Scotiabank (Ireland) Designated Activity Company

Pillar 3 Disclosures

As at 31st October 2024

Table of Contents

Index of tables

1 Introduction

1.1 Background

Scotiabank (Ireland) Designated Activity Company ("SIDAC" or the "Company"), is subject to Irish and European Union (EU) legislation which seeks to stabilise and strengthen the EU financial system by ensuring that institutions, including the Company, hold adequate capital and liquidity resources to meet the potential impact of the risks to which they are exposed. As part of this capital adequacy regime, institutions are required to publicly disclose specified information ("Pillar 3 disclosures") to enable market participants to understand how an institution implements the applicable legislation. This report represents the Company's Pillar 3 disclosures as at 31 October 2024 as required under the Capital Requirements Directive (Directive 2013/36/EU) ("CRD"), the Capital Requirements Regulation (Regulation (EU) No. 575/2013) ("CRR") and associated implementing legislation along with guidelines issued by the European Banking Authority ("EBA") as amended from time to time.

1.2 Policy and Scope of Disclosure (Article 431(3))

These Pillar 3 disclosures are prepared on an unconsolidated / individual basis. They are disclosed on an annual basis in line with the financial statements and are published on the Company's website at the following location: https://www.gbm.scotiabank.com/en/legal/ireland-policies-and-disclosures.html. The Company maintains a formal policy to comply with the disclosure requirements laid out in CRR and CRD including the assessment of the appropriateness of the disclosures, their verification, and the frequency on which the disclosures are made. Disclosures required under Pillar 3 are only incorporated if they are deemed relevant and material for the Company and if their omission would change or influence the assessment or decision of a user relying on the information. Information regarded as proprietary or confidential has been excluded from this document, as per Article 432 of the CRR.

The information provided in this document is not required to be subject to an external audit. These disclosures do not constitute any form of a Financial Statement and should not be relied upon in making any financial or investment decision. The disclosures have been checked for consistency with existing risk reports and appropriateness against the disclosure requirements and have been reviewed by authorised Senior Management representatives. The disclosures have been deemed adequate, both in terms of frequency and level of detail, to convey SIDAC's risk profile comprehensively to market participants.

These disclosures are prepared in line with Commission Implementing Regulation (EU) 2021/637 laying down implementing technical standards with regard to public disclosures by institutions of the information referred to in Titles II and III of Part Eight of the CRR. Any templates which have not been disclosed due to applicability are listed in Appendix 2 along with the reason.

1.3 Attestation by Member of Senior Management (Article 431(3))

"I confirm that SIDAC has made the disclosures required under Part Eight of CRR in accordance with its formal policies and internal processes, systems and controls".

Mark Allen (Chief Financial Officer)

The below template EU LI1 provides a mapping of financial statement categories under the regulatory scope of consolidation to regulatory risk categories, as at 31 October 2024. The Company's balance sheet prepared under both statutory and prudential scopes of consolidation are the same.

Table 1 – EU LI1 – Differences between the accounting scope and the scope of prudential consolidation and mapping of financial statement categories with regulatory risk categories (Article 436(c))

	31 Oct 2024						31 Oct 2023					
		Carrying values of items						Carrying values of items				
US$'000	Carrying values under scope of prudential consolidation	Subject to the credit risk framework	Subject to the CCR framework	Subject to the securitisation framework	[(1)] Subject to the market risk framework	Not subject to capital requirements or subject to deduction from capital	Carrying values under scope of prudential consolidation	Subject to the credit risk framework	Subject to the CCR framework	Subject to the securitisation framework	[(1)] Subject to the market risk framework	Not subject to capital requirements or subject to deduction from capital
Assets												
Cash and balances at central banks	542,682	542,682	-	-	-	-	2,158,122	2,158,122	-	-	-	-
Trading assets	2,399,233	-	-	-	2,399,233	-	415,043	-	-	-	415,043	-
Loans and advances to banks	31,058	31,058	-	-	-	-	10,135	10,135	-	-	-	-
Loans and advances to customers	2,645,686	2,645,686	-	-	-	-	2,181,360	2,113,048	-	68,312	-	-
Investment securities measured at FVOCI	1,873,122	1,873,122	-	-	-	-	2,001,717	2,001,717	-	-	-	-
Investment securities mandatorily measured at FVTPL	50,739	1,229	-	-	-	49,510	50,049	977	-	-	-	49,072
Reverse repurchase agreements and other similar secured lending	2,397,052	-	2,397,052	-	-	-	3,404,434	-	3,404,434	-	-	-
Derivative financial instruments	93,606	-	93,606	-	-	-	108,219	-	108,219	-	-	-
Tangible fixed assets	3,265	3,265	-	-	-	-	2,834	2,834	-	-	-	-
Deferred taxation assets	3,476	3,476	-	-	-	-	6,868	6,868	-	-	-	-
Other assets	21,918	18,085	-	-	-	3,833	112,017	109,942	-	2,075	-	-
Prepayments and accrued income	83,037	83,037	-	-	-	-	80,665	80,665	-	-	-	-
Right of-use assets	9,112	9,112					10,220	10,220				
Net retirement benefit asset	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	**10,153,986**	**5,210,752**	**2,490,658**	**-**	**2,399,233**	**53,343**	**10,541,683**	**6,494,528**	**3,512,653**	**70,387**	**415,043**	**49,072**
Liabilities												
Deposits by banks	4,353,233	-	-	-	-	4,353,233	3,413,293	-	-	-	-	3,413,293
Repurchase agreements and other similar secured borrowing	950,155	-	950,155	-	-	-	2,573,139	-	2,573,139	-	-	-
Customer accounts	33,694	-	-	-	-	33,694	32,935	-	-	-	-	32,935
Trading liabilities	1,607,436	-	-	-	1,607,436	-	1,615,240	-	-	-	1,615,240	-
Derivative financial instruments	32,115	-	-	-	-	32,115	52,129	-	-	-	-	52,129
Debt securities in issue	182,467	-	-	-	-	182,467	761,977	-	-	-	-	761,977
Current taxation liabilities	1,517	-	-	-	-	1,517	2,135	-	-	-	-	2,135
Accruals, deferred income	-	-	-	-	-	-	88,694	-	2,047	-	-	86,647
Net retirement benefit liabilities	887	-	-	-	-	887	222	-	-	-	-	222
Lease liabilities	10,181	-	-	-	-	10,181	10,911	-	-	-	-	10,911
Other liabilities	877,494	-	-	-	-	877,494	97,641	-	-	-	-	97,641
Total liabilities	**8,049,179**	**-**	**950,155**	**-**	**1,607,436**	**5,491,588**	**8,648,316**	**-**	**2,575,186**	**-**	**1,615,240**	**4,457,890**

The below template outlines the main sources of differences between the carrying value amounts in the financial statements under the regulatory scope of consolidation and the exposure amount used for regulatory purposes. These are:

- Off balance sheet items included as an exposure value for regulatory purposes;
- The netting effects of recognition of Global Master Repurchase Agreement (GMRA) agreements in the calculation of regulatory exposures amounts due to Securities Financing Transactions (SFT) (repurchase transactions);
- The following effects recognised in the calculation of Derivative exposure amounts:
  - The fundamental differences in the basis of the SA-CCR calculations vs. IFRS and the netting effects of recognition of ISDA agreements.
  - The inclusion of derivatives with negative fair value which have been recorded in balance sheet liabilities.

Table 2 – EU LI2 – Main sources of differences between regulatory exposure amounts and carrying values in financial statements (Article 436(d))

31 Oct 2024

			Items subject to			
	US$'000	Total	Credit risk framework	CCR framework	Securitisation framework	Market risk framework
1	Assets carrying value amount under the scope of prudential consolidation (as per template LI1)	**10,153,986**	**5,210,752**	**2,490,658**	**53,343**	**2,399,233**
2	Liabilities carrying value amount under the scope of prudential consolidation (as per template LI1)	**(2,557,591)**	**-**	**(950,155)**	**-**	**(1,607,436)**
3	Total net amount under the scope of prudential consolidation	**7,596,395**	**5,210,752**	**1,540,503**	**53,343**	**791,797**
4	Off-balance-sheet amounts	4,511,864	4,511,864	-	-	
5	*Differences in valuations*	-	-	-	-	
6	*Differences due to different netting rules, other than those already included in row 2*	(30,864)	-	(30,864)	-	
7	*Differences due to consideration of provisions*	(1,529)	(1,529)	-	-	
8	*Differences due to the use of credit risk mitigation techniques (CRMs)*	(1,103,511)	-	(1,103,511)	-	
9	*Differences due to credit conversion factors*	(2,111,817)	(2,111,817)	-	-	
10	*Differences due to Securitisation with risk transfer*	-	-	-	-	
11	*Other differences*	(28,771)	(28,771)	-	-	
12	**Exposure amounts considered for regulatory purposes**	**8,831,767**	**7,580,499**	**406,128**	**53,343**	**791,797**

31 Oct 2023

			Items subject to			
	US$'000	Total	Credit risk framework	CCR framework	Securitisation framework	Market risk framework
1	**Assets carrying value amount under the scope of prudential consolidation (as per template LI1)**	**10,492,611**	**6,494,528**	**3,512,653**	**70,387**	**415,043**
2	Liabilities carrying value amount under the scope of prudential consolidation (as per template LI1)	**(4,190,426)**	**-**	**(2,575,186)**	**-**	**(1,615,240)**
3	Total net amount under the scope of prudential consolidation	**6,302,185**	**6,494,528**	**937,467**	**70,387**	**(1,200,197)**
4	Off-balance-sheet amounts	3,450,780	3,450,780	-	-	
5	*Differences in valuations*	-	-	-	-	
6	*Differences due to different netting rules, other than those already included in row 2*	(30,734)	-	(30,734)	-	
7	*Differences due to consideration of provisions*	(468)	(468)	-	-	
8	*Differences due to the use of credit risk mitigation techniques (CRMs)*	(490,229)	-	(490,229)	-	
9	*Differences due to credit conversion factors*	(1,994,746)	(1,994,746)	-	-	
10	*Differences due to Securitisation with risk transfer*	-	-	-	-	
11	*Other differences*	527,983	527,983	-	-	
12	**Exposure amounts considered for regulatory purposes**	**7,764,771**	**8,478,077**	**416,504**	**70,387**	**(1.200,197)**

As noted above, the Company's balance sheet prepared for both statutory and regulatory scope of consolidation are the same. The below table includes a cross-reference to the corresponding rows in template EU CC1 to facilitate full reconciliation of accounting and regulatory own funds.

