Concentra®

Regulatory Capital Disclosure

March 31, 2020

Concentra Bank
Basel III Regulatory Capital

($ THOUSANDS, EXCEPT PERCENTAGES)		Q1 2020
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	$ 134,252
2	Retained earnings	254,831
3	Accumulated other comprehensive income (and other reserves)	9,062
6	**Common Equity Tier 1 capital before regulatory adjustments**	**$ 398,145**
Common Equity Tier 1 capital: regulatory adjustments(1)		
26	Other deductions and regulatory adjustments to CET1 as determined by OSFI	$ 1,768
28	Total regulatory adjustments to Common Equity Tier 1	(24,944)
29	**Common Equity Tier 1 capital (CET1)**	**$ 374,969**
29a	**Common Equity Tier 1 capital (CET1) with transitional arrangements for ECL provisioning not applied**	**$ 373,201**
Additional Tier 1 capital: instruments		
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	$ 110,987
31	of which: classified as equity under applicable accounting standards	110,987
36	**Additional Tier 1 capital before regulatory adjustments**	**$ 110,987**
Additional Tier 1 capital: regulatory adjustments		
43	Total regulatory adjustments to Additional Tier 1 capital	$ -
44	Additional Tier 1 capital (AT1)	110,987
45	**Tier 1 capital (T1 = CET1 + AT1)**	**$ 485,956**
45a	**Tier 1 capital with transitional arrangements for ECL provisioning not applied**	**$ 484,188**
Tier 2 capital: instruments and allowances		
50	Collective allowances	$ 18,197
51	**Tier 2 capital before regulatory adjustments**	**$ 18,197**
Tier 2 capital: regulatory adjustments(2)		
58	Tier 2 capital (T2)	18,197
59	**Total capital (TC = T1 +T2)**	**$ 504,153**
59a	**Total capital with transitional arrangements for ECL provisioning not applied**	**$ 504,153**
60	**Total risk-weighted assets**	**$ 2,869,642**
Capital ratios		
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)	13.1%
61a	CET1 Ratio with transitional arrangements for ECL provisioning not applied	13.1%
62	Tier 1 (as a percentage of risk-weighted assets)	16.9%
62a	Tier 1 Capital Ratio with transitional arrangements for ECL provisioning not applied	16.9%
63	Total capital (as a percentage of risk-weighted assets)	17.6%
63a	Total Capital Ratio with transitional arrangements for ECL provisioning not applied	17.6%
OSFI all-in target		
69	Common Equity Tier 1 capital all-in target ratio	7.0%
70	Tier 1 capital all-in target ratio	8.5%
71	Total capital all-in 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	-
81	Amounts excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-
82	Current cap on AT1 instruments subject to phase out arrangements	-
83	Amounts excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-
84	Current cap on T2 instruments subject to phase out arrangements	-
85	Amounts excluded from T2 due to cap (excess over cap after redemptions and maturities)	-

(1) The regulatory adjustments include such items as goodwill, intangible assets, non-significant investments in the capital of banking, financial and insurance entities and transitional arrangements for expected loss provisioning. The Office of the Superintendent of Financial Institutions Canada (OSFI) introduced expected loss provisioning transitional arrangements for capital treatment allowing a portion of eligible allowances to be included in CET1 instead of Tier 2 capital on a transitional basis commencing in 2020 through to 2022. This adjustment is calculated each quarter as the increase in Stage 1 and Stage 2 allowances relative to the amount of Stage 1 and Stage 2 allowances as at December 31, 2019. This increased amount is tax adjusted and subject to a scaling factor that will decrease over time. The scaling factor to be applied is 70% for 2020, 50% for 2021 and 25% for 2022. The Company applied a scaling factor of 70% for Q1 2020.
(2) Tier 2 regulatory adjustments include non-significant investments in the capital of banking, financial and insurance entities.

