Peoples Trust Company

Public Disclosures (Basel III Pillar 3 and Leverage Ratio)

For the year ended December 31, 2024

Public Disclosures (Basel III Pillar 3 and Leverage Ratio)

Objective and background

This document presents the Basel III Pillar 3 and Leverage Ratio consolidated disclosures for Peoples Trust Company and its subsidiaries, including Peoples Bank of Canada, Peoples Card Services LP, and Peoples Payment Solutions Ltd (collectively “Peoples Group”, “PG” or “the Group”). These disclosures are made pursuant to the Pillar 3 Disclosure Guideline for Small and Medium-Sized Deposit-Taking Institutions ("SMSBs") Capital and Liquidity Requirements of the Office of the Superintendent of Financial Institutions (“OSFI”). Peoples Group is classified as Category II SMSB with total assets less than the $10 billion threshold.

Basis of presentation

Information reported in this Public Disclosure Report (Report) is prepared in accordance with the above guideline and Pillar 3 disclosure requirements pertaining to Category II SMSBs.

Full qualitative disclosures are provided annually, at the company’s fiscal year end.

Location and verification

This Report is published under the Regulatory Disclosures section of the Group’s website.

This Report is subject to internal review and has not been audited by PG’s external auditors

All numbers in this Report are Canadian dollars.

Use of this document

Additional financial data published on OSFI website can also be accessed through the link below.
https://www.osfi-bsif.gc.ca/Eng/wt-ow/Pages/fd-df.aspx

Peoples Group
Fourth Quarter 2024
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Note 1: Peoples Group is not an internationally active institution and is not mandated to calculate market risk for regulatory capital purpose, as stated in Capital Adequacy Requirements (CAR) 2024, Chapter 9, paragraph 2 & 3.
Note 2: Peoples Group is qualified and has elected to use the alternative treatment as specified in CAR 2024, Chapter 8, paragraph 9.

KM1 – Key metrics (at consolidated group level)

	Dollars in thousands	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
	Available capital (amounts)					
1	Common Equity Tier 1 (CET1)	457,218	468,129	457,285	440,962	390,793
2	Tier 1	458,527	469,217	458,445	442,063	390,929
3	Total capital	480,657	492,993	481,641	459,001	402,868
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	2,412,708	2,461,512	2,589,986	2,684,733	2,584,239
4a	Total risk-weighted assets (pre-floor)	2,412,708	2,461,512	2,589,986	2,684,733	2,584,239
	Risk-based capital ratios as a percentage of RWA					
5	CET1 ratio (%)	18.95%	19.02%	17.66%	16.42%	15.12%
5a	CET1 ratio (%) (pre-floor ratio)	18.95%	19.02%	17.66%	16.42%	15.12%
6	Tier 1 ratio (%)	19.00%	19.06%	17.70%	16.47%	15.13%
6a	Tier 1 ratio (%) (pre-floor ratio)	19.00%	19.06%	17.70%	16.47%	15.13%
7	Total capital ratio (%)	19.92%	20.03%	18.60%	17.10%	15.59%
7a	Total capital ratio (%) (pre-floor ratio)	19.92%	20.03%	18.60%	17.10%	15.59%
	Additional CET1 buffer requirements as a percentage of RWA					
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.50%	2.50%	2.50%	2.50%	2.50%
9	Countercyclical buffer requirement (%)	0%	0%	0%	0%	0%
10	Bank G-SIB and/or D-SIB additional requirements (%) **[Not applicable for SMSBs]**	[redacted]				
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	2.50%	2.50%	2.50%	2.50%	2.50%
12	CET1 available after meeting the bank's minimum capital requirements (%)	11.95%	12.02%	10.66%	9.42%	8.12%
	Basel III Leverage ratio					
13	Total Basel III leverage ratio exposure measure	8,223,974	8,364,317	8,764,586	9,029,905	8,765,591
14	Basel III leverage ratio (row 2 / row 13)	5.58%	5.61%	5.23%	4.90%	4.46%