Table 3 – EU CC2 reconciliation of regulatory own funds to balance sheet in the audited financial statements (Article 437(a))

31 Oct 2024

US$'000		Balance sheet as in published financial statements and as per regulatory scope of consolidation	Reference
Assets - *Breakdown by asset classes according to the balance sheet in the published financial statements*			
1	Cash and balances at central banks	542,682	
2	Trading assets	2,399,233	
3	Loans and advances to banks	31,058	
4	Loans and advances to customers	2,645,686	
5	Investment securities measured at FVOCI	1,873,122	
6	Investment securities measured at amortised cost	-	
7	Investment securities mandatorily measured at FVTPL	50,739	
8	Reverse repurchase agreements and other similar secured lending	2,397,052	
9	Derivative financial instruments	93,606	
10	Tangible fixed assets	3,265	
11	Intangible assets	-	
11a	*Of which are deducted from Own funds*	-	
12	Deferred taxation assets	3,476	
13	Other assets	21,918	
14	Prepayments and accrued income	83,037	
15	Right-of-use assets	9,112	
	Net retirement benefit asset	-	
16	**Total assets**	**10,153,986**	
Liabilities - *Breakdown by liability classes according to the balance sheet in the published financial statements*			
17	Deposits by banks	4,353,233	
18	Repurchase agreements and other similar secured borrowing	950,155	
19	Customer accounts	33,694	
20	Trading liabilities	1,607,436	
21	Derivative financial instruments	32,115	
22	Debt securities in issue	182,467	
23	Current taxation liabilities	1,517	
24	Accruals, deferred income		
25	Net retirement benefit liabilities	887	
26	Lease liabilities	10,181	
27	Other liabilities	877,494	
28	**Total liabilities**	**8,049,179**	
Shareholders' Equity			
26	Called-up share capital	80,000	1
27	Capital contribution reserve	12,194	3
28	Retained earnings	2,029,598	2
29	Other reserves	(16,985)	3
30	**Total shareholders' equity**	**2,104,807**	

The following template provides a breakdown of the constituent elements of the Company's regulatory own funds including a cross reference to the corresponding rows in template EU CC2 to facilitate full reconciliation of accounting and regulatory own funds. Total capital increased by US$112mm while RWA increased by US$ 950 mm (↑ 20%). The combined effect of these movements was a decrease in total capital ratio of 4.33% to 33.79% as at 31 October 2024. Further information on the composition of and movement in RWA is provided in template EU OV1 on page 22.

Table 4 – EU CC1 - Composition of regulatory own funds (Article 437(a), (d), (e) & (f))

US$'000		31 Oct 2024	31 Oct 2023	Reference
	Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	Capital instruments and the related share premium accounts	80,000	80,000	26
	of which: Ordinary Shares	80,000	80,000	
2	Retained earnings	1,934,598	1,842,539	28
3	Accumulated other comprehensive income (and other reserves)	(4,791)	(29,172)	27,29
EU-3a	Funds for general banking risk		-	
4	Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1		-	
5	Minority interests (amount allowed in consolidated CET1)		-	
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend		-	
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**2,009,807**	**1,893,367**	
	Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	(6,056)	(4,239)	
8	Intangible assets (net of related tax liability) (negative amount)		(1)	11a
9	Not applicable in EU regulation			
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	-	-	
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	-	-	
12	Negative amounts resulting from the calculation of expected loss amounts	-	-	
13	Any increase in equity that results from securitised assets (negative amount)	-	-	
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-	-	
15	Defined-benefit pension fund assets (negative amount)	-	-	
16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)	-	-	
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-	
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-	
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-	
20	Not applicable in EU regulation			
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	(53,343)	(51,072)	
EU-20b	of which: qualifying holdings outside the financial sector (negative amount)	-	-	
EU-20c	of which: securitisation positions (negative amount)	(53,343)	(51,072)	
EU-20d	of which: free deliveries (negative amount)	-	-	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	-	-	
22	Amount exceeding the 17,65% threshold (negative amount)	-	-	
23	of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	-	-	
24	Not applicable in EU regulation	-	-	
25	of which: deferred tax assets arising from temporary differences	-	-	
EU-25a	Losses for the current financial year (negative amount)	-	-	

US$'000		31 Oct 2024	31 Oct 2023	Reference
EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	-	-	
26	Not applicable in EU regulation			
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	-	-	
27a	Other regulatory adjustments	-	-	
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	(59,399)	(55,312)	
29	**Common Equity Tier 1 (CET1) capital**	**1,950,408**	**1,838,055**	
	Additional Tier 1 (AT1) capital: instruments			
30	Capital instruments and the related share premium accounts	-	-	
31	of which: classified as equity under applicable accounting standards	-	-	
32	of which: classified as liabilities under applicable accounting standards	-	-	
33	Amount of qualifying items referred to in Article 484 (4) CRR and the related share premium accounts subject to phase out from AT1	-	-	
EU-33a	Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1	-	-	
EU-33b	Amount of qualifying items referred to in Article 494b(1) CRR subject to phase out from AT1	-	-	
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	-	-	
35	of which: instruments issued by subsidiaries subject to phase out	-	-	
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	**-**	**-**	
	Additional Tier 1 (AT1) capital: regulatory adjustments			
37	Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)	-	-	
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-	
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-	
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	-	
41	Not applicable in EU regulation	-	-	
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	-	-	
42a	Other regulatory adjustments to AT1 capital	-	-	
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**	**-**	**-**	
44	**Additional Tier 1 (AT1) capital**	**-**	**-**	
45	**Tier 1 capital (T1 = CET1 + AT1)**	**1,950,408**	**1,838,055**	
	Tier 2 (T2) capital: instruments			
46	Capital instruments and the related share premium accounts	-	-	
47	Amount of qualifying items referred to in Article 484(5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR	-	-	
EU-47a	Amount of qualifying items referred to in Article 494a(2) CRR subject to phase out from T2	-	-	
EU-47b	Amount of qualifying items referred to in Article 494b(2) CRR subject to phase out from T2	-	-	
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	-	-	
49	of which: instruments issued by subsidiaries subject to phase out	-	-	
50	Credit risk adjustments	-	-	
51	**Tier 2 (T2) capital before regulatory adjustments**	**-**	**-**	
	Tier 2 (T2) capital: regulatory adjustments			
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)	-	-	

US$'000		31 Oct 2024	31 Oct 2023	Reference
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-	
54	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-	
54a	Not applicable in EU regulation			
55	Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	-	
56	Not applicable in EU regulation			
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	-	-	
EU-56b	Other regulatory adjustments to T2 capital	**-**	**-**	
57	**Total regulatory adjustments to Tier 2 (T2) capital**	**-**	**-**	
58	**Tier 2 (T2) capital**	**-**	**-**	
59	**Total capital (TC = T1 + T2)**	**1,950,408**	**1,838,055**	
60	**Total Risk exposure amount**	**5,772,453**	**4,822,323**	
	Capital ratios and requirements including buffers			
61	Common Equity Tier 1 capital	33.79%	38.12%	
62	Tier 1 capital	33.79%	38.12%	
63	Total capital	33.79%	38.12%	
64	Institution CET1 overall capital requirements	18.22%	14.55%	
65	of which: capital conservation buffer requirement	2.50%	2.50%	
66	of which: countercyclical capital buffer requirement	0.72%	0.65%	
67	of which: systemic risk buffer requirement	-	-	
EU-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement	-	-	
EU-67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	7.00%	6.90%	
68	**Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements**	18.79%	26.72%	
	National minima (if different from Basel III)			
69	Not applicable in EU regulation			
70	Not applicable in EU regulation			
71	Not applicable in EU regulation			
	Amounts below the thresholds for deduction (before risk weighting)			
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)			
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	-	-	
74	Not applicable in EU regulation			
75	Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	-	-	
	Applicable caps on the inclusion of provisions in Tier 2			
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	-	-	
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	-	-	
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	-	-	
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	-	-	
	Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements	-	-	

US$'000		31 Oct 2024	31 Oct 2023	Reference
81	Amount 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	Amount 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	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	-	

Retained earnings in row 2 includes the Company's profit for the year.

1.4 Business Overview

The Company holds a banking licence granted by the Central Bank of Ireland ("CBI"). The Company is incorporated in Ireland and is a wholly owned subsidiary of BNS International (Bahamas) Limited ("BNSI"), which is in turn wholly owned by The Bank of Nova Scotia, Toronto, Canada ("BNS" or "the Bank" operating as "Scotiabank"). The Company is part of the Global Banking and Markets division of Scotiabank.

The primary business of the Company is Corporate Banking and Capital Markets. The Company markets and sells a range of banking products with its target market being large and mid-sized corporates as well as banks, governments, supranational organisations, sponsor led companies and asset managers. This activity is supported by the Company's Treasury team, who prudently manage liquidity exposures and asset and liability mismatches arising from operating activities.

Corporate Banking

The Company's Corporate Banking business unit provides origination and execution for European Economic Area (EEA) customers. The Corporate Banking strategy, focused on managing EEA relationships, is to increase its relevance to existing corporate clients and selectively grow its client base in core sectors.

The extension of credit and trade finance related products to the Company's corporate clients is a significant contributor to revenue generation. The corporate loan portfolio comprises of revolving and non-revolving credit facilities, primarily to investment grade equivalent borrowers. Lending is largely in the form of syndicated or bilateral loans. The objective of the loan portfolio is to generate sustainable interest income and grow ancillary revenues, while maintaining a capital preservation ethos.

Corporate banking clients include European subsidiaries of large North American parent companies, infrastructure projects in targeted industry sectors and transactions led by European or North American sponsors. Opportunities are evaluated by considering the return on a relationship basis, which includes lending revenues and wider returns generated across other Scotiabank entities.

Capital Markets

Capital Markets business lines comprise Fixed Income & Currencies (FIC) and Equities.

The FIC business is an expansion of Scotiabank's Global FIC business and is focused on the origination, trading and distribution of fixed income debt products.

FIC supports the distribution of Americas products including cash bonds, derivatives and foreign exchange to the European client base. The Fixed Income business also undertakes collateral management and secured funding operations for the Company.

A suite of Prime Services products is provided in conjunction with Scotiabank Group to global asset managers, with a focus on Canadian and US institutions. A range of cash and synthetic equity products is used to leverage the Company's balance sheet, generate inventory to fulfil client demand and manage collateral.

Treasury Management

Treasury is responsible for managing the Company's liquidity and funding, ensuring ongoing regulatory compliance. The team manages a liquidity portfolio consisting of high credit quality bonds issued by sovereigns, supra-nationals, agencies, financial institutions and high-grade corporates.

Business Results and Key Performance Indicators:

The Company recorded a profit for the year ended 31 October 2024 of US$188mm[1]. This was an increase of 62.8% from the previous year. The main reason for this was a decrease in funding costs over the financial year, together with increased corporate banking and investment securities revenues.

