital required*
Credit risk	$ 141,192	$ 14,825	$139,453	$ 14,643
Market risk	$ -	$ -	$ -	$ -
Operational risk	$ 13,962	$ 1,466	$ 11,250	$ 1,415
Total	$ 155,154	$ 16,291	$158,296	$ 16,057
Total Capital		$ 33,651		$ 33,585
Surplus		$ 17,360		$ 17,528
Total Capital ratio		20.69%		21.96%

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

	June 30, 2019		March 31, 2019	
	RWAs	Capital required*	RWAs	Capital required*
Credit risk	$ 138,377	$ 14,530	$139,396	$ 14,637
Market risk	$ -	$ -	$ -	$ -
Operational risk	$ 13,025	$ 1,367	$ 12,538	$ 1,316
Total	$ 151,402	$ 15,897	$151,934	$ 15,953
Total Capital		$ 32,686		$ 32,478
Surplus		$ 16,789		$ 16,525
Total Capital ratio		21.59%		21.38%

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

2018 Quarterly – Basel III:

	December 31, 2018		September 30, 2018	
	RWAs	Capital required*	RWAs	Capital required*
Credit risk	$ 144,040	$ 15,124	$147,046	$ 15,440
Market risk	$ -	$ -	$ -	$ -
Operational risk	$ 12,025	$ 1,263	$ 11,250	$ 1,181
Total	$ 156,065	$ 16,387	$158,296	$ 16,621
Total Capital		$ 32,222		$ 32,002
Surplus		$ 15,835		$ 16,621
Total Capital ratio		20.65%		20.22%

**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 2019 and 2018 fiscal years*, Note 3 "Nature and extent of risk arising from financial instruments".

5.5. Public Disclosure related to Basel III Leverage Ratio

Effective 2015, the Bank is required to disclose its Leverage Ratio (LR) in accordance with the BCBS LR Framework, OSFI's Leverage Requirement Guideline and Guideline "Public Disclosure Requirements related to Basel III Leverage Ratio" (revised December 2017), 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, 2020: Leverage Ratio Disclosures for Q2 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)	254,926
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)**	**254,926**
	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	22,158
18	(Adjustments for conversion to credit equivalent amounts)	(15,032)
19	**Off-balance sheet items (sum of lines 17 and 18)**	**7,126**
	Capital and Total Exposures	
20	**Tier 1 capital**	**32,950**
20a	**Tier 1 capital** with transitional arrangements for ECL provisioning not applied	**32,985**
21	**Total Exposures (sum of lines 5, 11, 16 and 19)**	**262,052**
	Leverage Ratio	
22	**Basel III leverage ratio**	**12.59 %**
22a	**Basel III leverage ratio** with transitional arrangements for ECL provisioning not applied	**12.57 %**

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, 2020: Leverage Ratio Disclosures for Q1 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)	240,772
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)**	**240,772**
	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	18,349
18	(Adjustments for conversion to credit equivalent amounts)	(11,786)
19	**Off-balance sheet items (sum of lines 17 and 18)**	**6,563**
	Capital and Total Exposures	
20	**Tier 1 capital**	**33,115**
20a	**Tier 1 capital** with transitional arrangements for ECL provisioning not applied	**33,090**

21	**Total Exposures (sum of lines 5, 11, 16 and 19)**	**247,335**
	Leverage Ratio	
22	**Basel III leverage ratio**	**13.39 %**
22a	**Basel III leverage ratio** with transitional arrangements for ECL provisioning not applied	**13.38 %**

Table 3LR-Q4, 2019: Leverage Ratio Disclosures for Q4 2019 (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)	230,744
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)**	**230,744**
	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	20,431
18	(Adjustments for conversion to credit equivalent amounts)	(13,442)
19	**Off-balance sheet items (sum of lines 17 and 18)**	**6,989**
	Capital and Total Exposures	
20	**Tier 1 capital**	**32,991**
21	**Total Exposures (sum of lines 5, 11, 16 and 19)**	**237,733**
	Leverage Ratio	
22	**Basel III leverage ratio**	**13.88 %**

Table 3LR-Q3, 2019: Leverage Ratio Disclosures for Q3 2019 (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)	236,098
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)**	**236,098**
	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	15,917
18	(Adjustments for conversion to credit equivalent amounts)	(9,780)
19	**Off-balance sheet items (sum of lines 17 and 18)**	**6,137**
	Capital and Total Exposures	
20	**Tier 1 capital**	**32,908**
21	**Total Exposures (sum of lines 5, 11, 16 and 19)**	**236,098**
	Leverage Ratio	
22	**Basel III leverage ratio**	**13.94 %**

Table 3LR-Q2, 2019: Leverage Ratio Disclosures for Q2 2019 (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)	227,235
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)**	**227,235**
	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	15,340
18	(Adjustments for conversion to credit equivalent amounts)	(9,210)
19	**Off-balance sheet items (sum of lines 17 and 18)**	**6,130**
	Capital and Total Exposures	
20	**Tier 1 capital**	**32,686**
21	**Total Exposures (sum of lines 5, 11, 16 and 19)**	**233,365**
	Leverage Ratio	
22	**Basel III leverage ratio**	**14.01 %**

Table 3LR-Q1, 2019: Leverage Ratio Disclosures for Q1 2019 (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)	215,925
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)**	**215,925**
	Derivative exposures	
6	Replacement cost associated with all derivative transactions	10

7	Add-on amounts for potential future exposure associated with all derivative transactions	29
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)**	**54**
	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	17,419
18	(Adjustments for conversion to credit equivalent amounts)	(10,842)
19	**Off-balance sheet items (sum of lines 17 and 18)**	**6,577**
	Capital and Total Exposures	
20	**Tier 1 capital**	**32,478**
21	**Total Exposures (sum of lines 5, 11, 16 and 19)**	**222,556**
	Leverage Ratio	
22	**Basel III leverage ratio**	**14.59 %**

Table 3LR-Q4, 2018: Leverage Ratio Disclosures for Q4 2018 (in 000's CAD)

	Item	Leverage Ratio Framework
	On-balance sheet exposures	
1	On-balance sheet items (excluding derivatives, SFTs and grandfathered securitization exposures but including collateral)	224,491
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)**	224,491
	Derivative exposures	
6	Replacement cost associated with all derivative transactions	8
7	Add-on amounts for potential future exposure associated with all derivative transactions	10
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)**	**18**
	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	13,940
18	(Adjustments for conversion to credit equivalent amounts)	(7,619)
19	**Off-balance sheet items (sum of lines 17 and 18)**	6,321
	Capital and Total Exposures	
20	**Tier 1 capital**	32,222
21	**Total Exposures (sum of lines 5, 11, 16 and 19)**	230,830
	Leverage Ratio	
22	**Basel III leverage ratio**	**13.96 %**

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, specific and general allowances under IAS 39, transition to IFRS 9, and discussion of the credit risk management policy are present in the *Bank's Annual Reports (audited) for 2019 and 2018 fiscal years*, Notes 1a (vii) "Identification and measurement of impairment", 1c "Loans and advances", 3a "Credit risk", and 5 "Past due and impaired assets and allowance for credit risk".