Modified CC1 – Composition of regulatory capital for SMSBs

		Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
	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	91,888	91,888	91,888	91,888	66,886
2	Retained earnings	383,294	392,422	382,108	365,598	340,957
3	Accumulated other comprehensive income (and other reserves)					
4	Directly issued capital subject to phase out from CET1 (only applicable to Federal Credit Unions)					
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)					
6	**Common Equity Tier 1 capital before regulatory adjustments**	475,182	484,310	473,996	457,486	407,843
	Common Equity Tier 1 capital: regulatory adjustments					
28	**Total regulatory adjustments to Common Equity Tier 1**	17,964	16,181	16,711	16,524	17,050
29	**Common Equity Tier 1 capital (CET1)**	457,218	468,129	457,285	440,962	390,793
	Additional Tier 1 capital: instruments					
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus					
31	of which: classified as equity under applicable accounting standards					
32	of which: classified as liabilities under applicable accounting standards					
33	*Directly issued capital instruments subject to phase out from Additional Tier 1 (applicable only to Federal Credit Unions)*					
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)					
35	*of which: instruments issued by subsidiaries subject to phase out (applicable only to Federal Credit Unions)*					
36	**Additional Tier 1 capital before regulatory adjustments**					
	Additional Tier 1 capital: regulatory adjustments					
43	**Total regulatory adjustments to additional Tier 1 capital**					
44	**Additional Tier 1 capital (AT1)**	1,309	1,088	1,160	1,101	136
45	**Tier 1 capital (T1 = CET1 + AT1)**	458,527	469,217	458,445	442,063	390,929
	Tier 2 capital: instruments and provisions					
46	Directly issued qualifying Tier 2 instruments plus related stock surplus					
47	*Directly issued capital instruments subject to phase out from Tier 2 (applicable only to Federal Credit Unions)*					
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)	136	96	116	114	28
49	*of which: instruments issued by subsidiaries subject to phase out (applicable only to Federal Credit Unions)*					
50	Collective allowances	21,994	23,680	23,079	16,824	11,911
51	**Tier 2 capital before regulatory adjustments**	22,130	23,776	23,195	16,938	11,939
	Tier 2 capital: regulatory adjustments					
57	**Total regulatory adjustments to Tier 2 capital**					
58	**Tier 2 capital (T2)**	22,130	23,776	23,195	16,938	11,939
59	**Total capital (TC = T1 + T2)**	480,657	492,993	481,641	459,001	402,868
60	**Total risk-weighted assets**	2,412,708	2,461,512	2,589,986	2,684,733	2,584,239
	Capital ratios					
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)	18.95%	19.02%	17.66%	16.43%	15.12%
62	Tier 1 (as a percentage of risk-weighted assets)	19.00%	19.06%	17.70%	16.47%	15.13%
63	Total capital (as a percentage of risk-weighted assets)	19.92%	20.03%	18.60%	17.10%	15.59%
	OSFI target					
69	Common Equity Tier 1 target ratio	7.00%	7.00%	7.00%	7.00%	7.00%
70	Tier 1 capital target ratio	8.50%	8.50%	8.50%	8.50%	8.50%
71	Total capital target ratio	10.50%	10.50%	10.50%	10.50%	10.50%
	Capital instruments subject to phase-out arrangements (For Federal Credit Unions only)					
80	Current cap on CET1 instruments subject to phase-out arrangements					
81	Amount excluded from CET1 capital due to cap (excess over cap after redemptions and maturities)					
82	Current cap on AT1 instruments subject to phase-out arrangements					
83	Amount excluded from AT1 capital due to cap (excess over cap after redemptions and maturities)					
84	Current cap on Tier 2 instruments subject to phase-out arrangements					
85	Amount excluded from Tier 2 capital due to cap (excess over cap after redemptions and maturities)					