Concentra Bank
Leverage Ratio

($ THOUSANDS, EXCEPT PERCENTAGES)		Q1 2020
On-balance sheet exposures		
1	On-balance sheet items (excluding derivatives, SFT's and grandfathered securitization exposures but including collateral)	**$ 9,465,706**
4	(Asset amounts deducted in determining Tier 1 capital)	**(24,944)**
5	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	**$ 9,440,762**
Derivative exposures		
6	Replacement cost associated with all derivative transactions	**$ 19,355**
7	Add-on amounts for potential future exposure associated with all derivative transactions	**11,944**
11	**Total derivative exposures**	**$ 31,299**
Other off balance sheet exposures		
17	Off-balance sheet exposure at gross notional amount	**$ 810,331**
18	(Adjustments for conversion to credit equivalent amounts)	**(560,581)**
19	**Total Other Off-balance sheet items**	**$ 249,750**
Capital and Total Exposure		
20	Tier 1 capital	**$ 485,956**
20a	Tier 1 capital with transitional arrangements for ECL provisioning not applied	**484,188**
21	**Total Exposures**	**$ 9,721,811**
Leverage Ratios		
22	**Basel III Leverage Ratio**	**5.0%**
22a	**Basel III Leverage Ratio with transitional arrangements for ECL provisioning not applied**	**5.0%**

Concentra Trust
Basel III Regulatory Capital

($ THOUSANDS, EXCEPT PERCENTAGES)		Q1 2020
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	**$ 10,000**
2	Retained earnings	**5,707**
3	Accumulated other comprehensive income (and other reserves)	**-**
6	**Common Equity Tier 1 capital before regulatory adjustments**	**$ 15,707**
Common Equity Tier 1 capital: regulatory adjustments(1)		
28	Total regulatory adjustments to Common Equity Tier 1	**$ (126)**
29	**Common Equity Tier 1 capital (CET1)**	**$ 15,581**
29a	**Common Equity Tier 1 capital (CET1) with transitional arrangements for ECL provisioning not applied**	**$ 15,581**
Tier 2 capital: instruments and allowances		
50	Collective allowances	**$ 16**
51	**Tier 2 capital before regulatory adjustments**	**$ 16**
Tier 2 capital: regulatory adjustments		
58	Tier 2 capital (T2)	**$ 16**
59	**Total capital (TC = T1 +T2)**	**$ 15,597**
59a	**Total capital with transitional arrangements for ECL provisioning not applied**	**$ 15,597**
60	**Total risk-weighted assets**	**$ 22,281**
Capital ratios		
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)	**69.9%**
61a	CET1 Ratio with transitional arrangements for ECL provisioning not applied	**69.9%**
62	Tier 1 (as a percentage of risk-weighted assets)	**69.9%**
62a	Tier 1 Capital Ratio with transitional arrangements for ECL provisioning not applied	**69.9%**
63	Total capital (as a percentage of risk-weighted assets)	**70.0%**
63a	Total Capital Ratio with transitional arrangements for ECL provisioning not applied	**70.0%**
OSFI all-in target		
69	Common Equity Tier 1 capital all-in target ratio	**7.0%**
70	Tier 1 capital all-in target ratio	**8.5%**
71	Total capital all-in 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	**-**
81	Amounts excluded from CET1 due to cap (excess over cap after redemptions and maturities)	**-**
82	Current cap on AT1 instruments subject to phase out arrangements	**-**
83	Amounts excluded from AT1 due to cap (excess over cap after redemptions and maturities)	**-**
84	Current cap on T2 instruments subject to phase out arrangements	**-**
85	Amounts excluded from T2 due to cap (excess over cap after redemptions and maturities)	**-**

(1) The regulatory adjustments include intangible assets. The Company did not apply the transitional arrangements for ECL provisioning as there would be no material impact on capital levels or ratios.

Concentra Trust
Leverage Ratio

($ THOUSANDS, EXCEPT PERCENTAGES)		Q1 2020
On-balance sheet exposures		
1	On-balance sheet items (excluding derivatives, SFT's and grandfathered securitization exposures but including collateral)	$ 17,635
4	(Asset amounts deducted in determining Tier 1 capital)	(126)
5	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	**$ 17,509**
Capital and Total Exposure		
20	Tier 1 capital	$ 15,581
20a	Tier 1 capital with transitional arrangements for ECL provisioning not applied	15,581
21	**Total Exposures**	**$ 17,509**
Leverage Ratios		
22	**Basel III Leverage Ratio**	**89.0%**
22a	**Basel III Leverage Ratio with transitional arrangements for ECL provisioning not applied**	**89.0%**