6.2. Quantative disclosures

Quantitative disclosures with respect to

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

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

- Total Gross Credit Exposure - Counterparty type distribution broken down by major types of credit exposure (for each quarter-end for 2020 and comparative data for 2019 year):

2020:

June 30, 2020

Standardized	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	RWAs
Bank	$91,794	-	-	$215	$92,009	$21,389
Sovereign	$9,998	-	-	-	$9,998	-
Corporate	$104,129	$12,760	-	$5,077	$121,966	$105,494
Retail Residential Mortgages	$47,608	$4,074	-	-	$51,682	$18,804
Other Retail	$212	$32	-	-	$244	$153
Total Gross Credit Exposure	**$253,741**	**$16,866**	-	**$5,292**	**$275,899**	**$145,840**
Reconciliation to Statements of Financial Position						
Other Assets (not included in Standardized)	**$2,606**					**$2,463**
Total Assets subject to credit risk	**$256,347**					
Less St.3 ECL Allowance	*$700*	-	-	-	*$700*	
Less St. 1 & St.2 ECL Allowance	*$721*	-	-	*$7*	*$728*	
Total Assets	**$254,926**			**Total RWAs**		**$148,303**
**includes replacement values*						

March 31, 2020

Standardized	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	RWAs
Bank	$72,593	-	-	$640	$73,233	$18,053
Sovereign	$9,998	-	-	-	$9,998	-
Corporate	$109,248	$10,055	-	$3,725	$123,028	$108,236
Retail Residential Mortgages	$45,744	$3,902	-	-	$49,646	$18,195
Other Retail	$237	$27	-	-	$264	$167
Total Gross Credit Exposure	**$237,820**	**$13,984**	-	**$4,365**	**$256,169**	**$144,651**
Reconciliation to Statements of Financial Position						
Other Assets (not included in Standardized)	**$4,354**					**$4,287**
Total Assets subject to credit risk	**$242,174**					
Less St.3 ECL Allowance	*$700*	-	-	-	*$700*	
Less St. 1 & St.2 ECL Allowance	*$702*	-	-	*$7*	*$709*	
Total Assets	**$240,772**			**Total RWAs**		**$148,938**
**includes replacement values*						

2019:

December 31, 2019

Standardized	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	RWAs
Bank	$68,961	-	-	$394	$69,355	$15,269
Sovereign	$9,972	-	-	-	$9,972	-
Corporate	$104,622	$11,409	-	$5,168	$121,199	$105,235
Retail Residential Mortgages	$45,895	$3,433	-	-	$49,328	$18,222
Other Retail	$237	$27	-	-	$264	$167
Total Gross Credit Exposure	**$229,687**	**$14,869**	-	**$5,562**	**$250,118**	**$138,893**
Reconciliation to Statements of Financial Position						
Other Assets (not included in Standardized)	**$2,410**					**$2,299**
Total Assets subject to credit risk	**$232,097**					
Less St.3 ECL Allowance	*$700*	-	-	-	*$700*	
Less St. 1 & St.2 ECL Allowance	*$653*	-	-	*$7*	*$660*	
Total Assets	**$230,744**			**Total RWAs**		**$141,192**
**includes replacement values*						

September 30, 2019

Standardized	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	RWAs
Bank	$67,600	-	-	$2,595	$70,195	$15,819
Sovereign	$9,958	-	-	-	$9,958	-
Corporate	$104,885	$4,706	-	$3,746	$113,337	$104,998
Retail Residential Mortgages	$46,316	$3,659	-	-	$49,975	$16,440
Other Retail	$729	$1,211	-	-	$1,940	$308
Total Gross Credit Exposure	**$229,488**	**$9,576**	-	**$6,341**	**$245,405**	**$137,565**
Reconciliation to Statements of Financial Position						
Other Assets (not included in Standardized)	**$1,850**					**$1,888**
Total Assets subject to credit risk	**$231,338**					
Less St.3 ECL Allowance	*$700*	-	-	-	*$700*	
Less St. 1 & St.2 ECL Allowance	*$677*	-	-	*$6*	*$683*	
Total Assets	**$229,961**			**Total RWAs**		**$139,453**
**includes replacement values*						

June 30, 2019

Standardized	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	RWAs
Bank	$64,376	-	-	$1,661	$66,037	$14,280
Sovereign	$9,956	-	-	-	$9,956	-
Corporate	$106,488	$5,463	-	$3,834	$115,785	$105,829
Retail Residential Mortgages	$45,706	$4,356	-	-	$50,062	$16,269
Other Retail	$231	$26	-	-	$257	$160
Total Gross Credit Exposure	**$226,757**	**$9,845**	-	**$5,495**	**$242,097**	**$136,538**
Reconciliation to Statements of Financial Position						
Other Assets (not included in Standardized)	**$1,804**					**$1,839**
Total Assets subject to credit risk	**$228,561**					
Less St.3 ECL Allowance	*$700*	-	-	-	*$700*	
Less St. 1 & St.2 ECL Allowance	*$626*	-	-	*$6*	*$632*	
Total Assets	**$227,235**			**Total RWAs**		**$138,377**
**includes replacement values*						

March 31, 2019

Standardized	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	RWAs
Bank	$51,769	-	-	$2,249	$54,018	$12,919
Sovereign	$9,954	-	-	-	$9,954	-
Corporate	$109,179	$6,194	$10	$3,885	$119,268	$108,675
Retail Residential Mortgages	$44,297	$5,037	-	-	$49,334	$15,823
Other Retail	$103	$54	-	-	$157	$56
Total Gross Credit Exposure	**$215,302**	**$11,285**	**$10**	**$6,134**	**$232,731**	**$137,473**
Reconciliation to Statements of Financial Position						
Other Assets (not included in Standardized)	**$1,902**					**$1,923**
Total Assets subject to credit risk	**$217,204**					
Less St.3 ECL Allowance	*$700*	-	-	-	*$700*	
Less St. 1 & St.2 ECL Allowance	*$569*	-	-	*$6*	*$575*	
Total Assets	**$215,935**			**Total RWAs**		**$139,396**
**includes replacement values*						

2018:

December 31, 2018

Standardized	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	RWAs
Bank	$60,144	-	-	$226	$60,370	$18,058
Sovereign	$9,960	-	-	-	$9,960	-
Corporate	$107,228	$5,801	$8	$4,504	$117,541	$107,628
Retail Residential Mortgages	$46,317	$3,368	-	-	$49,685	$16,414
Other Retail	$114	$41	-	-	$155	$60
Total Gross Credit Exposure	**$223,763**	**$9,210**	**$8**	**$4,730**	**$237,711**	**$142,160**
Reconciliation to Statements of Financial Position						
Other Assets (not included in Standardized)	**$1,994**					**$1,880**
Total Assets subject to credit risk	**$225,757**					
Less Allowance for impairment	$700					
Less Collective Allowance	$558					
Total Assets	**$224,499**			**Total RWAs**		**$144,040**
**includes replacement values*						

Note: Statements of Financial Position for March 31, June 30, and September 30 of 2020, 2019, and 2018 are not audited.