CRA – General information about credit risk

Item #	Annual Qualitative Requirements	Description
CRA	**General qualitative information about credit risk**	
	SMSBs must describe their risk management objectives and policies for credit risk, focusing in particular on:	
(a)	How the business model translates into the components of the SMSB's credit risk profile	Credit Risk is the risk of financial loss resulting from PG's customers or counterparties' failure to honour or perform fully under the terms of a loan or contract. Credit risk arises primarily from PG's lending activities and treasury operations. PG's primary lending businesses include residential and commercial mortgages, commercial loans, consumer loans and credit card solutions. The Company also has investments in lease receivables. Credit concentration risk as a component of credit risk may arise if an excessively large proportion of PG's lending business involves a single person, organization or group of related persons or organizations, a single geographic area, a single industry or a single category of investment. Underwriting and credit risk policies, together with PG's Risk Appetite Framework, are approved by the Board to manage and control PG's loan and leasing portfolios and exposure to credit and concentration risk. Treasury operations include management of PG's investments and liquidity holdings and management of interest rate risk exposures. Counterparty credit risk, may arise from cash and cash equivalents placed with financial institutions and from derivative contracts. Similarly, investments in securities expose PG to credit risk should the issuer of these securities be unable to make timely interest payments or the issuer becomes insolvent. To manage and limit exposure to counterparty credit risk, PG establishes policies with exposure limits based on credit rating, issuer grade and investment type.
(b)	Criteria and approach used for defining credit risk management policy and for setting credit risk limits	PG has a Risk Appetite Framework to define the type and amount of risk the organization is willing to assume through its business activities. Risk appetites for key risk types are established based on quantitative and qualitative factors by Risk Management and other corporate functions as the second line, supported by senior management and approved by the Board of Directors. PG has implemented several risk appetite measures and limits for credit risk. These are monitored and reported to senior management and the Board on a regular basis and are also used to inform the strategic planning process. Credit risk policies are developed by the second line and approved by the Board of Directors that cover the loan approval process, internal quality and compliance programs, risk rating systems, portfolio concentration limits, default management and collections and ongoing monitoring and reporting requirements. PG's underwriting policies place conservative limits on loan to value ratios and geographical and single borrower concentrations. Specific portfolio concentration limits are established with a focus on exposure to certain types of loans and properties. Investment policies permit Treasury to invest in only highly rated or government-backed securities subject to prudent concentration limits. Risk diversification is further addressed by establishing limits for exposure to certain counterparties, industries and market segments. PG monitors credit and counterparty exposures against these limits and prepares reports assessing overall credit risk within PG's lending and investment portfolios. On at least an annual basis, PG completes a review of risk diversification measured against assigned portfolio limits.

CRA – General information about credit risk

Item #	Annual Qualitative Requirements	Description
CRA	**General qualitative information about credit risk**	
	SMSBs must describe their risk management objectives and policies for credit risk, focusing in particular on:	
(c)	Structure and organization of the credit risk management and control function	PG's lending business lines assess and manage credit risk and are responsible for underwriting the credit risk. The credit adjudication and approval process is centrally controlled in Risk management with all credit requests being reviewed and approved by risk management. Depending on the delegated authorities, larger exposures are submitted to the SVP, Head of Credit or the Credit Committee for adjudication and approval. Loans which are delinquent or in default are managed by the Special Loans team in Risk The Risk Committee of the Board delegates discretionary lending limits via the Credit Risk Management Policy. Requests for credit approval beyond the lending limit of the Head of Credit are referred to the Credit Committee. The Credit Committee approves loans within delegated limits and is responsible for ensuring that appropriate credit standards and guidelines are in place. The SVP, Head of Credit reports to the CRO and reports quarterly to the Risk Committee of the Board to provide a summary of key information on credit risk, including material credit transactions, compliance with limits, portfolio trends and impaired loans. Core activities within the Risk function include oversight of credit risk management policies, establishment of credit risk appetite and key risk metrics, development of credit risk management processes and tools, quality review, watch list and problem loan management. The function supports a disciplined approach to risk-taking through its responsibilities for transactional approval and portfolio management, credit risk reporting and stress testing. The risk function also oversees the establishment of provisions through the Expected Credit Loss process including specific provisions as necessary. For any material provisions they are reviewed and approved at the Credit Risk Committee.