Total assets decreased by US$ 388m compared to the prior year. This was primarily driven by a decrease in deposits placed with the CBI of US$1.6bn and from a reduction in reverse repurchase agreement balances of US$1.0bn due to greater utilisation of balance sheet netting. These were largely offset by an increase in equity inventory of US$1.9bn.

Key Performance Indicators (KPIs) are:

KPI	2024	2023
Return on Regulatory Capital Employed	**13.1%**	7.7%
Return on Equity	**9.5%**	6.4%
Productivity Ratio	**18.2%**	23.2%
Net Interest Margin	**4.3%**	2.9%

1.5 Future Developments

Business Growth

Given the nature of the Company's business, it closely monitors the macro-economic and geopolitical landscape. The geopolitical environment continues to be fragile as a result of conflicts in Ukraine and the Middle East as well as global trade disruptions arising from recent US political leadership changes. There is uncertainty around the nature and timing of resolution around these risks and the Company has developed its Strategy Plan to be able to adapt in response to challenges or opportunities which may arise.

Notwithstanding the ongoing uncertainty, the Company anticipates asset levels to increase through the continued expansion of Capital Markets business. The Company's corporate loan portfolio is also expected to increase in size, with activity in the Company's investment portfolios to increase due to growth in the balance sheet and the necessity to hold liquid assets to manage regulatory liquidity ratios.

The Company is within scope of the Organization for Economic Cooperation and Development (OECD) Pillar Two legislation and will become effective for the Company from 1 November 2024.

Climate Risk

The EBA have published tables, templates and associated instructions that certain large institutions (which have issued securities that are admitted to trading on a regulated market of any Member State) must use in order to disclose relevant qualitative information on Environmental, Social and Governance ("ESG") risks, and quantitative information on climate-change-related risks, including transition and physical risks and mitigating actions, in accordance with Article 449a CRR.

Disclosure of this information by large institutions began as of the 31 December 2022 disclosure reference date with the scope expanded to all banks on the implementation of CRR 3 which will apply from 1 January 2025.

Future revisions to CRR

[1] On 16 January 2025, the Board of Directors proposed a final dividend of US$95m in respect of the 2024 financial year which has been recognised as a reduction to CET1 as at 31 October 2024.

A revision to the CRR (CRD 6 / CRR 3), implementing the final Basel reforms (Basel IV), takes effect on 1 January 2025. The key changes for the Company are:

- *Credit Risk:* Revision to the standardised approach for credit risk to increase risk sensitivity in relation to several key aspects such as off-balance sheet commitments.
- *Operational Risk:* All existing approaches for the calculation of the own funds requirements for operational risk are replaced by a single non-model-based approach to be used by all institutions, which combines an indicator based on an institution's business size with an indicator based on loss history.
- *Market Risk*: Introduced initially as a reporting-only requirement in 2021, the legislative changes that will require banks to meet their capital requirements under the new Fundamental Review of the Trading Book ("FRTB") rules is included in CRR3.[2]

The EBA have published amended and new tables, templates and associated instructions to implement CRR 3 changes to Pillar 3 disclosure requirements which the Company will be required to disclose as of the 31 October 2025 disclosure reference date.

Future revisions to Pillar 3 Disclosures

In October 2024, EBA launched a consultation on the Pillar 3 data hub ("P3DH"), which will centralise prudential disclosures by institutions through a single electronic access point on the EBA website. The P3DH will apply from 30 June 2025 so that the Company will be required to first disclose on the P3DH as of the 31 October 2025 disclosure reference date with the EBA expectation to receive Year-End Pillar 3 reports by "reference date + 6 months", with the exception of the remuneration policies information that would be expected by the end of "reference date + 8 months".

2 Capital Adequacy

2.1 Capital Management (Article 438(a),(c))

The Company has complied with all externally imposed capital requirements throughout the year. There have been no material changes in the Company's management of capital during the year.

The Company recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position. This is achieved through the Internal Capital Adequacy Assessment Process ("ICAAP") which is subject to periodic review and evaluation by the Central Bank of Ireland ("CBI") as part of their Supervisory Review and Evaluation Process ("SREP").

The overarching principle of the ICAAP is the explicit linkage between capital and risk; the adequacy of the Company's capital is assessed on the basis of the risks to which it is exposed. This requires a clear assessment of the material risk profile of the Company and a consideration of the extent to which identified risks, both individually and in aggregate, require capital to support them. Banking operations are categorised as either trading book or banking book which informs the capital to be held against the products. In addition, the level of capital held by the Company is influenced by minimum regulatory requirements.

The Company uses two measures for determining capital requirements in the decision-making process: Minimum regulatory capital requirements (Pillar 1) and Internal capital requirement (Pillar 2). In addition, Pillar 2 Guidance ("P2G") is applied to the Company by the CBI. P2G is a supervisory tool used to set capital expectations at a level above that of overall capital requirements and is informed by the SREP process. It is an assessment of the adequacy of an institution's own funds in stressed conditions. While not an own funds requirement, failure to meet P2G could result in institution-specific supervisory measures.

[2] European Commission adopted a delegated act in July 2024 that postpones the application of FRTB by 1 year i.e. until 1 January 2026 and confirmed that until then, existing market risk capital calculations, reporting and disclosure requirements will continue to apply until then.

2.2 Minimum Regulatory Capital Requirement (Pillar 1)

As regards regulatory capital requirements and capital adequacy, the Company is subject to the requirements of the CBI, EBA and the provisions under CRD IV/CRR II. The Company's capital adequacy is assessed by comparing available regulatory capital resources with capital requirements expressed as a percentage of risk weighted assets or equivalent. The regulatory minimum ratios (Pillar 1) are as follows: CET 1 of 4.5%, Tier 1 Capital of 6% and a Total Capital ratio of 8%. In addition, the Company is required to maintain a Capital Conservation Buffer comprising CET 1 eligible instruments of 2.5% of risk weighted assets and also an institution-specific Countercyclical Buffer ("CCyB") of CET 1 calculated as risk weighted assets multiplied by a weighted average of CCyB rates determined by the geographic distribution of the Company's exposures. As at 31 October 2024 the CCyB stood at 0.72%, equivalent to US$41.7mm (October 2023: 0.65% equivalent to US$ 31.5mm). Refer to templates EU CCyB1 and EU CCyB2 on the following pages for the detailed calculation of the CCyB.

Credit risk

The Company uses the Standardised Approach for calculating capital requirements for credit risk. This approach involves the application of risk weights to the Company's assets based on the deemed creditworthiness of its debtors and the rules as laid out in the CRR. More detail is provided in the credit risk section.

The Company calculates counterparty credit risk ("CCR") for Derivatives (using the Standardised Approach - SA-CCR) and SFTs (using the Supervisory Volatility Adjustments Approach for master netting agreements). In addition, banks are required to hold capital against the risk that the credit quality of the counterparties could deteriorate. A Credit Valuation Adjustment ("CVA") capital charge is required to cover this risk.

Market risk

The Company applies the Standardised Approach for the calculation of market risk regulatory capital.

Operational risk

The capital requirement for operational risk is calculated according to the Basic Indicator Approach. This requires the Company to hold a capital amount equal to 15% of the average of the sum of net interest income and net non-interest income for the three preceding 12-month financial periods for which audited financial information is available.

2.3 Internal Capital Adequacy Assessment Process (Pillar 2)

The Company defines its internal capital requirement as the capital required to protect it against severe unexpected losses that might put the solvency of the Company at risk. CRD requires banks to undertake the ICAAP which is then subject to periodic supervisory review and evaluation under the SREP process to determine if additional Pillar 2 capital is required for any material risk. In addition to Pillar 1 capital the Company holds Pillar 2 capital, as considered necessary, for those additional risks not captured in the Pillar 1 computation. The risks identified through the latest ICAAP process as requiring additional capital as at 31 October 2023[3] were Counterparty Credit Risk (Incl. CVA), credit concentration risk, interest rate risk in the banking book, market risk, credit spread volatility risk, pension risk, business risk and operational risk. As at 31 October 2024 the Company was required to maintain a Pillar 2 capital requirement of 7.0% of RWA (2023: 6.9%). As at 31 October 2024, in terms of the Total Capital ratio the Company has an Overall Capital Requirement ("OCR") of 18.22% (2023: 18.05%) . This comprises the above Pillar 1 requirement of 8% (2023: 8%), capital buffers totalling 3.22% (2023: 3.15%) and the Pillar 2 requirement of 7.0% (2023: 6.9%).

[3] Any new principal risks identified as part of the Company's risk management process will be assessed for additional capital requirements as part of ICAAP for 31 October 2024 which is currently being prepared

Table 5 – EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer (Article 440(1)(a))

31 Oct 2024	General Credit Exposures		Relevant Credit Exposures – Market Risk		Securitisation Exposures		Own Funds requirements						
US$'000	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book	Value of trading book exposures	Exposure value for non-trading book	Total exposure value	Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total	Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
Breakdown by country:													
Belgium	25,330	-	-	-	-	25,330	2,026	-	-	2,026	25,330	0.50%	-
Finland	19,044	-	-	-	-	19,044	1,523	-	-	1,523	19,044	0.37%	-
France	902,676	-	-	-	-	902,676	44,971	-	-	44,971	562,134	11.01%	1.00%
Germany	788,071	-	-	-	-	788,071	57,119	-	-	57,119	713,989	14.16%	0.75%
Ireland	235,686	-	-	-	-	235,686	18,855	-	-	18,855	235,684	4.61%	1.00%
Hungary	11		-	-		11	1	-	-	1	11	0.00%	0.50%
Italy	288,801	-	-	-	-	288,801	23,104	-	-	23,104	288,801	5.65%	-
Luxembourg	743,495	-	-	-	-	743,495	59,480	-	-	59,480	743,495	14.57%	0.50%
Netherlands	449,433	-	-	-	-	449,433	31,905	-	-	31,905	398,808	7.81%	1.00%
Norway	63,926	-	-	-	-	63,926	511	-	-	511	6,393	0.13%	2.50%
Spain	516,917	-	-	-	-	516,917	41,099	-	-	41,099	513,744	10.12%	-
Sweden	116,104	-	-		-	116,104	6,350	-	-	6,350	79,376	1.55%	2.00%
Switzerland	40,832	-	-	-	-	40,832	3,267	-	-	3,267	40,832	0.80%	-
United Kingdom	365,905	-	2,328	-	-	368,233	29,272	186	-	29,458	368,233	7.21%	2.00%
United States	262,360	-	-	-	-	262,360	20,989	-	-	20,989	262,360	8.60%	-
Bahamas	7,858	-	-	-	-	7,858	629	-	-	629	7,858	0.15%	-
Bermuda	83,890	-	-	-	-	83,890	6,711	-	-	6,711	83,890	1.64%	-
Canada	47,053	-	-	-	-	47,053	3,764	-	-	3,764	47,053	0.92%	-
Cayman	250,312	-	-	-	-	250,312	20,066	-	-	20,066	250,828	4.91%	-
Chile	-	-	-	-	-	-	-	-	-	-	-	0.00%	-
Guernsey	270,376	-	-	-	-	270,376	20,531	-	-	20,531	256,636	5.29%	-
Peru		-	-	-	-		-	-	-	-		0.00%	-
Total	**5,478,080**	**-**	**2,328**	**-**	**-**	**5,480,408**	**392,173**	**186**	**-**	**392,359**	**4,904,499**	**100.00%**	

The absolute increase in the CCyB was due to increase in relevant credit exposures in France, Germany, Luxembourg and Sweden during the year.