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

2020:

June 30, 2020

Geographic Distibution of Exposures	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	(%)
Canada:	$241,385	$16,866	-	$5,077	$263,328	95.44%
Ontario	$241,385	$16,866	-	$5,064	$263,315	95.44%
Alberta	-	-	-	$3	$3	0.00%
British Columbia	-	-	-	$10	$10	0.00%
Quebec	-	-	-	-	-	-
USA	$4,315	-	-	-	$4,315	1.56%
Other	$8,041	-	-	$215	$8,256	2.99%
Total Gross Credit Exposure	**$253,741**	**$16,866**	-	**$5,292**	**$275,899**	**100.00%**

**includes replacement values*

March 31, 2020

Geographic Distibution of Exposures	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	(%)
Canada:	$227,211	$13,640	-	$3,725	$244,576	95.47%
Ontario	$227,211	$13,640	-	$3,712	$244,563	95.47%
Alberta	-	-	-	$3	$3	0.00%
British Columbia	-	-	-	$10	$10	0.00%
Quebec	-	-	-	-	-	0.00%
USA	$2,672	$344	-	-	$3,016	1.18%
Other	$7,937	-	-	$640	$8,577	3.35%
Total Gross Credit Exposure	**$237,820**	**$13,984**	-	**$4,365**	**$256,169**	**100%**

**includes replacement values*

2019:

December 31, 2019

Geographic Distibution of Exposures	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	(%)
Canada:	$222,285	$14,604	-	$5,168	$242,057	96.78%
Ontario	$222,285	$14,604	-	$5,156	$242,045	96.77%
Alberta	-	-	-	$3	$3	0.00%
British Columbia	-	-	-	$9	$9	0.00%
Quebec	-	-	-	-	-	0.00%
USA	$3,035	$265	-	-	$3,300	1.32%
Other	$4,367	-	-	$394	$4,761	1.90%
Total Gross Credit Exposure	**$229,687**	**$14,869**	-	**$5,562**	**$250,118**	**100%**

**includes replacement values*

September 30, 2019

Geographic Distibution of Exposures	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	(%)
Canada:	$220,152	$9,455	-	$3,746	$233,353	95.09%
Ontario	$220,152	$9,455	-	$3,731	$233,338	95.08%
Alberta	-	-	-	$3	$3	0.00%
British Columbia	-	-	-	$12	$12	0.00%
Quebec	-	-	-	-	-	0.00%
USA	$3,680	$121	-	-	$3,801	1.55%
Other	$5,656	-	-	$2,595	$8,251	3.36%
Total Gross Credit Exposure	**$229,488**	**$9,576**	-	**$6,341**	**$245,405**	**100%**

*includes replacement values

June 30, 2019

Geographic Distibution of Exposures	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	(%)
Canada:	$219,146	$9,718	-	$3,835	$232,699	96.12%
Ontario	$218,705	$9,718	-	$3,821	$232,244	95.93%
Alberta	-	-	-	$3	$3	0.00%
British Columbia	$441	-	-	$11	$452	0.19%
Quebec	-	-	-	-	-	0.00%
USA	$1,973	$127	-	-	$2,100	0.87%
Other	$5,638	-	-	$1,660	$7,298	3.01%
Total Gross Credit Exposure	**$226,757**	**$9,845**	-	**$5,495**	**$242,097**	**100%**

*includes replacement values

March 31, 2019

Geographic Distibution of Exposures	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	(%)
Canada:	$207,142	$11,232	$10	$3,886	$222,270	95.51%
Ontario	$206,699	$11,232	$10	$3,872	$221,813	95.31%
Alberta	-	-	-	$4	$4	0.00%
British Columbia	$443	-	-	$10	$453	0.19%
Quebec	-	-	-	-	-	0.00%
USA	$1,973	$53	-	-	$2,026	0.87%
Other	$6,187	-	-	$2,248	$8,435	3.62%
Total Gross Credit Exposure	**$215,302**	**$11,285**	**$10**	**$6,134**	**$232,731**	**100%**

*includes replacement values

2018:

December 31, 2018

Geographic Distibution of Exposures	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	(%)
Canada:	$210,796	$9,210	$8	$4,504	$224,518	94.45%
Ontario	$210,351	$9,210	$8	$4,503	$224,072	94.26%
Alberta	-	-	-	$1	$1	0.00%
British Columbia	$445	-	-	-	$445	0.19%
Quebec	-	-	-	-	-	0.00%
USA	$2,780	-	-	-	$2,780	1.17%
Other	$10,187	-	-	$226	$10,413	4.38%
Total Gross Credit Exposure	**$223,763**	**$9,210**	**$8**	**$4,730**	**$237,711**	**100%**

*includes replacement values

- Industry (and Expected credit loss allowances) distribution of exposures 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.

2020:

June 30, 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	**$9,998**	**-**	-	-	**$9,998**	**3.62%**	-	-	-
Bank	**$91,793**	**-**	-	**$215**	**$92,008**	**33.35%**	**$84**	-	-
Financial Services	*$91,793*	-	-	*$215*	*$92,008*	*33.35%*	*$84*	-	-
Corporate	**$104,129**	**$12,761**	-	**$5,077**	**$121,967**	**44.21%**	**$543**	-	**$700**
Capital Goods	*$1*	*$74*	-	-	*$75*	*0.03%*	-	-	-
Communications	-	-	-	-	-	-	-	-	-
Manufacturing	-	-	-	-	-	-	-	-	-
Metal & Mining	*$16,677*	*$35*	-	*$95*	*$16,807*	*6.09%*	*$135*	-	-
Real Estate	*$71,733*	*$608*	-	*$3,064*	*$75,405*	*27.33%*	*$316*	-	*$100*
Resources & Basic Materials	*$342*	*$1,021*	-	-	*$1,363*	*0.49%*	*$5*	-	-
Retail & Wholesale	*$10,609*	*$9,310*	-	*$1,783*	*$21,702*	*7.87%*	*$85*	-	*$200*
Services	*$4,365*	*$33*	-	*$135*	*$4,533*	*1.64%*	*$2*	-	*$400*
Transportation	-	-	-	-	-	-	-	-	-
Other	*$402*	*1,680*	-	-	*$2,082*	*0.75%*	-	-	-
Retail Residential Mortgages	**$47,609**	**$4,074**	**-**	**-**	**$51,683**	**18.73%**	**$96**	-	-
Other Retail	**$212**	**$31**	**-**	**-**	**$243**	**0.09%**	**$5**	-	-
Total Gross Credit Exposure	**$253,741**	**$16,866**	-	**$5,292**	**$275,899**	**100%**	**$728**	-	**$700**

**includes replacement values*

March 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	$9,998	-	-	-	$9,998	3.90%	-	-	-
Bank	$72,593	-	-	$640	$73,233	28.59%	$51	-	-
Financial Services	$72,593	-	-	$640	$73,233	28.59%	$51	-	-
Corporate	$109,248	$10,055	-	$3,725	$123,028	48.03%	$558	-	$700
Capital Goods	$67	$8	-	-	$75	0.03%	$1	-	-
Communications	-	-	-	-	-	-	-	-	-
Manufacturing	-	-	-	-	-	-	-	-	-
Metal & Mining	$18,159	$122	-	$98	$18,379	7.17%	$153	-	-
Real Estate	$72,817	$286	-	$3,305	$76,408	29.83%	$300	-	$100
Resources & Basic Materials	$493	$926	-	-	$1,419	0.55%	$5	-	-
Retail & Wholesale	$12,884	$7,010	-	$187	$20,081	7.84%	$96	-	$200
Services	$4,407	$23	-	$135	$4,565	1.78%	$3	-	$400
Transportation	-	-	-	-	-	-	-	-	-
Other	$421	1,680	-	-	$2,101	0.82%	-	-	-
Retail Residential Mortgages	$45,744	$3,902	-	-	$49,646	19.38%	$94	-	-
Other Retail	$237	$27	-	-	$264	0.10%	$6	-	-
Total Gross Credit Exposure	$237,820	$13,984	-	$4,365	$256,169	100%	$709	-	$700