CRA – General information about credit risk

Item #	Annual Qualitative Requirements	Description
CRA	**General qualitative information about credit risk**	
	SMSBs must describe their risk management objectives and policies for credit risk, focusing in particular on:	
(d)	Relationships between the credit risk management, risk control, compliance and Internal Audit functions	PG manages credit risk under the Three Lines of Defence model. This ensures appropriate accountability for managing and underwriting credit risk in the business while keeping adjudication and loan approval in risk management. Loans which are delinquent or in default are managed by Special Loans in Risk Management PG business line leaders are primarily accountable for identifying, assessing, managing and reporting risk within their areas of responsibility. Credit Risk Management is responsible for the adjudication and approval of all lending activities. Risk is also accountable for independently monitoring, measuring, and reporting on risk and for defining risk tolerances, developing and maintaining policies, and developing risk management methodologies. The Credit Risk function is part of the PG's Risk Management organization. Compliance monitors all regulatory compliance matters and ensures PG operates within the defined regulatory limits and guidelines. Internal audit as the third line of defence conducts independent risk-based oversight to test and verify the effectiveness of the internal control framework and credit and operational risk management practices and ensure adherence to policy and legislative requirements.
(e)	Scope and main content of the reporting on credit risk exposure and on the credit risk management function to the executive management and to the board of directors	The SVP, Head of Credit and the CRO report to Credit Committee which includes (Executive management as members CEO, CFO, Head of Business) monthly, and quarterly to the Risk Committee of the Board to provide a summary of key information on the credit risk profile of PG, including compliance with limits and risk appetite, portfolio trends and impaired loans, material credit transactions and other risk indicators such as results of quality reviews and stress testing.

ORA – General qualitative information the operational risk framework

Item #	Annual Qualitative Requirements	Description
ORA	**General qualitative information on a bank's operational risk framework**	
(a)	Their policies, frameworks and guidelines for the management of operational risk.	Operational risk refers to the risk of loss resulting from people, inadequate or failed internal processes and systems or external events. This includes legal risk but excludes strategic and reputational risk. Operational risk is inherent in all of PG's business activities and includes such considerations as fraud, system failures, model risk, cyber security, business continuity and third-party risk management. Although operational risk may not be completely eliminated, proactive management of this risk is important to mitigate exposure to financial losses, reputational damage and/or regulatory fines. PG has an Operational Risk Management policy approved by the Board. PG also has board level policies for Business Continuity Management, Fraud Management, Model Risk Management, and Cybersecurity. PG completed significant improvements to its Third-Party Risk Management Framework and corporate Third-Party Risk Management Policy. These corporate policies also provide employees with an understanding of their responsibilities with respect to operational risk management and a common language for discussing operational risk and support management as they consider all risks through risk control self-assessments and other risk management processes. These frameworks and policies are designed to provide oversight on how operational risk is monitored, reviewed and reported on across the Group. The monitoring and reporting of operational risks has also improved significantly with establishment of the Operational Risk Management Committee which meets monthly. Among other functions, this committee reviews operational risk management incidents which are reported consistently throughout the year by business units. PG establishes its appetite for operational risk through the Board approved Risk Appetite Framework which includes key risk metrics for managing and monitoring operational risk on an enterprise-wide basis.
(b)	The structure and organization of their operational risk management and control function.	PG manages Operational Risk under the Three Lines of Defence model. Business lines and support areas are the first line of defence and are fully accountable to manage and mitigate the operational risks associated with their activities. Risk Management, as the second line, is responsible for the continual enhancement of the Operational Risk Management policy, related corporate policies and framework and supporting processes and tools to manage operational risk. Risk Management works with other corporate functions including Compliance, Information Technology and Human Resources to coordinate second line oversight of operational risk domains such as regulatory compliance, anti-money laundering, privacy, information security, cyber security, data management and people risk.