31 Oct 2023	General Credit Exposures		Relevant Credit Exposures – Market Risk		Securitisation Exposures		Own Funds requirements						
US$'000	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book	Value of trading book exposures	Exposure value for non-trading book	Total exposure value	Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total	Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
Breakdown by country:													
Belgium	32,940	-	-	-	-	32,940	2,635	-	-	2,635	32,940	0.78%	-
Finland	18,583	-	-	-	-	18,583	1,487	-	-	1,487	18,583	0.44%	-
France	846,571	-	-	-	-	846,571	46,322	-	-	46,322	579,021	13.71%	0.50%
Germany	695,321	-	-	-	-	695,321	51,532	-	-	51,532	644,154	15.25%	0.75%
Ireland	138,735	-	201	-	-	138,936	11,099	16	-	11,115	138,933	3.29%	0.50%
Hungary	11		-	-		11	1			1	11	0.00%	0.50%
Italy	150,169	-	-	-	-	150,169	12,014	-	-	12,014	150,169	3.56%	-
Luxembourg	638,781	-	-	-	68,383	707,164	51,102	-	1,095	52,197	652,457	15.45%	0.50%
Netherlands	600,233	-	-	-	-	600,233	41,866	-	-	41,866	523,326	12.39%	1.00%
Norway	42,138	-	-	-	-	42,138	337	-	-	337	4,215	0.10%	2.50%
Spain	217,511	-	-	-	-	217,511	17,401	-	-	17,401	217,511	5.15%	-
Switzerland	39,846	-	275	-	-	40,121	3,188	22	-	3,210	40,121	0.95%	-
United Kingdom	526,447	-	2,900	-	-	529,347	42,116	232	-	42,348	529,347	12.53%	2.00%
United States	293,363	-	-	-	-	293,363	23,469	-	-	23,469	293,363	6.95%	-
Bahamas	7,661	-	-	-	-	7,661	613	-	-	613	7,661	0.18%	-
Bermuda	87,029	-	-	-	-	87,029	6,962	-	-	6,962	87,029	2.06%	-
Canada	10,850	-	443	-	-	11,293	868	35	-	903	11,293	0.27%	-
Cayman	252,907	-	-	-	-	252,907	20,274	-	-	20,274	253,425	6.00%	-
Chile	-	-	952	-	-	952	-	76	-	76	952	0.00%	-
Guernsey	39,405	-	-	-	-	39,405	3,152	-	-	3,152	39,405	0.94%	-
Peru	3	-	-	-	-	3	-	-	-	-	3	0.00%	-
Total	**4,638,504**	**-**	**4,771**	**-**	**68,383**	**4,711,658**	**336,438**	**381**	**1,095**	**337,914**	**4,223,919**	**100.00%**	

Table 6 – EU CCyB2 - Amount of institution-specific countercyclical capital buffer (Article 440(1)(b))

US$'000	**31 Oct 2024**	**31 Oct 2023**
Total risk exposure amount	5,772,453	4,822,323
Institution specific countercyclical capital buffer rate	0.72%	0.65%
Institution specific countercyclical capital buffer requirement	**41,716**	**31,528**

Overview of total risk exposure amounts

The table below provides an overview of the total risk exposure amounts ("TREA") forming the denominator of capital ratio calculation in accordance with Article 92 of the CRR. TREA is reported as at 31 October 2024 and comparable along with total own funds requirements for 31 October 2023 (8% of TREA).

Table 7 – EU OV1 – Overview of total risk exposure amounts (Article 438(d))

US$'000		Total risk exposure amounts (TREA)		Total own funds requirements
		31 Oct 2024	31 Oct 2023	31 Oct 2024
1	Credit risk (excluding CCR)	5,104,829	4,411,437	408,386
2	Of which the standardised approach	5,104,829	4,411,437	408,386
3	Of which the Foundation IRB (F-IRB) approach		-	-
4	Of which slotting approach		-	-
EU 4a	Of which equities under the simple risk weighted approach		-	-
5	Of which the Advanced IRB (A-IRB) approach		-	-
6	Counterparty credit risk - CCR	90,515	89,219	7,241
7	Of which the standardised approach	16,883	33,233	1,350
8	Of which internal model method (IMM)		-	-
EU 8a	Of which exposures to a CCP	2,398	1,043	192
EU 8b	Of which credit valuation adjustment - CVA	19,301	15,835	1,544
9	Of which other CCR	51,933	39,108	4,155
15	Settlement risk	-	-	-
16	Securitisation exposures in the non-trading book (after the cap)	-	13,677	-
17	Of which SEC-IRBA approach	-	-	-
18	Of which SEC-ERBA (including IAA)	-	13,677	-
19	Of which SEC-SA approach	-	-	-
EU 19a	Of which 1250% / deduction	-	-	-
20	Position, foreign exchange and commodities risks (Market risk)	241,652	102,176	19,332
21	Of which the standardised approach	241,652	102,176	19,332
22	Of which IMA	-	-	-
EU 22a	Large exposures	-	-	-
23	Operational risk	335,457	205,814	26,837
EU 23a	Of which basic indicator approach	335,457	205,814	26,837
EU 23b	Of which standardised approach	-	-	-
EU 23c	Of which advanced measurement approach	-	-	-
24	Amounts below the thresholds for deduction (subject to 250% risk weight)	-	-	-
29	**Total**	**5,772,453**	**4,822,323**	**461,796**

Note that row 19a is a memo item on template OV1 and is not included in the totals on row 29

The main driver of the increase in RWA was an increase in credit risk, due to increased corporate lending exposures.

The following table provides a summary of the Company's main prudential and regulatory information and ratios, including Pillar 2 requirements, covered by the CRR.

Table 8 – EU KM1 - Key metrics template (Article 447)

US$'000		31 Oct 2024	31 Oct 2023
	Available own funds (amounts)		
1	Common Equity Tier 1 (CET1) capital	1,950,408	1,838,055
2	Tier 1 capital	1,950,408	1,838.055
3	Total capital	1,950,408	1,838,055
	Risk-weighted exposure amounts		
4	Total risk exposure amount	5,772,453	4,822,323
	Capital ratios (as a percentage of risk-weighted exposure amount)		
5	Common Equity Tier 1 ratio (%)	33.79%	38.12%
6	Tier 1 ratio (%)	33.79%	38.12%
7	Total capital ratio (%)	33.79%	38.12%
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)		
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	7.00%	6.90%
EU 7b	of which: to be made up of CET1 capital (percentage points)	3.94%	6.90%
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	5.25%	6.90%
EU 7d	Total SREP own funds requirements (%)	15.00%	14.90%
	Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)		
8	Capital conservation buffer (%)	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	-	-
9	Institution specific countercyclical capital buffer (%)	0.72%	0.65%
EU 9a	Systemic risk buffer (%)	-	-
10	Global Systemically Important Institution buffer (%)	-	-
EU 10a	Other Systemically Important Institution buffer (%)	-	-
11	Combined buffer requirement (%)	3.22%	3.15%
EU 11a	Overall capital requirements (%)	18.22%	18.05%
12	CET1 available after meeting the total SREP own funds requirements (%)	18.79%	23.22%
	Leverage ratio		
13	Total exposure measure	12,518,569	12,674,814
14	Leverage ratio (%)	15.58%	14.50%
	Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)		
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	-	-
EU 14b	of which: to be made up of CET1 capital (percentage points)	-	-
EU 14c	Total SREP leverage ratio requirements (%)	3.00%	3.00%
	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)		
EU 14d	Leverage ratio buffer requirement (%)	-	-
EU 14e	Overall leverage ratio requirement (%)	3.00%	3.00%
	Liquidity Coverage Ratio		
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	2,882,741	2,766,668
EU 16a	Cash outflows - Total weighted value	2,179,497	2,274,822
EU 16b	Cash inflows - Total weighted value	659,509	949,941
EU 16	Total net cash outflows (adjusted value)	1,519,988	1,378,954
17	Liquidity coverage ratio (%)	194.44%	203.75%
	Net Stable Funding Ratio		
18	Total available stable funding	4,768,220	3,275,044
19	Total required stable funding	4,044,466	2,308,267
20	NSFR ratio (%)	117.89%	141.88%

2.4 Leverage Ratio

The leverage ratio is a supplementary non-risk based capital measure to constrain the build-up of leverage (i.e. create a backstop on the degree to which a banking firm can leverage its capital base). It is calculated as a percentage of Tier 1 capital versus the total on and off-balance sheet exposure (not risk weighted).

The following tables analyse the leverage ratio exposures of the Company for the year end 31 October 2024 and comparable to 2023 in accordance with Article 429 of the CRR.