*includes replacement values

2019:

December 31, 2019

Standardized exposure by Industry	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	(%)	Stage 1 - ECL allowance	Stage 2 - ECL allowance	Stage 3 - ECL allowance
Sovereign	$9,972	-	-	-	$9,972	3.99%	-	-	-
Bank	$68,961	-	-	$394	$69,355	27.73%	$42	-	-
Financial Services	$68,961	-	-	$394	$69,355	27.73%	$42	-	-
Corporate	$104,622	$11,409	-	$5,168	$121,199	48.46%	$513	-	$700
Capital Goods	$70	$5	-	-	$75	0.03%	$1	-	-
Communications	-	-	-	-	-	-	-	-	-
Manufacturing	-	-	-	-	-	-	-	-	-
Metal & Mining	$15,155	$100	-	$90	$15,345	6.14%	$124	-	-
Real Estate	$74,021	$621	-	$3,330	$77,972	31.17%	$303	-	$100
Resources & Basic Materials	$340	$959	-	-	$1,299	0.52%	$4	-	-
Retail & Wholesale	$10,021	$8,676	-	$1,613	$20,310	8.12%	$80	-	$200
Services	$3,944	$32	-	$135	$4,111	1.64%	$1	-	$400
Transportation	-	-	-	-	-	-	-	-	-
Other	$1,071	1,016	-	-	$2,087	0.83%	-	-	-
Retail Residential Mortgages	$45,895	$3,433	-	-	$49,328	19.72%	$99	-	-
Other Retail	$237	$27	-	-	$264	0.11%	$6	-	-
Total Gross Credit Exposure	$229,687	$14,869	-	$5,562	$250,118	100%	$660	-	$700

*includes replacement values

September 30, 2019

Standardized exposure by Industry	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	(%)	Stage 1 - ECL allowance	Stage 2 - ECL allowance	Stage 3 - ECL allowance
Sovereign	$9,958	-	-	-	$9,958	4.06%	-	-	-
Bank	$67,600	-	-	$2,595	$70,195	28.60%	$47	-	-
Financial Services	$67,600	-	-	$2,595	$70,195	28.60%	$47	-	-
Corporate	$104,885	$4,706	-	$3,746	$113,337	46.18%	$532	-	$700
Capital Goods	$51	$24	-	-	$75	0.03%	$1	-	-
Communications	-	-	-	-	-	-	-	-	-
Manufacturing	-	-	-	-	-	-	-	-	-
Metal & Mining	$13,928	$299	-	-	$14,227	5.80%	$107	-	-
Real Estate	$74,684	$349	-	$3,330	$78,363	31.93%	$314	-	-
Resources & Basic Materials	$609	$715	-	-	$1,324	0.54%	$6	-	-
Retail & Wholesale	$11,137	$3,297	-	$130	$14,564	5.93%	$91	-	-
Services	$4,056	$22	-	$286	$4,364	1.78%	$2	-	$700
Transportation	-	-	-	-	-	-	-	-	-
Other	$420	-	-	-	$420	0.17%	$11	-	-
Retail Residential Mortgages	$46,316	$3,659	-	-	$49,975	20.36%	$98	-	-
Other Retail	$729	$1,211	-	-	$1,940	0.79%	$6	-	-
Total Gross Credit Exposure	$229,488	$9,576	-	$6,341	$245,405	100%	$683	-	$700

*includes replacement values

June 30, 2019									
Standardized exposure by Industry	**Drawn Exposure**	**Commitments (Undrawn)**	**OTC Derivatives***	**Other Off Balance Sheet Items**	**Total**	**(%)**	**Stage 1 - ECL allowance**	**Stage 2 - ECL allowance**	**Stage 3 - ECL allowance**
Sovereign	**$9,956**	-	-	-	**$9,956**	**4.11%**	-	-	-
Bank	**$64,377**	-	-	*$1,661*	**$66,038**	**27.28%**	**$23**	-	-
Financial Services	*$64,377*	-	-	*$1,661*	*$66,038*	*27.28%*	*$23*	-	-
Corporate	**$106,487**	**$5,462**	-	**$3,834**	**$115,783**	**47.83%**	**$515**	-	**$700**
Capital Goods	*$73*	*$2*	-	-	*$75*	*0.03%*	*$1*	-	-
Communications	-	-	-	-	-	-	-	-	-
Manufacturing	-	-	-	-	-	-	-	-	-
Metal & Mining	*$16,173*	*$1,229*	-	-	*$17,402*	*7.19%*	*$110*	-	-
Real Estate	*$73,874*	*$739*	-	*$3,396*	*$78,009*	*32.22%*	*$315*	-	-
Resources & Basic Materials	*$873*	*$436*	-	-	*$1,309*	*0.54%*	*$9*	-	-
Retail & Wholesale	*$11,029*	*$2,985*	-	*$82*	*$14,096*	*5.82%*	*$79*	-	-
Services	*$4,041*	*$71*	-	*$356*	*$4,468*	*1.85%*	*$1*	-	*$700*
Transportation	-	-	-	-	-	-	-	-	-
Other	*$424*	-	-	-	*$424*	*0.18%*	-	-	-
Retail Residential Mortgages	**$45,706**	**$4,356**	-	-	**$50,062**	**20.68%**	**$88**	-	-
Other Retail	**$231**	**$27**	-	-	**$258**	**0.11%**	*$6*	-	-
Total Gross Credit Exposure	**$226,757**	**$9,845**	-	**$5,495**	**$242,097**	**100%**	**$632**	-	**$700**

*includes replacement values

March 31, 2019									
Standardized exposure by Industry	**Drawn Exposure**	**Commitments (Undrawn)**	**OTC Derivatives***	**Other Off Balance Sheet Items**	**Total**	**(%)**	**Stage 1 - ECL allowance**	**Stage 2 - ECL allowance**	**Stage 3 - ECL allowance**
Sovereign	**$9,954**	-	-	-	**$9,954**	**4.28%**	-	-	-
Bank	**$51,769**	-	-	*$2,249*	**$54,018**	**23.21%**	**$18**	-	-
Financial Services	*$51,769*	-	-	*$2,249*	*$54,018*	*23.21%*	*$18*	-	-
Corporate	**$109,179**	**$6,194**	*$10*	**$3,885**	**$119,268**	**51.25%**	**$500**	-	**$700,000**
Capital Goods	*$65*	*$10*	-	*$19*	*$94*	*0.04%*	*$1*	-	-
Communications	-	-	-	-	-	-	-	-	-
Manufacturing	-	-	-	-	-	-	-	-	-
Metal & Mining	*$16,735*	*$1,550*	*$10*	-	*$18,295*	*7.86%*	*$113*	-	-
Real Estate	*$76,447*	*$884*	-	*$3,423*	*$80,754*	*34.70%*	*$311*	-	-
Resources & Basic Materials	*$943*	*$1,340*	-	-	*$2,283*	*0.98%*	*$5*	-	-
Retail & Wholesale	*$10,333*	*$2,349*	-	*$74*	*$12,756*	*5.48%*	*$63*	-	-
Services	*$4,212*	*$61*	-	*$369*	*$4,642*	*1.99%*	*$2*	-	*$700,000*
Transportation	-	-	-	-	-	-	-	-	-
Other	*$444*	-	-	-	*$444*	*0.19%*	*$5*	-	-
Retail Residential Mortgages	**$44,297**	**$5,037**	-	-	**$49,334**	**21.20%**	**$53**	-	-
Other Retail	**$103**	**$54**	-	-	**$157**	**0.07%**	*$4*	-	-
Total Gross Credit Exposure	**$215,302**	**$11,285**	**$10**	**$6,134**	**$232,731**	**100%**	**$575**	-	**$700,000**