ORA – General qualitative information on the operational risk framework

Item #	Annual Qualitative Requirements	Description
ORA	**General qualitative information on a bank's operational risk framework**	
(c)	Their operational risk measurement system (i.e. the systems and data used to measure operational risk in order to estimate the operational risk capital charge).	As part of PG's Operational Risk Management framework, realized losses attributable to operational risk events are tracked over time and each event is evaluated based on its materiality. In addition to the analysis of realized loss events, the Operational Risk Management framework produces forward looking indicators of operational risk exposure that allow PG to take proactive measures as necessary to appropriately mitigate the risks. PG collects and analyzes data on operational risk events experienced by the organization. An operational risk event is any unexpected loss or gain due to failure of or failure to implement an operational risk control and any situation where an unexpected loss or gain is avoided through action other than the control designed to mitigate it (near misses). Management within the first and second lines of defence are responsible for reporting their operational risk events. In addition to loss data event collection, PG's program for operational risk management and measurement includes the following: • Risk and Control Self-Assessments (RCSAs): These are used on an ongoing basis to identify and assess key operational risks and the effectiveness of controls within businesses and functional units, as well as enterprise-wide. • Key risk indicators (KRIs): PG uses KRIs to monitor the main drivers of operational risk throughout the business and provide insights into how the Group's risk profile changes over time. KRIs are used to identify risk trends and provide triggers for management action and mitigation plans to be undertaken. • Change Management: PG conducts risk assessments whenever there are material changes being implemented in relation to its business, people management, processes, technology or PG experiences a material change in its external environment. • Training: All employees within the organization are required to play a role in managing operational risk. In this regard, PG conducts operational risk management awareness and training for its employees to provide them with an overview of the various types of operational risks, and their respective roles and responsibilities in helping to protect the interests and assets of the Group. • Monthly review and reporting of reported operational risk incidents and operational risk governance through the Operational Risk Management Committee. The regulatory framework requires an amount of capital to be allocated to support operational risk. PG uses the Simplified Standardized approach to measure the notional risk-weighted assets that are held for operational risk.

ORA – General qualitative information on the operational risk framework

Item #	Annual Qualitative Requirements	Description
ORA	**General qualitative information on a bank's operational risk framework**	
(d)	The scope and main context of their reporting framework on operational risk to executive management and to the board of directors.	On a quarterly basis, Risk Management provides reporting to senior management and the Risk Committee of the Board on PG's operational risk profile, including operational risk management trends, significant operational events if any and KRIs developed by management.
(e)	The risk mitigation and risk transfer used in the management of operational risk. This includes mitigation by policy (such as the policies on risk culture, risk appetite, and outsourcing), by divesting from high-risk businesses, and by the establishment of controls. The remaining exposure can then be absorbed by the bank or transferred. For instance, the impact of operational losses can be mitigated with insurance.	PG maintains additional policies aligned with the second line Operational Risk Management policy to manage and mitigate specific types of operational risks. These include: Third-Party Risk Management: PG completed significant improvements to its Third-Party Risk Management Framework and corporate Third-Party Risk Management Policy. PG's approach to third-party risk mitigation is outlined in policies that establish the minimum requirements for identifying and managing risks throughout the engagement life cycle with a third party. PG continues to evolve and improve its capabilities in this area and is implementing enhancements aligned with the revised regulatory requirements of OSFI's B-10 Third-Party Risk Management. Business Continuity Management: PG maintains a business continuity management policy and program to ensure the Group has the ability to manage and recover critical operations and processes in the event of a business disruption. A cornerstone of the business continuity program is for all business areas within the Group to maintain and update business impact assessments annually. Fraud Risk: PG's Fraud Management policy and framework outlines the Group's enterprise-wide approach to managing fraud risk within PG's fraud risk appetite. PG has established tools and processes to support the identification, assessment, measurement and mitigation of fraud risk and help protect customers, shareholders and employees from fraud risk. Information and Cyber Security Risk: PG is focused on the protection of its operations, customers and data from attack and works with security and software suppliers to ensure that its technology capabilities remain resilient and effective. As part of PG's Risk Appetite Framework, KRIs have been established to measure, monitor and report this risk to the Risk Committee on a periodic basis. PG continues to enhance its processes to align with the changing regulatory environment including OSFI's B-13 Technology and Cyber Risk Management Guideline and OSFI's Integrity and Security Guideline.