Table 9 – EU LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures (Article 451(1)(b))

US$'000		31 Oct 2024	31 Oct 2023
1	**Total assets as per published financial statements**	**10,153,986**	**10,541,683**
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	-	-
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	-	-
4	(Adjustment for temporary exemption of exposures to central banks (if applicable))	-	-
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) CRR)	-	-
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	-	-
7	Adjustment for eligible cash pooling transactions	-	-
8	Adjustment for derivative financial instruments	75,618	77,864
9	Adjustment for securities financing transactions (SFTs)	(61,637)	117,300
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	2,384,768	2,152,865
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	(6,056)	(4,239)
EU-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-	-
EU-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)	-	-
12	Other adjustments	(28,110)	(210,659)
13	**Total exposure measure**	12,518,569	12,674,814

Table 10 – EU LR2 - LRCom: Leverage ratio common disclosure (Article 451(1)(a) & (b))

US$'000		31 Oct 2024	31 Oct 2023
	On-balance sheet exposures (excluding derivatives and SFTs)		
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	7,670,776	6,869,443
2	Gross-up for derivatives collateral provided, where deducted from the balance sheet assets pursuant to the applicable accounting framework		
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)		
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)		
5	(General credit risk adjustments to on-balance sheet items)		
6	(Asset amounts deducted in determining Tier 1 capital)	(59,399)	(55,311)
7	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	7,611,377	6,814,132
	Derivative exposures		
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	3,306	2,052
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	-	-

US$'000		31 Oct 2024	31 Oct 2023
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	166,348	184,031
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	-	-
EU-9b	Exposure determined under Original Exposure Method	-	-
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	-	-
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	-	-
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (Original Exposure Method)	-	-
11	Adjusted effective notional amount of written credit derivatives	-	-
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
13	**Total derivatives exposures**	169,654	186,083
	Securities financing transaction (SFT) exposures		
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	7,379,089	3,879,249
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(5,094,383)	(451,510)
16	Counterparty credit risk exposure for SFT assets	52,782	93,995
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR	-	-
17	Agent transaction exposures	-	-
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)	-	-
18	**Total securities financing transaction exposures**	2,337,488	3,521,734
	Other off-balance sheet exposures		
19	Off-balance sheet exposures at gross notional amount	4,511,865	4,147,611
20	(Adjustments for conversion to credit equivalent amounts)	(2,111,817)	(1,994,746)
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)	-	-
22	**Off-balance sheet exposures**	2,400,048	2,152,865
	Excluded exposures		
EU-22a	(Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-	-
EU-22b	(Exposures exempted in accordance with point (j) of Article 429a(1) CRR (on and off balance sheet))	-	-
EU-22c	(Excluded exposures of public development banks (or units) - Public sector investments)	-	-
EU-22d	(Excluded exposures of public development banks (or units) - Promotional loans)	-	-
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units))	-	-
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)	-	-
EU-22g	(Excluded excess collateral deposited at triparty agents)	-	-
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)	-	-
EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)	-	-
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)	-	-
EU-22k	**(Total exempted exposures)**	**-**	**-**
	Capital and total exposure measure		
23	**Tier 1 capital**	1,950,408	1,838,055
24	**Total exposure measure**	12,518,569	12,674,814
	Leverage ratio		
25	Leverage ratio (%)	15.58%	14.50%
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	15.58%	14.50%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	15.58%	14.50%
26	Regulatory minimum leverage ratio requirement (%)	3.00%	3.00%
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)	-	-
EU-26b	of which: to be made up of CET1 capital	-	-
27	Leverage ratio buffer requirement (%)	-	-
EU-27a	Overall leverage ratio requirement (%)	3.00%	3.00%

US$'000		31 Oct 2024	31 Oct 2023
	Choice on transitional arrangements and relevant exposures		
EU-27b	Choice on transitional arrangements for the definition of the capital measure	N/A	N/A
	Disclosure of mean values		
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	N/A	N/A
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	N/A	N/A
30	Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	N/A	N/A
30a	Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	N/A	N/A
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	N/A	N/A
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	N/A	N/A

Table 11 – EU LR3 - LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures) (Article 451(1)(b))

		CRR leverage ratio exposures	
US$'000		**31 Oct 2024**	**31 Oct 2023**
EU-1	**Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:**	**7,670,776**	6,869,443
EU-2	Trading book exposures	2,414,209	415,975
EU-3	Banking book exposures, of which:	5,256,567	6,453,468
EU-4	Covered bonds	444,188	329,358
EU-5	Exposures treated as sovereigns	1,293,684	3,165,919
EU-6	Exposures to regional governments, MDB, international organisations and PSE, not treated as sovereigns	128,096	82,455
EU-7	Institutions	626,592	594,559
EU-8	Secured by mortgages of immovable properties	-	-
EU-9	Retail exposures	-	-
EU-10	Corporates	2,674,097	2,143,214
EU-11	Exposures in default	-	-
EU-12	Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)	89,910	137,963

The leverage ratio increased by 1.08% to 15.58% at 31 October 2024 (see template EU LR2 above). Tier 1 capital increased by US$ 112mm as noted above while the leverage exposure measure decreased by US$157mm (1%). The main driver of the decrease in the exposure measure was a decrease in SFT and central government exposures offset by an increase in Trading book exposures noted above, as well as an increase in off-balance sheet exposures.

The Company manages the risk of excessive leverage through the use of a risk appetite metric, as outlined in table 1 in section 3.2 below, which is presented monthly to the Asset, Liability and Market Risk Committee (“ALCO”) and quarterly to the Board Risk Committee.

3 Risk Management

Introduction

The Company's financial risk management objective is the prudent management of risk within the parameters of the risk appetite articulated by the Board of Directors ("the Board"), ensuring an appropriate balance between risk and reward in order to maximise shareholder returns in alignment with the Company's overall business strategy. The Company has implemented a risk management framework, which is modelled significantly on that of Scotiabank and is captured in a Board approved document of that name. The Framework document is the key source of information for the Board, Senior Management, and all other employees of the Company that:

- Outlines the risk governance, risk management principles, risk culture, risk management tools and other key elements of its risk management framework;
- Describes how the Company identifies, assesses, measures, manages and controls and reports on the risks to which the Company is exposed;
- Serves as an over-arching framework for all elements of risk management activities, and a source document to which all other risk management frameworks and policies must be aligned.

This Framework is subject to regular evaluation to ensure that it meets the challenges and requirements of the global markets in which the Company operates, including regulatory standards and industry best practices as well as standards set by BNS.

The Company has put in place a disciplined and constructive control environment in which all employees understand their roles and obligations. The application of the control environment is through training, management standards and procedures. In the view of the Board the Risk Management Framework is appropriate to the size and scale of operations of the Company and is effective in controlling these operations within the expressed risk appetite.

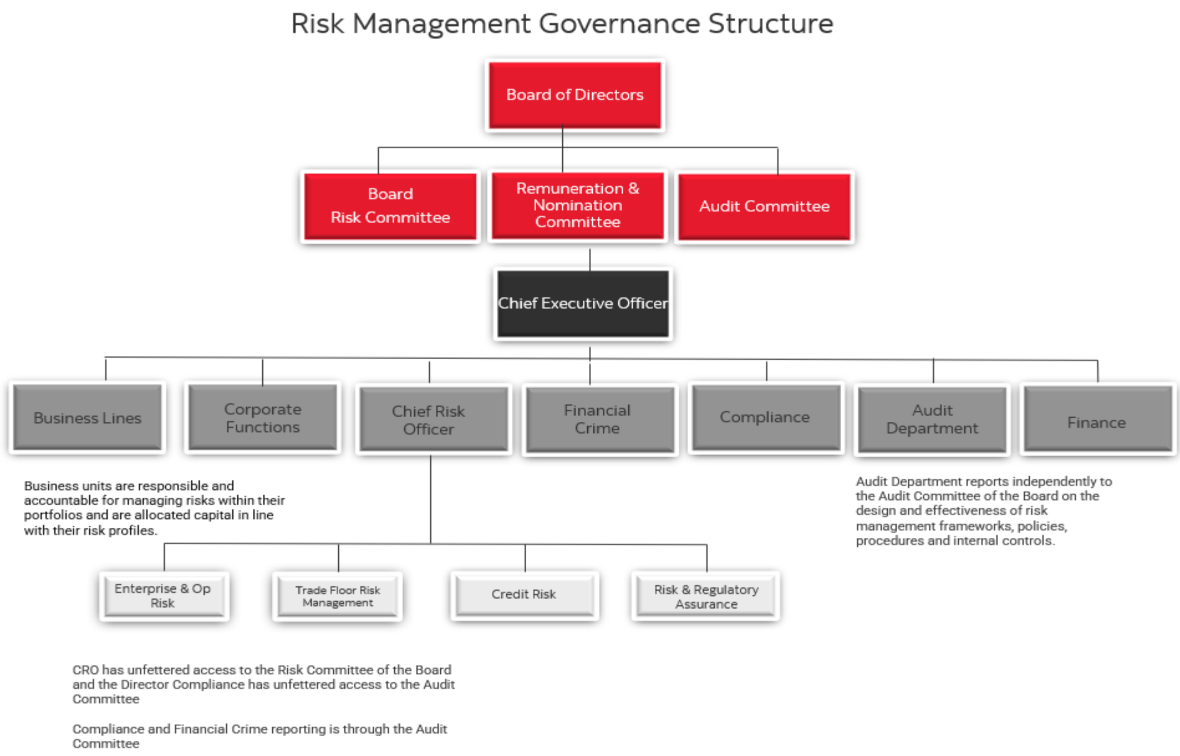
3.1 Risk Governance

The main elements of the Company's risk governance model include:

- The Board of Directors
- Board Committees
- Senior Management

SIDAC's risk management framework is predicated on the three-lines-of-defence model. Within this model, the First Line of Defence incur and own the risks and executes internal controls (1A, supported by 1B/Internal Control) while the Second Line of Defence (comprised of control functions such as Risk Management, Compliance and Finance[4]) provide independent oversight and objective challenge to the First Line of Defence, as well as monitoring and control of risk. The Internal Audit Department (the Third Line of Defence) provides enterprise-wide independent assurance over the design and operation of SIDAC's internal control, risk management and governance processes throughout the first and second lines of defence. Employees in every area of the organization are responsible for risk management.

[4] *Finance conducts both first and second line of defence activities within SIDAC.*



3.1.1 The Board of Directors

The Board's membership reflects the required expertise and skill sets appropriate for Directors supervising the management of the business and affairs of the Company. They demonstrate sound and independent business judgement, based on the criteria detailed below.

The Board of Directors (the "Board"), as the top of SIDAC's risk management governance structure, provides oversight, either directly or through its committees, to satisfy itself that decision making is aligned with the Company's strategies and risk appetite.

The Board reviews and approves SIDAC policies designed to help mitigate the risks faced by the business and sets limits to control the level of exposure to these risks. Policies are reviewed regularly to reflect changes in market conditions, regulatory requirements, business activities or product mix.

The Board has ultimate responsibility for ensuring that Senior Management establishes and maintains:

- An adequate and effective system of internal control;
- A measurement system for assessing the various risks of the Company's activities;
- A system for relating risks to the capital level; and
- Appropriate methods for monitoring compliance with laws, regulations and supervisory and internal policies.

3.1.2 Nomination and Directorship

Management Body

The Board has a broad range of expertise across a number of relevant areas including banking and capital markets, accounting, risk management, and taxation. At 31 October 2024, the Board comprised eight directors made up of one Executive Director, one Non-Group Non-Executive Director, two Group Non–Executive Directors and four Independent Non-Executive Directors as shown below. The Corporate Governance structure is documented in a policy paper which is approved by the Board.