*includes replacement values

2018:

December 31, 2018									
Standardized exposure by Industry	**Drawn Exposure**	**Commitments (Undrawn)**	**OTC Derivatives***	**Other Off Balance Sheet Items**	**Total**	**(%)**	**Stage 1 - ECL allowance**	**Stage 2 - ECL allowance**	**Stage 3 - ECL allowance**
Sovereign	**$9,960**	-	-	-	**$9,960**	**4.19%**	-	-	-
Bank	**$60,144**	-	-	*$227*	**$60,371**	**25.40%**	**$22**	-	-
Financial Services	*$60,144*	-	-	*$227*	*$60,371*	*25.40%*	*$22*	-	-
Corporate	**$107,228**	**$5,801**	*$8*	**$4,503**	**$117,540**	**49.45%**	**$484**	-	**$700,000**
Capital Goods	*$55*	*$20*	-	*$19*	*$94*	*0.04%*	-	-	-
Communications	-	-	-	-	-	-	-	-	-
Manufacturing	-	-	-	-	-	-	-	-	-
Metal & Mining	*$15,061*	*$1,415*	-	-	*$16,476*	*6.93%*	*$113*	-	-
Real Estate	*$77,249*	*$410*	-	*$4,017*	*$81,676*	*34.36%*	*$300*	-	-
Resources & Basic Materials	*$597*	*$767*	-	-	*$1,364*	*0.57%*	*$5*	-	-
Retail & Wholesale	*$9,571*	*$3,131*	*$8*	*$94*	*$12,804*	*5.39%*	*$62*	-	-
Services	*$4,434*	*$57*	-	*$373*	*$4,864*	*2.05%*	*$2*	-	*$700,000*
Transportation	-	-	-	-	-	-	-	-	-
Other	*$261*	*$1*	-	-	*$262*	*0.11%*	*$2*	-	-
Retail Residential Mortgages	**$46,317**	**$3,368**	-	-	**$49,685**	**20.90%**	**$54**	-	-
Other Retail	**$114**	**$41**	-	-	**$155**	**0.07%**	*$3*	-	-
Total Gross Credit Exposure	**$223,763**	**$9,210**	**$8**	**$4,730**	**$237,711**	**100%**	**$563**	-	**$700,000**

*includes replacement values

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

2020:

June 30, 2020

Residual Contractual Maturity Breakdown	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total
Within 1 year	$187,616	$16,866	-	$5,292	$209,774
1 - 5 year	$66,125	-	-	-	$66,125
Greater than 5 year	-	-	-	-	-
No specific maturity	-	-	-	-	-
Total Gross Credit Exposure	**$253,741**	**$16,866**	-	**$5,292**	**$275,899**

**includes replacement values*

March 31, 2020

Residual Contractual Maturity Breakdown	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total
Within 1 year	$155,735	$13,984	-	$4,365	$174,084
1 - 5 year	$82,085	-	-	-	$82,085
Greater than 5 year	-	-	-	-	-
No specific maturity	-	-	-	-	-
Total Gross Credit Exposure	**$237,820**	**$13,984**	-	**$4,365**	**$256,169**

**includes replacement values*

2019:

December 31, 2019

Residual Contractual Maturity Breakdown	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total
Within 1 year	$137,528	$14,869	-	$5,562	$157,959
1 - 5 year	$92,159	-	-	-	$92,159
Greater than 5 year	-	-	-	-	-
No specific maturity	-	-	-	-	-
Total Gross Credit Exposure	**$229,687**	**$14,869**	-	**$5,562**	**$250,118**

**includes replacement values*

September 30, 2019

Residual Contractual Maturity Breakdown	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total
Within 1 year	$136,572	$9,576	-	$6,341	$152,489
1 - 5 year	$92,916	-	-	-	$92,916
Greater than 5 year	-	-	-	-	-
No specific maturity	-	-	-	-	-
Total Gross Credit Exposure	**$229,488**	**$9,576**	-	**$6,341**	**$245,405**

**includes replacement values*

June 30, 2019					
Residual Contractual Maturity Breakdown	**Drawn Exposure**	**Commitments (Undrawn)**	**OTC Derivatives***	**Other Off Balance Sheet Items**	**Total**
Within 1 year	$129,047	$9,845	-	$5,495	$144,387
1 - 5 year	$97,710	-	-	-	$97,710
Greater than 5 year	-	-	-	-	-
No specific maturity	-	-	-	-	-
Total Gross Credit Exposure	**$226,757**	**$9,845**	-	**$5,495**	**$242,097**

*includes replacement values

March 31, 2019					
Residual Contractual Maturity Breakdown	**Drawn Exposure**	**Commitments (Undrawn)**	**OTC Derivatives***	**Other Off Balance Sheet Items**	**Total**
Within 1 year	$117,041	$11,285	$10	$6,134	$134,470
1 - 5 year	$98,261	-	-	-	$98,261
Greater than 5 year	-	-	-	-	-
No specific maturity	-	-	-	-	-
Total Gross Credit Exposure	**$215,302**	**$11,285**	**$10**	**$6,134**	**$232,731**

*includes replacement values

2018:

December 31, 2018					
Residual Contractual Maturity Breakdown	**Drawn Exposure**	**Commitments (Undrawn)**	**OTC Derivatives***	**Other Off Balance Sheet Items**	**Total**
Within 1 year	$127,617	$9,210	$8	$4,730	$141,565
1 - 5 year	$96,146	-	-	-	$96,146
Greater than 5 year	-	-	-	-	-
No specific maturity	-	-	-	-	-
Total Gross Credit Exposure	**$223,763**	**$9,210**	**$8**	**$4,730**	**$237,711**

*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 *(Sovereign Credit quality step 1 plus notch)*	20%	50%	100%	100%	150%	100%

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

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

2020:

June 30, 2020

Standardized - Bank's Outstandings	Risk Weight	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	RWAs
Sovereign	*0%*	$9,998	-	-	-	$9,998	-
Bank							
Sovereign Credit quality step 1 plus notch	*20%*	$88,024	-	-	-	$88,024	$17,605
Sovereign Credit quality step 1 plus notch	*50%*	$58	-	-	-	$58	$29
Sovereign Credit quality step 1 plus notch	*100%*	$3,712	-	-	$215	$3,927	$3,755
Sovereign Credit quality step 1 plus notch	*150%*	-	-	-	-	-	-
Unrated	*100%*	-	-	-	-	-	-
Total Bank exposure		$91,794	-	-	$215	$92,009	$21,389
Corporate							
Corporate - all unrated	*100%*	$99,789	$12,760	-	$5,077	$117,626	$100,034
Corporate - all unrated past due	*150%*	$4,340	-	-	-	$4,340	5,460
Total Corporate exposure		$104,129	$12,760	-	$5,077	$121,966	$105,494
Retail Residential Mortgages							
Retail Residential Mortgages - all unrated	*35%*	$44,616	$4,074	-	-	$48,690	$15,812
Retail Residential Mortgages - all unrated past due	*100%*	$2,992	-	-	-	$2,992	2,992
Total Residential Mortgages exposure		$47,608	$4,074	-	-	$51,682	$18,804
Other Retail - all unrated	*75%*	$212	$32	-	-	$244	$153
Total Gross Credit Exposure		**$253,741**	**$16,866**	-	**$5,292**	**$275,899**	**$145,840**