LR2 - Leverage ratio common disclosure template

		Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
On-balance sheet exposures						
1	On-balance sheet items (excluding derivatives, SFTs and grandfathered securitization exposures but including collateral)	7,684,984	7,648,339	7,760,574	7,906,777	7,709,051
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)	(17,964)	(16,181)	(16,711)	(16,524)	(17,050)
5	**Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 to 4)**	**7,667,020**	**7,632,158**	**7,743,863**	**7,890,253**	**7,692,001**
Derivative exposures						
6	Replacement cost associated with all derivative transactions	21,832	57,971	11,903	14,787	13,427
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)**	**21,832**	**57,971**	**11,903**	**14,787**	**13,427**
Securities financing transaction exposures						
12	Gross SFT assets recognised for accounting purposes (with no recognition of netting), after adjusting for sale accounting transactions	-	-	-	-	48,333
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-	-	-	
14	Counterparty credit risk (CCR) exposure for SFTs	-	-	-	-	(351)
15	Agent transaction exposures					
16	**Total securities financing transaction exposures (sum of lines 12 to 15)**	-	-	-	-	47,982
Other off-balance sheet exposures						
17	Off-balance sheet exposure at gross notional amount	1,450,120	1,804,634	3,094,960	3,316,663	2,922,179
18	(Adjustments for conversion to credit equivalent amounts)	(914,997)	(1,130,446)	(2,086,140)	(2,191,798)	(1,909,998)
19	**Off-balance sheet items (sum of lines 17 and 18)**	**535,123**	**674,188**	**1,008,820**	**1,124,865**	**1,012,181**
Capital and total exposures						
20	**Tier 1 capital**	458,527	469,217	458,445	442,063	390,929
21	**Total Exposures (sum of lines 5, 11, 16 and 19)**	8,223,974	8,364,317	8,764,586	9,029,905	8,765,591
Leverage ratio						
22	**Basel III leverage ratio**	5.58%	5.61%	5.23%	4.90%	4.46%

CVAA – General qualitative disclosure requirements related to CVA

Item #	Annual Qualitative Requirements	Description
CVAA	**General qualitative disclosure requirements related to Credit Valuation Adjustment (CVA)**	
(a)	An explanation and/or a description of the SMSB's processes implemented to identify, measure, monitor and control the SMSB's CVA risks, including policies for hedging CVA risk and the processes for monitoring the continuing effectiveness of hedges.	CVA risk is defined as the risk of losses arising from changing CVA values based on changes in counterparty credit spreads and market risk factors. PG, as a Category II SMSB, is subject to capital requirements for CVA. It calculates CVA risk for Over the Counter (OTC) derivatives exposures and measures the related capital requirement as equal to 100% of its counterparty credit risk. PG calculates its regulatory CVA based on CAR 2024, Chapter 7, standardized approach. Replacement costs and potential future exposures are calculated by counterparty and converted to exposures at default (EAD) by a standard multiplier. Replacement cost is the sum of OTC derivatives positive mark-to-market (MTM) and posted margin balances. Potential future exposure is the maximum expected market risk exposure to a portfolio of derivative transactions. The EAD are risk weighted according to the credit rating of the counterparties. PG actively manages its daily margin levels and its obligations with OTC derivatives counterparties to control the CVA risk.
(b)	Whether the bank is eligible and has chosen to set its capital requirement for CVA at 100% of the bank's capital requirement for counterparty credit risk as applicable under [CAR 2024, Chapter 8, paragraph 9].	PG's aggregate notional amount of its non-centrally cleared derivatives is less than OSFI's materiality threshold. As allowed by OSFI, PG chooses to set its CVA capital requirement equal to 100% of the institution's capital requirement for counterparty credit risk.

End of Document