Table 12 – 2024 Members of the Board of Directors

Name	Roles/Job Titles	Board Member	Member of Sub-Committee of the Board
Terry Fryett	Former Scotiabank (BNS) Executive Vice President & Chief Credit Officer	Non-Group, Non-Executive Director	Chair of the Board Board Risk Committee ("BRC")
Joseph Dempsey	Chartered Accountant, Financial Consultant and Director within various financial services companies and banks	Independent Non-Executive Director	Chair of Audit Committee ("AC"), BRC and Remuneration and Nomination Committee ("RemNomCo")
Peter Heidinger	Managing Director & Head, Europe, Scotiabank	Group Non-Executive Director	BRC, AC and RemNomCo
Stephanie Lariviere-Girard	Managing Director and Global Head of Fixed Income, Currency & Commodity Sales	Group Non-Executive Director	BRC and RemNomCo
Dagmar Kent Kershaw	Experienced FTSE, AIM and Euronext company non-executive director, board chair, investment committee member, advisor and trustee	Independent Non-Executive Director	AC, BRC and RemNomCo
Caroline McDonnell	Chartered Accountant and former senior tax technologist	Independent Non-Executive Director	Chair of RemNomCo, BRC and AC
Nicola Vavasour	SIDAC CEO	Executive Director	N/A
Edward Ward	Chartered Director and former Senior Executive with Citigroup and AIB	Independent Non-Executive Director	Chair of BRC, AC and RemNomCo

Recruitment Policy for the Board of Directors

Selection Criteria and Policy

The Company's policies and processes reflect the requirements of the "Joint European Securities and Markets Authority ("ESMA") and EBA Guidelines on the assessment of the suitability of members of the management body and key function holders".

The Board as a whole must have relevant financial and risk expertise. When appropriate the Board may engage qualified independent external advisors to conduct a search for candidates who meet the Board's expertise, skills and diversity criteria.

The Board is responsible for the appointment of Independent Non-Executive Directors and, where appropriate, identifying and proposing via the Remuneration and Nomination Committee the appointment of Independent Non-Executive Directors to shareholders. Before appointment to the Board, the proposed director must show that he/she satisfies the selection criteria applicable to the role for which the individual is being proposed for appointment, evidencing items such as their skills, experience, expertise, competencies, professionalism, fitness, probity and integrity to carry out his or her duties, including a knowledge and appreciation of public issues and familiarity with local, national and international affairs.

Diversity

The Company's Board is composed of highly qualified directors from diverse backgrounds, who have familiarity with the financial industry in the European Union and Ireland in particular.

To support this composition as part of the Board's commitment to sound and effective corporate governance practices, the Board will, when identifying candidates, and bearing in mind the desire for a diverse Board and diversity criteria, including gender, age, ethnicity and geographic background, recommend for appointment to the Board only those candidates who:

- have the relevant skills, experience, expertise, knowledge, appropriate qualification for the role and perspectives to provide an independent challenge; and,
- have the necessary personal qualities, professionalism and integrity expected of a Board member.

As part of its commitment to board diversity, the Company is a member of the 30% Club Ireland . The Board's Diversity Policy states that it aspires to have each gender comprise at least 30% of the Board. As at 31 October 2024, 50% of serving directors were women. SIDAC is committed to having a diverse board, to achieving the aspirations set in this regard and to ensuring an open and fair recruitment process. As part of the process underpinning the Board's annual confirmation of compliance with the CBI Corporate Governance Requirements (2015), the Board undertakes an annual review of its Board Diversity Policy's effectiveness in its review of Board effectiveness.

Table 13 – Directors knowledge, skills and expertise

Name	Knowledge, skills and expertise
Terry Fryett	Mr. Fryett joined Scotiabank in 1977 and held numerous corporate banking roles in Toronto, Calgary, Houston, New York and the United Kingdom, where he was CEO of Scotiabank Europe plc. He returned to Canada in 2004 as Senior Vice President and Chief Financial Officer, Scotia Capital (now Global Banking & Markets), before holding the position of Senior Vice President, Global Risk Management. Mr Fryett has been Board Chairman and a Non-Executive Director of Scotiabank (Ireland) DAC since 2019. He spent his entire career at Scotiabank and at the time of his retirement in 2020 was Executive Vice-President/Chief Credit Officer of Scotiabank. In this position he acted as Chairman of the Senior Credit Committee, Member of the Risk Policy Committee and Member of the Market Risk Committee. Mr Fryett joined Cedar Leaf Capital as a director in October 2024.
Joseph Dempsey	Mr Dempsey has been an Independent Non-Executive Director of Scotiabank (Ireland) DAC since 2019 and assumed the position of the Chairman of the Audit Committee in July 2020. Mr. Dempsey, a chartered accountant and chartered director, is currently a Non-Executive Director of Guggenheim Partners Europe Ltd and a Director of Shepherdstown Investments Ltd. He previously served as a Non-Executive Director of Depfa Bank plc. Mr. Dempsey has extensive experience in financial services and previously acted as General Manager of Deutsche Bank Ireland plc and as a financial consultant to a number of entities in the leveraged credit fund management and property sectors.
Peter Heidinger	Mr. Heidinger has been a Group Non-Executive Director of Scotiabank (Ireland) DAC since 2019. Mr. Heidinger is responsible for the regional management of Scotiabank's wholesale banking operation in Europe. These operations include corporate and investment banking and global markets sales and trading. In late 2024 Mr Heidinger assumed interim oversight of the APAC region. Prior to assuming this position, Mr. Heidinger had led Scotiabank's wholesale operations in Asia and Australia. Before joining Scotiabank in 2015, he held global and regional coverage, credit and product roles at both U.S. and European banks. Over his career, he has been based in North America, Europe and Asia
Stephanie Lariviere- Girard	Ms. Lariviere-Girard became a Group Non-Executive Director of Scotiabank (Ireland) DAC in August 2024. Ms. Lariviere-Girard is Global Head of Fixed Income, Currency & Commodity ('FIIC') Sales for The Bank of Nova Scotia, In this position, she oversees advisory and execution services to retail, commercial, corporate and institutional clients for their hedging and investment needs for FICC products. Prior to joining Scotiabank in 2021, Ms Lariviere- Girard was Managing Director and Co-Head of Fixed Income, Currency and Commodity Institutional Sales at National Bank of Canada.
Dagmar Kent Kershaw	Ms Kent Kershaw joined the Board of Scotiabank (Ireland) DAC in March 2024 as an Independent Non-Executive Director. She is experienced in Capital Markets across both products and market risk management. Ms Kent Kershaw acts as a non-executive director for a range of FTSE, Euronext and AIM companies, with 30 years' experience in investment and financial markets with a focus on private debt and alternatives
Caroline McDonnell	Ms McDonnell joined the Board of Board of Scotiabank (Ireland) DAC as an independent Non-Executive Director in February 2021. Ms. McDonnell is an independent Non-Executive Director of AXA Insurance DAC, ECCU Assurance DAC, and MGP McGill and Partners Europe Limited. She is a former partner of PWC, a Chartered Accountant/senior tax technologist, and expert in new areas of technology (analytics and robots)
Nicola Vavasour	Ms. Vavasour was appointed Chief Executive Officer of Scotiabank (Ireland) DAC in May 2018. In this role she is responsible for the overall strategic direction, growth, and sustainability of all activities in support of Scotiabank's European client base. Previously, Ms. Vavasour was Scotiabank's Chief Risk Officer, Asia Pacific where she was responsible for the overall efficient and effective management, monitoring and reporting of all risks across Scotiabank's Asia Pacific operations.
Edward Ward	Mr Ward has been an Independent Non-Executive Director of Scotiabank (Ireland) DAC since 2019 and assumed the position of the Chairman of the Risk Committee in July 2020. Mr. Ward is an Independent Non-Executive Director of IQ EQ Fund Management (Ireland) Limited. He previously held Senior Executive positions both with AIB and Citigroup with experience in risk management, credit policy/strategy, capital markets, loan structuring, workout and property financing.

Directorship

Appointments must not proceed where possible conflicts of interest may emerge which are significant to the overall work of the Board. The following Directorships are held by current members of the Board including their SIDAC Directorship.

Table 14 – Directorships

Name	Total No. of directorships	Of which are held within the Scotiabank Group	Of which are Executive Directorships
Terry Fryett	2	2	-
Nicola Vavasour	1	1	1
Caroline McDonnell	3	1	-
Stephanie Lariviere- Girard	1	1	-
Peter Heidinger	3	1	1
Dagmar Kent Kershaw	8	1	-
Joseph Dempsey	2	1	-
Edward Ward	2	1	-

3.1.3 Board Committees

The Board Risk Committee assists the Board in overseeing risk and capital issues, especially by:

- Understanding the risks run by the Company which are typically inherent in banking activities;
- Overseeing that these risks are appropriately and effectively managed;
- Recommending and monitoring risk appetite metrics; and
- Ensuring the adequacy of the Company's capital in relation to the risks inherent in the operations as a whole.

The Audit Committee assists the Board by:

- Fulfilling its supervision and monitoring duties in the area of internal controls, including internal control over financial reporting;
- Providing oversight and monitoring of the Internal Audit function and the External Auditor and in particular in relation to their effectiveness, objectivity and independence;
- Reviewing the financial statements of the Company; and
- Monitoring compliance with the Company's risk management controls and procedures.

The Remuneration and Nomination Committee assists the Board by:

- Reviewing Remuneration decisions in the context of the risk appetite of the Company;
- Ensure all remuneration and compensation policies are reviewed and adopted in line with regulatory and legal requirements;
- Recommending to the Board the approval and submission of new Pre-approval Control Functions ("PCF") roles; and
- Assisting the Board in its oversight of the Company's human capital management.
- Overseeing SIDAC employee pension and benefit plans, including any significant proposed changes to such plans, and by monitoring and supervising the activities of the Pension plan(s).

The Board, BRC, and the AC meet at least quarterly (the Remuneration and Nomination Committee also meets at least four times a year but at non-cycle points) and review detailed information provided on all areas of the Company's operation, including, but not limited to, all of the risk areas set out above. The BRC met seven times in fiscal 2024. The Chairpersons of the above Board committees report to the Board on the main topics discussed by the committees and submit recommendations to the Board for final decision-making.