**includes replacement values*

March 31, 2020

Standardized - Bank's Outstandings	Risk Weight	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	RWAs
Sovereign	*0%*	$9,998	-	-	-	$9,998	-
Bank							
Sovereign Credit quality step 1 plus notch	*20%*	$68,297	-	-	-	$68,297	$13,659
Sovereign Credit quality step 1 plus notch	*50%*	$60	-	-	-	$60	$30
Sovereign Credit quality step 1 plus notch	*100%*	$4,236	-	-	$640	$4,876	$4,364
Sovereign Credit quality step 1 plus notch	*150%*	-	-	-	-	-	-
Unrated	*100%*	-	-	-	-	-	-
Total Bank exposure		$72,593	-	-	$640	$73,233	$18,053
Corporate							
Corporate - all unrated	*100%*	$107,706	$10,055	-	$3,725	$121,486	$106,373
Corporate - all unrated past due	*150%*	$1,542	-	-	-	$1,542	1,863
Total Corporate exposure		$109,248	$10,055	-	$3,725	$123,028	$108,236
Retail Residential Mortgages							
Retail Residential Mortgages - all unrated	*35%*	$42,735	$3,902	-	-	$46,637	$15,186
Retail Residential Mortgages - all unrated past due	*100%*	$3,009	-	-	-	$3,009	3,009
Total Residential Mortgages exposure		$45,744	$3,902	-	-	$49,646	$18,195
Other Retail - all unrated	*75%*	$237	$27	-	-	$264	$167
Total Gross Credit Exposure		**$237,820**	**$13,984**	-	**$4,365**	**$256,169**	**$144,651**

**includes replacement values*

2019:

December 31, 2019

Standardized - Bank's Outstandings	Risk Weight	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	RWAs
Sovereign	*0%*	$9,972	-	-	-	$9,972	-
Bank							
Sovereign Credit quality step 1 plus notch	*20%*	$67,176	-	-	-	$67,176	$13,435
Sovereign Credit quality step 1 plus notch	*50%*	$60	-	-	-	$60	$30
Sovereign Credit quality step 1 plus notch	*100%*	$1,725	-	-	$394	$2,119	$1,804
Sovereign Credit quality step 1 plus notch	*150%*	-	-	-	-	-	-
Unrated	*100%*	-	-	-	-	-	-
Total Bank exposure		$68,961	-	-	$394	$69,355	$15,269
Corporate							
Corporate - all unrated	*100%*	$103,097	$11,409	-	$5,168	$119,674	$103,397
Corporate - all unrated past due	*150%*	$1,525	-	-	-	$1,525	1,838
Total Corporate exposure		$104,622	$11,409	-	$5,168	$121,199	$105,235
Retail Residential Mortgages							
Retail Residential Mortgages - all unrated	*35%*	$42,875	$3,433	-	-	$46,308	$15,202
Retail Residential Mortgages - all unrated past due	*100%*	$3,020	-	-	-	$3,020	3,020
Total Residential Mortgages exposure		$45,895	$3,433	-	-	$49,328	$18,222
Other Retail - all unrated	*75%*	$237	$27	-	-	$264	$167
Total Gross Credit Exposure		**$229,687**	**$14,869**	-	**$5,562**	**$250,118**	**$138,893**

**includes replacement values*

September 30, 2019

Standardized - Bank's Outstandings	Risk Weight	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	RWAs
Sovereign	*0%*	$9,958	-	-	-	$9,958	-
Bank							
Sovereign Credit quality step 1 plus notch	*20%*	$65,334	-	-	-	$65,334	$13,067
Sovereign Credit quality step 1 plus notch	*50%*	$67	-	-	-	$67	$34
Sovereign Credit quality step 1 plus notch	*100%*	$2,199	-	-	$2,595	$4,794	$2,718
Sovereign Credit quality step 1 plus notch	*150%*	-	-	-	-	-	-
Unrated	*100%*	-	-	-	-	-	-
Total Bank exposure		$67,600	-	-	$2,595	$70,195	$15,819
Corporate							
Corporate - all unrated	*100%*	$103,542	$4,706	-	$3,746	$111,994	$102,983
Corporate - all unrated past due	*150%*	1,343	-	-	-	1,343	2,015
Total Corporate exposure		$104,885	$4,706	-	$3,746	$113,337	$104,998
Retail Residential Mortgages - all unrated	*35%*	$46,316	$3,659	-	-	$49,975	$16,440
Other Retail - all unrated	*75%*	$729	$1,211	-	-	$1,940	$308
Total Gross Credit Exposure		**$229,488**	**$9,576**	-	**$6,341**	**$245,405**	**$137,565**

**includes replacement values*

June 30, 2019

Standardized - Bank's Outstandings	Risk Weight	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	RWAs
Sovereign	*0%*	$9,956	-	-	-	$9,956	-
Bank							
Sovereign Credit quality step 1 plus notch	*20%*	$62,993	-	-	-	$62,993	$12,599
Sovereign Credit quality step 1 plus notch	*50%*	$69	-	-	-	$69	$35
Sovereign Credit quality step 1 plus notch	*100%*	$1,314	-	-	$1,661	$2,975	$1,646
Sovereign Credit quality step 1 plus notch	*150%*	-	-	-	-	-	-
Unrated	*100%*	-	-	-	-	-	-
Total Bank exposure		$64,376	-	-	$1,661	$66,037	$14,280
Corporate							
Corporate - all unrated	*100%*	$106,488	$5,463	-	$3,834	$115,785	$105,829
Corporate - all unrated past due	*150%*	-	-	-	-	-	-
Total Corporate exposure		$106,488	$5,463	-	$3,834	$115,785	$105,829
Retail Residential Mortgages - all unrated	*35%*	$45,706	$4,356	-	-	$50,062	$16,269
Other Retail - all unrated	*75%*	$231	$26	-	-	$257	$160
Total Gross Credit Exposure		**$226,757**	**$9,845**	-	**$5,495**	**$242,097**	**$136,538**

**includes replacement values*

March 31, 2019

Standardized - Bank's Outstandings	Risk Weight	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	RWAs
Sovereign	*0%*	$9,954	-	-	-	$9,954	-
Bank							
Sovereign Credit quality step 1 plus notch	*20%*	$49,085	-	-	-	$49,085	$9,820
Sovereign Credit quality step 1 plus notch	*50%*	$71	-	-	-	$71	$36
Sovereign Credit quality step 1 plus notch	*100%*	$2,613	-	-	$2,249	$4,862	$3,063
Sovereign Credit quality step 1 plus notch	*150%*	-	-	-	-	-	-
Unrated	*100%*	-	-	-	-	-	-
Total Bank exposure		$51,769	-	-	$2,249	$54,018	$12,919
Corporate							
Corporate - all unrated	*100%*	$109,179	$6,194	$10	$3,885	$119,268	$108,675
Corporate - all unrated past due	*150%*	-	-	-	-	-	-
Total Corporate exposure		$109,179	$6,194	$10	$3,885	$119,268	$108,675
Retail Residential Mortgages - all unrated	*35%*	$44,297	$5,037	-	-	$49,334	$15,823
Other Retail - all unrated	*75%*	$103	$54	-	-	$157	$56
Total Gross Credit Exposure		**$215,302**	**$11,285**	**$10**	**$6,134**	**$232,731**	**$137,473**

**includes replacement values*

2018:

December 31, 2018

Standardized - Bank's Outstandings	Risk Weight	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	RWAs
Sovereign	*0%*	$9,960	-	-	-	$9,960	-
Bank							
Sovereign Credit quality step 1 plus notch	*20%*	$52,617	-	-	-	$52,617	$10,524
Sovereign Credit quality step 1 plus notch	*50%*	$77	-	-	-	$77	$39
Sovereign Credit quality step 1 plus notch	*100%*	$7,450	-	-	$226	$7,676	$7,495
Sovereign Credit quality step 1 plus notch	*150%*	-	-	-	-	-	-
Unrated	*100%*	-	-	-	-	-	-
Total Bank exposure		$60,144	-	-	$226	$60,370	$18,058
Corporate							
Corporate - all unrated	*100%*	$107,228	$5,801	$8	$4,504	$117,541	$107,628
Corporate - all unrated past due	*150%*	-	-	-	-	-	-
Total Corporate exposure		$107,228	$5,801	$8	$4,504	$117,541	$107,628
Retail Residential Mortgages - all unrated	*35%*	$46,317	$3,368	-	-	$49,685	$16,414
Other Retail - all unrated	*75%*	$114	$41	-	-	$155	$60
Total Gross Credit Exposure		**$223,763**	**$9,210**	**$8**	**$4,730**	**$237,711**	**$142,160**

**includes replacement values*

Note: All corporate exposures are unrated and receive a risk weight of 100% and a risk weight of 150% for 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 2019 fiscal year*, Note 4 "Exposure to credit risk".

Risk concentrations within the mitigation taken:

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

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

As at December 31, 2019, the credit facilities secured against industrial buildings were of 12.29% (2018 - 12.31%) 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).

2020:

June 30, 2020

Standardized	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	Eligible Financial Collateral**	Credit Derivatives / Guarantees**
Bank	$91,794	-	-	$215	$92,009	-	-
Sovereign	$9,998	-	-	-	$9,998	-	-
Corporate	$104,129	$12,760	-	$5,077	$121,966	$6,156	-
Retail Residential Mortgages	$47,608	$4,074	-	-	$51,682	$254	-
Other Retail	$212	$32	-	-	$244	$16	-
Total Gross Credit Exposure	**$253,741**	**$16,866**	-	**$5,292**	**$275,899**	**$6,426**	**-**

**includes replacement values*

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

March 31, 2020

Standardized	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	Eligible Financial Collateral**	Credit Derivatives / Guarantees**
Bank	$72,593	-	-	$640	$73,233	-	-
Sovereign	$9,998	-	-	-	$9,998	-	-
Corporate	$109,248	$10,055	-	$3,725	$123,028	$6,727	-
Retail Residential Mortgages	$45,744	$3,902	-	-	$49,646	$126	-
Other Retail	$237	$27	-	-	$264	$24	-
Total Gross Credit Exposure	**$237,820**	**$13,984**	-	**$4,365**	**$256,169**	**$6,877**	**-**

**includes replacement values*

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

2019:

December 31, 2019

Standardized	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	Eligible Financial Collateral**	Credit Derivatives / Guarantees**
Bank	$68,961	-	-	$394	$69,355	-	-
Sovereign	$9,972	-	-	-	$9,972	-	-
Corporate	$104,622	$11,409	-	$5,168	$121,199	$5,893	-
Retail Residential Mortgages	$45,895	$3,433	-	-	$49,328	$128	-
Other Retail	$237	$27	-	-	$264	$24	-
Total Gross Credit Exposure	**$229,687**	**$14,869**	-	**$5,562**	**$250,118**	**$6,045**	**-**

**includes replacement values*

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

September 30, 2019

Standardized	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	Eligible Financial Collateral**	Credit Derivatives / Guarantees**
Bank	$67,600	-	-	$2,595	$70,195	-	-
Sovereign	$9,958	-	-	-	$9,958	-	-
Corporate	$104,885	$4,706	-	$3,746	$113,337	$4,751	-
Retail Residential Mortgages	$46,316	$3,659	-	-	$49,975	$78	-
Other Retail	$729	$1,211	-	-	$1,940	$762	-
Total Gross Credit Exposure	**$229,488**	**$9,576**	-	**$6,341**	**$245,405**	**$5,591**	**-**

**includes replacement values*

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

June 30, 2019

Standardized	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	Eligible Financial Collateral**	Credit Derivatives / Guarantees**
Bank	$64,376	-	-	$1,661	$66,037	-	-
Sovereign	$9,956	-	-	-	$9,956	-	-
Corporate	$106,488	$5,463	-	$3,834	$115,785	$5,065	-
Retail Residential Mortgages	$45,706	$4,356	-	-	$50,062	$93	-
Other Retail	$231	$26	-	-	$257	$28	-
Total Gross Credit Exposure	**$226,757**	**$9,845**	-	**$5,495**	**$242,097**	**$5,186**	**-**

**includes replacement values*

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

March 31, 2019

Standardized	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	Eligible Financial Collateral**	Credit Derivatives / Guarantees**
Bank	$51,769	-	-	$2,249	$54,018	-	-
Sovereign	$9,954	-	-	-	$9,954	-	-
Corporate	$109,179	$6,194	$10	$3,885	$119,268	$5,337	-
Retail Residential Mortgages	$44,297	$5,037	-	-	$49,334	$93	-
Other Retail	$103	$54	-	-	$157	$40	-
Total Gross Credit Exposure	**$215,302**	**$11,285**	**$10**	**$6,134**	**$232,731**	**$5,470**	**-**

**includes replacement values*

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

2018:

December 31, 2018

Standardized	Drawn Exposure	Commitments (Undrawn)	OTC Derivatives*	Other Off Balance Sheet Items	Total	Eligible Financial Collateral**	Credit Derivatives / Guarantees**
Bank	$60,144	-	-	$226	$60,370	-	-
Sovereign	$9,960	-	-	-	$9,960	-	-
Corporate	$107,228	$5,801	$8	$4,504	$117,541	$4,905	-
Retail Residential Mortgages	$46,317	$3,368	-	-	$49,685	$93	-
Other Retail	$114	$41	-	-	$155	$43	-
Total Gross Credit Exposure	**$223,763**	**$9,210**	**$8**	**$4,730**	**$237,711**	**$5,041**	**-**

**includes replacement values*

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

9. Derivatives

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

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

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

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

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

2020:

(a) Fair value of derivative financial instruments:

	June 30, 2020		March 31, 2020	
	Favourable	Unfavourable	Favourable	Unfavourable
Foreign exchange forward contracts	$ -	$ -	$ -	$ -

(b) Notional principal and credit exposure:

Foreign exchange forward contracts	June 30, 2020	March 31, 2020
Notional amount*	$ -	$ -
Current replacement cost**	-	-
Credit risk equivalent***	-	-
RWAs****	-	-

As at June 30, 2020 and March 31, 2020, there were no derivative exposures.