Senior Management

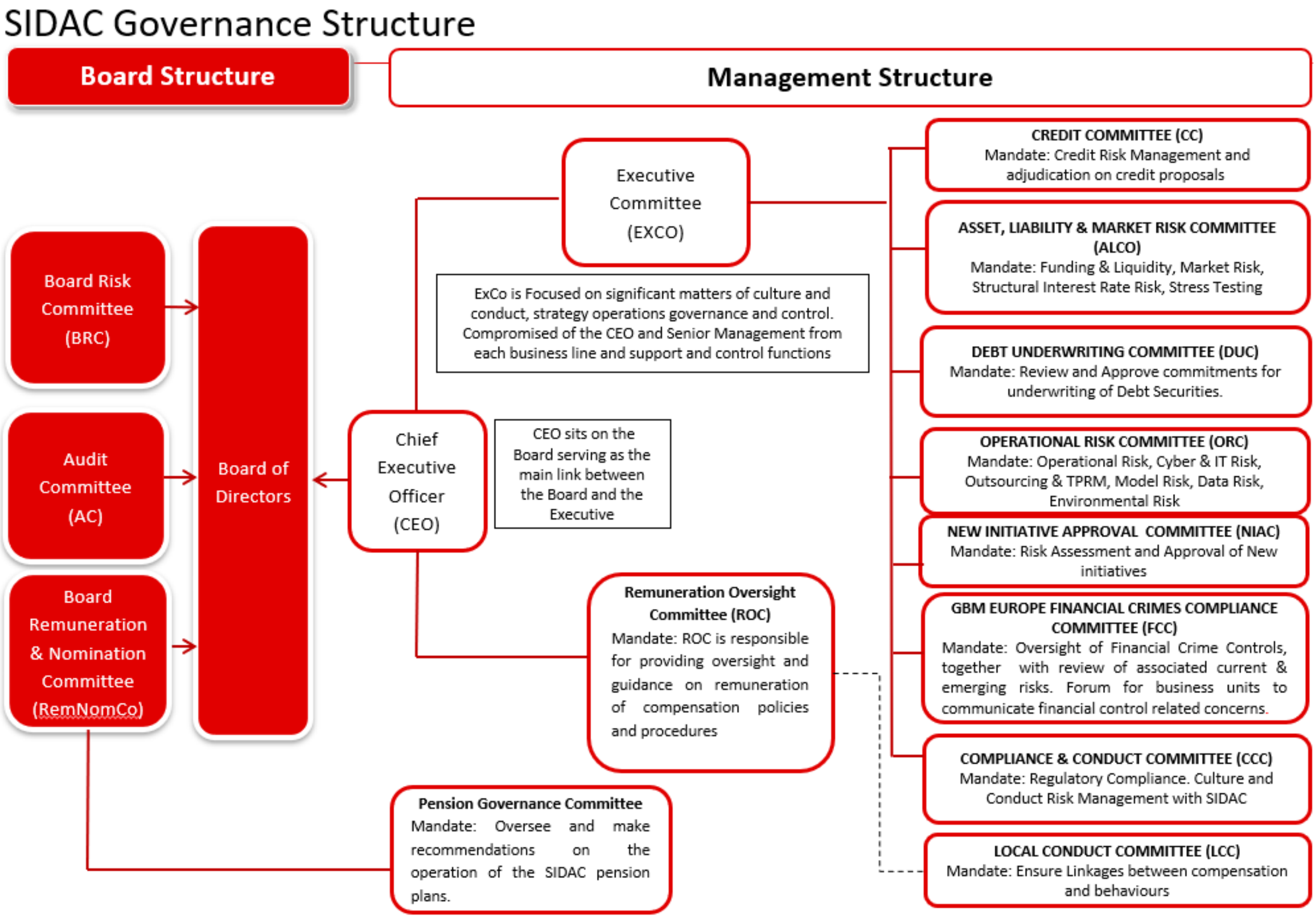
The Board, together with its AC, BRC and RemNomCo, sits at the head of the Company's risk management structure. The Senior Management team, acting through the management committees, is responsible for risk management under the direct oversight of the CEO. The committees are supported by the Risk Management, Compliance and Internal Audit functions as well as an Advice and Counsel process involving Scotiabank technical groups, which includes Global Risk Management ("GRM"). The internal governance and management committee structure enables more focused discussions by the appropriate committee members and decisions makers and consists of:

- Executive Committee ("ExCo") an overarching committee which focuses on significant matters of strategy, financial performance, infrastructure, operations, governance etc.
- ALCO, providing oversight of balance sheet management including liquidity, funding and contingency funding, interest rate risk, market risk, concentration risk, capital management and recovery planning. The ALCO is the Company's governance forum with respect to the oversight of a Recovery or Liquidity crisis, once a significant stress has emerged.
- Credit Committee ("CC"), responsible for overseeing credit risk management including adjudication on credit proposals, review and recommendation of credit risk limits, review of performance of the credit portfolio on a regular basis, approval of all credit risk provisions and write-offs. The Committee has reporting responsibilities to, and is delegated authority from, the ExCo to act and/or advise on its behalf on matters related to credit risk management.

- Debt Underwriting Committee ("DUC") which reviews and approves commitments for underwriting of debt securities for Capital Markets and approves hedging strategies to mitigate risk associated with underwriting activities.
- Operational Risk Committee ("ORC") responsible for providing oversight of Operational Risk, Third Party Risk Management, IT Risk/Cyber Security, Data Risk, Environmental, Social and Governance Risk, Operational Resilience and Model Risk Management. The Committee has reporting responsibilities to, and delegated authority from, the ExCo to act and/or advise on its behalf on matters related to Operational Risk.
- Compliance and Conduct Committee ("CCC") responsible for (non-exhaustive): Regulatory compliance, Taxation, Conduct and Culture (promoting strong ethical behaviours and conduct within SIDAC). Chaired by the Head of Compliance, membership is the same as ExCo.
- New Initiative Approval Committee ("NIAC") responsible for evaluating the risk assessments conducted on proposed new initiatives (including new products), ensuring compliance with regulatory requirements and for putting in place appropriate controls before the commencement of any such initiatives, ultimately acting as the management approval authority for new initiatives in SIDAC.
- GBM Europe Financial Crimes Compliance Committee ("FCC") responsible for providing oversight of AML/ATF and Sanctions activities in SIDAC and reviewing related current and emerging regulatory risks or trends.
- Remuneration Oversight Committee ("ROC"), which is supported by a sub-committee, the Local Conduct Committee ("LCC"), is responsible providing oversight and guidance to management and the Board on HR remuneration matters and to oversee implementation of compensation policies and procedures. The LCC ensures there is an appropriate linkage between compensation and behaviours.
- Pension Governance Committee, responsible for overseeing and making recommendations on the operation of the SIDAC pension plans and is a management committee that reports to RemNomCo whose mandate was approved by the Board on November 2024.
-

3.1.4 Governance Structure

The diagram on the following page sets out the governance structure and provides more detail on the roles of each committee. This structure was designed so that ultimate responsibility for implementing and maintaining the structure and for reviewing its effectiveness lies with the Board of Directors.



The CEO is supported in the governance of SIDAC by the Management Committees and in particular the ExCo as outlined above and sits on the Board serving as the main link between the Board and the executive.

The Head of HR, as appropriate, may present directly to the Board of Directors without the CEO present.

SIDAC's senior management are subject to the provisions of the Senior Executive Accountability Regime (SEAR) and the Individual Accountability Framework (IAF), noting that SEAR provisions for the Board are effective from 1 July 2025. The SIDAC governance structure above provides a robust foundation for oversight and accountability, which is essential for implementation of the IAF and SEAR regimes.

3.2 Risk Appetite

A clearly articulated risk appetite and statement of how the risk profile of an organisation will be managed within such an appetite is crucial for an effective risk management framework. The Company has a clearly defined Risk Appetite Framework which consists of the identification of:

- Risk capacity: The maximum level of risk SIDAC can assume before breaching key constraints;
- Risk appetite: The level and types of risk SIDAC is willing to assume within its risk capacity to achieve its strategic objectives; and
- Key risk appetite measures: Quantitative metrics that capture SIDAC's risk appetite, as per table 15 below.

Together, the application of these components helps to ensure SIDAC stays within appropriate risk boundaries.

Table 15 – Risk Appetite Metrics

Risk Category	Metric Description
Enterprise Risk	Total Capital Ratio
	Total Capital Ratio FX Sensitivity
	Leverage Ratio
	Return on Equity (ROE)
Strategic Risk	Strategy Risk Assessment
Credit Risk	Maximum Exposure to Non-Investment Grade credit exposures
	Maximum Authorised exposure to Leveraged Transactions
	Maximum exposure to Highly Leveraged Transactions
	Maximum Credit Loss (Fiscal Year) (US$ mm)
	Single Name Concentration Large Exposure Limit
Market Risk (including Structural Risk)	CS01 (US$ mm)
	Net Interest Income Sensitivity (US$ mm)
	Economic Value of Equity (EVE) (US$ mm)
	Maximum Value at Risk (VaR) for all trading portfolios (C$ mm)
	Stress Test: Trading Portfolio worst case (C$ mm)
Liquidity Risk	Liquidity Coverage Ratio (LCR)
	Net Stable Funding Ratio
	Minimum Intraday Liquidity Risk coverage under stress (US$ mm)
Concentration Risk*	# of Unauthorised Material Concentrations
Operational Risk	Total Annual Loss to Revenue
	# of High Severity Operational Risk Events
	# of Material Outsourcing Issues
	Audit Issues Clearance Rate (High & Moderate Risk issues only)
	Largest Single Loss
	Total Fraud Risk $ and bps
Data Risk	Data Quality Score (GUIDANCE)
	Data Quality Domain Coverage (GUIDANCE)
Model Risk	Enterprise Model Risk Score (GUIDANCE)
Environmental Risk	Contribution to BNS target
	Physical Risk
	Transition Risk
Cyber Security & Information Technology Risk	SRI 2.0 Dashboard
	# of Hours of Systems Downtime (Hours)
Reputational Risk	Negative Impacts to SIDAC's reputation
Compliance Risk	CRCA SIDAC Aggregate Residual Risk Rating
Conduct Risk	Qualitative Assessment of Conduct Risk

** The term 'unauthorised' distinguishes this concentration from known and accepted concentrations (such as funding from BNS).*

3.3 Risk Management Tools

Effective risk management includes tools that are guided by the Risk Appetite Framework and integrated with the Company's strategies and business planning processes. The Risk Management Framework is supported by the below risk management tools that are used together to manage risks and are regularly reviewed and updated to ensure consistency with risk-taking activities, and relevance to the business and financial strategies of the Company.

Taxonomy, Frameworks, Policies and Limits

The Enterprise Risk Taxonomy (ERT) supports the management and governance of the various risks that impact the BNS and SIDAC. A common risk taxonomy is foundational to enable the effective management, assessment, monitoring and reporting of risks across the Bank. It is the definitive source of risks' names and their definitions for the Bank. It acts as a common, practical reference for categorizing risks under common naming conventions and definitions.