2019:

(a) Fair value of derivative financial instruments:

	December 31, 2019		September 30, 2019	
	Favourable	Unfavourable	Favourable	Unfavourable
Foreign exchange forward contracts	$ -	$ -	$ -	$ -

	June 30, 2019		March 31, 2019	
	Favourable	Unfavourable	Favourable	Unfavourable
Foreign exchange forward contracts	$ -	$ -	$ 10	$ 10

(b) Notional principal and credit exposure:

Foreign exchange forward contracts	December 31, 2019	September 30, 2019
Notional amount*	$ -	$ -
Current replacement cost**	-	-
Credit risk equivalent***	-	-
RWAs****	-	-

Foreign exchange forward contracts	June 30, 2019	March 31, 2019
Notional amount*	$ -	$ 1,860
Current replacement cost**	-	10
Credit risk equivalent***	-	54
RWAs****	-	40

2018:

(a) Fair value of derivative financial instruments:

	December 31, 2018		September 30, 2018	
	Favourable	Unfavourable	Favourable	Unfavourable
Foreign exchange forward contracts	$ 8	$ 5	$ -	$ -

(b) Notional principal and credit exposure:

Foreign exchange forward contracts				
		December 31, 2018		September 30, 2018
Notional amount*	$	940	$	-
Current replacement cost**		8		-
Credit risk equivalent***		18		-
RWAs****		14		-

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

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

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

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

For qualitative and quantative disclosures refer to the *Bank’s Annual Report (audited) for 2019 and 2018 fiscal years*, Note 1(n) “Derivative instruments – accounting policy”, Note 3 “Nature and extent of risk arising from financial instruments”, Note 4 “Exposure to credit risk”, Note 13 “Fair value of financial instruments”, and Note 14 “Derivative financial instruments”.

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

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

In determining its market risk capital requirements, the Bank has adopted the standardized approach. At December 31, 2019 and 2018, 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 2019 and 2018 fiscal years*, Note 1(a) "Financial instruments", Note 1 (f) Foreign currency transactions, Note 3 "Nature and extent of risk arising from financial instruments", and Note 12 "Interest rate sensitivity".

The following tables summarize balance sheet assets, liabilities and shareholder's equity to arrive at the Bank's interest rate gap based on the earlier of contractual repricing and maturity dates (as March 31, June 30, September 30 of 2020 and 2019 unaudited).

2020:

June 30, 2020

	Floating Rate	*Within 3 months*	*3 months to 1 year*	*1 to 5 years*	*Non-rate sensitive*	*Total*
Assets						
Cash resources	$87,397	$4,272	-	-	$587	$92,256
Securities		$9,998	-			$9,998
Loans	$150,104	$231	$1,766	$1,049	($1,337)	$151,813
Other assets	-	-	-	-	$2,059	$2,059
Total	$237,501	$14,501	$1,766	$1,049	$1,309	$256,126
Liabilities & Shareholder's Equity						
Deposits	$102,210	$35,657	$31,977	$43,014	$6,997	$219,855
Other Liabilities	-	-	-	-	$3,321	$3,321
Shareholder's Equity	-	-	-	-	$32,950	$32,950
Total	$102,210	$35,657	$31,977	$43,014	$43,268	$256,126
Total gap	$135,291	($21,156)	($30,211)	($41,965)	($41,959)	-

As of June 30, 2020, a one percentage point change in the market interest rate over a one-year period would have an impact of approximately $74 on net interest income over the next year.

March 31, 2020	Floating Rate	Within 3 months	3 months to 1 year	1 to 5 years	Non-rate sensitive	Total
Assets						
Cash resources	$68,882	$3,642	-	-	$490	$73,014
Securities		$9,998	$0			$9,998
Loans	$153,213	-	234	$1,780	($1,351)	$153,876
Other assets	-	-	-	-	$3,884	$3,884
Total	$222,095	$13,640	$234	$1,780	$3,023	$240,772
Liabilities & Shareholder's Equity						
Deposits	$82,055	$36,129	$32,391	$40,037	$13,609	$204,221
Other Liabilities	-	-	-	-	$3,461	$3,461
Shareholder's Equity	-	-	-	-	$33,090	$33,090
Total	$82,055	$36,129	$32,391	$40,037	$50,160	$240,772
Total gap	$140,040	($22,489)	($32,157)	($38,257)	($47,137)	-

As of March 31, 2020, a one percentage point change in the market interest rate over a one-year period would have an impact of approximately $309 on net interest income over the next year.

2019:

September 30, 2019	Floating Rate	Within 3 months	3 months to 1 year	1 to 5 years	Non-rate sensitive	Total
Assets						
Cash resources	$64,095	$3,389	-	-	$359	$67,843
Securities		$4,990	$4,968			$9,958
Loans	$148,484	-	253	$3,193	($1,331)	$150,599
Other assets	-	-	-	-	$1,561	$1,561
Total	$212,579	$8,379	$5,221	$3,193	$589	$229,961
Liabilities & Shareholder's Equity						
Deposits	$82,196	$31,118	$29,428	$39,940	$10,631	$193,313
Other Liabilities	-	-	-	-	$3,740	$3,740
Shareholder's Equity	-	-	-	-	$32,908	$32,908
Total	$82,196	$31,118	$29,428	$39,940	$47,279	$229,961
Total gap	$130,383	($22,739)	($24,207)	($36,747)	($46,690)	-

As of September 30, 2019, a one percentage point change in the market interest rate over a one-year period would have an impact of approximately $963 on net interest income over the next year.

June 30, 2019

	Floating Rate	Within 3 months	3 months to 1 year	1 to 5 years	Non-rate sensitive	Total
Assets						
Cash resources	$60,050	$4,215	-	-	$382	$64,647
Securities		$4,987	$4,969			$9,956
Loans	$148,933	-	276	$3,216	($1,305)	$151,120
Other assets	-	-	-	-	$1,512	$1,512
Total	$208,983	$9,202	$5,245	$3,216	$589	$227,235
Liabilities & Shareholder's Equity						
Deposits	$74,086	$33,257	$32,464	$42,821	$8,723	$191,351
Other Liabilities	-	-	-	-	$3,198	$3,198
Shareholder's Equity	-	-	-	-	$32,686	$32,686
Total	$74,086	$33,257	$32,464	$42,821	$44,607	$227,235
Total gap	$134,897	($24,055)	($27,219)	($39,605)	($44,018)	-

As of June 30, 2019, a one percentage point change in the market interest rate over a one-year period would have an impact of approximately $1,057 on net interest income over the next year.

March 31, 2019

	Floating Rate	Within 3 months	3 months to 1 year	1 to 5 years	Non-rate sensitive	Total
Assets						
Cash resources	$48,371	$1,679	-	-	$1,997	$52,047
Securities		$4,988	$4,966			$9,954
Loans	$150,039	$0	54	$3,486	($1,251)	$152,328
Other assets	-	-	-	-	$1,606	$1,606
Total	$198,410	$6,667	$5,020	$3,486	$2,352	$215,935
Liabilities & Shareholder's Equity						
Deposits	$73,656	$39,035	$26,089	$33,898	$7,645	$180,323
Other Liabilities	-	-	-	-	$3,134	$3,134
Shareholder's Equity	-	-	-	-	$32,478	$32,478
Total	$73,656	$39,035	$26,089	$33,898	$43,257	$215,935
Total gap	$124,754	($32,368)	($21,069)	($30,412)	($40,905)	$0

As of March 31, 2019, a one percentage point change in the market interest rate over a one-year period would have an impact of approximately $956 on net interest income over the next year.

11. Operational Risk

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

For qualitative and quantative disclosures refer to the Bank's Annual Report (audited) for 2018 fiscal year, Note 3(d) "Operational risk", and **Table 2** (Section 5.3) "Risk-weighted assets - by risk type and regulatory capital requirements" above.

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August, 2020