SIDAC develops and implements its key risk frameworks and policies or adopts BNS frameworks and policies in consultation with BNS GRM, who provide advice and counsel to ensure alignment with BNS, subject to SIDAC's local regulatory requirements to manage risks and establish clear expectations to control bank activities. Frameworks and policies are designed taking into consideration industry best practices, requirements and guidelines of the CBI and the European Banking Authority (EBA) or other local regulators, in addition to those of the Office of the Superintendent of Financial Institutions (OSFI) and the Canada Deposit Insurance Corporation (CDIC) which govern its ultimate parent, BNS and including consideration of industry best practices.

Policies and Frameworks are developed in consultation with various stakeholders across risk management and other control and corporate functions, business lines and the Audit Department. Their development and implementation are guided by the risk appetite and governance standards and inform the limits and controls within which SIDAC can operate. Risk frameworks and policies may be supported by standards, procedures, guidelines and manuals.

Limits govern and control risk-taking activities within the appetite and tolerances established by the Board and Senior Management. They are set to ensure risk taking activities are in line with the strategic objectives, risk culture and risk appetite of SIDAC. Limits also establish accountability for key tasks in the risk-taking process and establish the level or conditions under which transactions may be approved or executed.

Risk Measurement, Monitoring & Reporting

Measurement of risk is a key component of SIDAC's risk management framework. The measurement methodologies may apply to a group of risks or a single risk type and are supported by an assessment of qualitative risk factors to ensure the level of risks are within risk appetite. SIDAC utilises various risk techniques such as models, stress testing, scenario and sensitivity analysis and back testing using data with forward-looking projections based on plausible and worst case economic and financial market events to support its risk measurement activities.

SIDAC continuously monitors its risk exposures to ensure business activities are operating within approved limits, thresholds or guidelines, strategies and risk appetite. Monitoring falls broadly into two categories: (i) Product, risk and counterparty limits and (ii) Risk Appetite metrics. These metrics are monitored on a regular basis (by the Risk Owners) and reported to the relevant committees, following appropriate review and challenge from the Risk Management function. Risk Owners are responsible for ongoing monitoring and for promptly identifying and reporting any breaches or potential breaches of early warning thresholds and limits, or any other deteriorating trends in risk profile to the relevant management stakeholders

Risk reports aggregate measures of risk across products and businesses, and are used to ensure compliance with risk appetite, policies, limits and guidelines. They also provide a clear statement of the amounts, types, and sensitivities of the various risks in the portfolio. Senior Management and the Board use this information to understand the risk profile and the performance of the portfolios. A comprehensive summary of SIDAC's risk profile and performance is presented quarterly by the CRO to the BRC.

Stress Testing

Stress testing programmes at both the enterprise-wide level and individual risk level allow SIDAC to estimate the potential impact or strain on income and capital as a result of significant changes in market conditions, credit environment, liquidity demands or other risk factors that may arise as a result of Bank-specific, systemic, and combination stress scenarios. Stress testing is also integrated into both the strategic and financial planning processes as well as financial crisis management planning to proactively identify emerging risks and potential vulnerabilities across a number of stress scenarios with differing severities and time horizons. The development, approval and on-going review of stress testing programs are subject to local framework and policy requirements and the oversight of the ALCO. Where appropriate, the Board of Directors or the BRC approves stress testing scenarios and limits for certain risk factors and receives regular reports on performance.

3.4 Risk Identification and Assessment

SIDAC has established a Risk Register programme as its primary risk identification and assessment tool, which ensures a comprehensive identification of risks across the organisation and appropriate mapping and evaluation of related controls and employing a "best practice" approach to risk identification.

The Risk Register is a Company-wide exercise to identify the risks to which SIDAC is exposed, which is both "bottom-up" and "top-down". For the purpose of the exercise, SIDAC is divided into "assessment units" covering all business lines, support and control functions. A "risk champion" is identified for each assessment unit and this individual has primary responsibility for completing the risk register for that area, with guidance provided by Second Line of Defence ("2LOD"). The risk champion assesses the inherent risk for each risk category based on the impact and probability scales provided. Controls to mitigate these risks are identified and assessed for effectiveness and the residual risk level is then determined.

The risks identified as high inherent risks in the Risk Register process after completion of both the "bottom-up" and "top-down" exercises are regarded as the principal risks of the Company.

The Risk Register is refreshed annually, and the results are presented to the BRC in the Risk Management Framework ("RMF") Board Summary.

The Company has identified the following risks as Principal risks:

- Credit risk
- Concentration risk
- Market & Structural risk
- Liquidity risk
- Operational risk
- Cyber Security & Information Technology risk
- Compliance risk
- Conduct risk
- Reputational risk
- Environmental risk
- Strategic risk
- Model Risk
- Data Risk

3.5 Risk Culture

Effective risk management requires a strong, robust, and pervasive risk culture where every employee understands and recognizes their role as a risk manager and is responsible for managing risk. Risk culture is influenced by numerous factors including the interdependent relationships amongst risk governance structure, risk appetite, strategy, organisational culture, and risk management tools. The BNS Risk Culture Program, adopted by SIDAC, is based on four indicators of a strong risk culture:

1. **Tone from the Top**: Leading by example including clear and consistent communication from SIDAC's Board, Senior Management and Scotiabank leaders on risk behaviour expectations and the importance of Scotiabank's values and fostering an environment where everyone has ownership and responsibility for "doing the right thing".
2. **Accountability**: All employees are accountable for risk management. There is an environment of open communication where employees feel safe to speak-up and raise concerns without fear of retaliation.
3. **Risk Management**: Risk taking activities are consistent with SIDAC's strategies and risk appetite. Risk appetite considerations are embedded in key decision-making processes.
4. **People Management**: Performance and compensation structures encourage desired behaviors and reinforce the Company's values and risk culture.

Other elements that influence and support the risk culture:

- Scotiabank Code of Conduct: describes standards of conduct required of Employees, Contingent Workers, Directors and officers of the Company. All Scotiabankers are required to affirm their compliance on an annual basis. Values: Integrity – Act with Honour; Respect – Value Every Voice; Accountability – Make It Happen; Passion – Be Your Best. This is further supported by the CBI's Conduct Standards, which apply all CF and PCF role-holders, and the CBI's Additional Conduct Standards, which apply to PCF role-holders only
- Communication: SIDAC actively communicates risk priorities, and how it relates to its staff, to promote a sound risk culture:
- Compensation: programs are structured to comply with compensation-related principles and regulations and discourage behaviours that are not aligned with the Company's values and Scotiabank Code of Conduct, and to ensure that such behaviours are not rewarded.
- Training: risk culture is continually reinforced by providing effective and informative mandatory and non-mandatory training modules for all employees on a variety of risk management topics.
- Decision-making on risk issues follows a strict governance process: Information is challenged by Management Committees, and this is subsequently reviewed by the BRC ensuring risks taken are aligned with SIDAC's risk appetite.
- Senior Management Roles & Responsibilities: all senior management have risk management responsibilities within their mandates.
- Employee goals: all employees across the Company have a risk goal assigned to them annually.

3.6 Statement of Internal Controls

Although the Company is not required to make a Corporate Governance Statement as it is not listed, the Board makes a statement on internal control in accordance with best practice.

The Board acknowledges its responsibility to maintain a sound system of internal control, to safeguard the shareholder's investment and the Company's assets and to set appropriate policies, controls and limits for the Company's operations. It further recognises its obligation to seek regular assurance that will enable it to satisfy itself that the system is functioning properly. The Board is assisted in its responsibilities by its BRC and AC. The BRC recommends risk management policies and limits to the Board for approval. It further oversees the management of material risks through receipt of reports from management across SIDAC's universe of material risks. The AC monitors the effectiveness of controls through reviewing and assessing reports presented by Finance and Compliance as well as Internal Audit and Scotiabank Group Audit ("GA").

The Board recognises that sound risk management is essential to the Company's prudent operation. The Board charges management with developing the required control system and implementing its policies, controls and limits. This includes the process of identifying, evaluating and managing the risks faced by the Company. It receives comfort that these duties have been exercised during the year under review through the regular reporting structure and periodic discussions between Board, AC and BRC members and Senior Management.

Assessment of internal controls by the Board and its committees consists of quarterly reviews of submissions by Senior Management incorporating information on key risks, financial performance, limit usage and details of any unforeseen events. The Board is satisfied that the procedures and processes outlined above have been in operation throughout the year and may request the implementation of revisions or improvements as it deems appropriate.

The internal control system is designed to mitigate risk and cannot be seen as a method by which all risk can be eliminated. Therefore, it provides reasonable rather than absolute assurance against material loss or misstatement. The Company is subject to the CBI "Corporate Governance Requirements for Credit Institutions 2015" (the "Governance Requirements"). The Company does not have to comply with the additional obligations in Appendices 1 and 2 of the Governance Requirements for High Impact designated credit institutions.

4 Credit Risk

Credit risk is the risk of financial loss resulting from the failure of a customer to fully honour its financial or contractual obligations.

4.1 Credit Risk Management and Risk Measures

The Company's management of credit risk includes the credit risk policies, guidelines, procedures and processes that articulate the Company's credit risk governance, management and control structures. This framework ensures that credit risk exposures are adequately assessed, properly approved and actively managed in a consistent manner across all business lines. Management of the credit risk portfolios also encompasses in-house credit experience, infrastructure and a due diligence process that is closely embedded within the risk management structure. The Company's Credit Risk Management Policy sets out the processes and procedures to measure and manage credit risk. The Company has adopted the BNS Business Banking Allowance for Credit Loss Policy and established a local addendum to account for local policy requirements, that set out the approach to identifying, assessing and quantifying impairments and resultant credit losses.

The Company's Credit Committee ("CC") has a mandate to oversee the credit risk of the Company, assess and adjudicate on certain credit exposures and as well as reviewing and monitoring the overall credit profile of the business lines, ensuring that credit risk and portfolio composition are kept within the risk appetite approved at least annually by the Board.

The Company's Credit Risk Function, ("CRF") under the direction of the Head of Credit is the primary control function for credit risk. Each new transaction is put through a thorough credit adjudication process, which includes a borrower assessment, credit grading, review of the borrower's business model, financial performance, key risks and mitigants, including climate risk. With support from GRM, the CRF periodically reviews industry risks, country, economic and credit profiles, and portfolio concentrations. In relation to credit risk and under the Company's Three Lines-of-Defence structure, the CRF as a 2nd line of defence independent function has responsibility for providing challenge on all transactions from business lines, in addition to oversight and monitoring responsibilities. The CRF ensures the risk appetite, as set by Board, and credit related processes and policies are adhered to and that problem loans are promptly identified, properly assessed and classified, and effectively followed up by the business lines. It performs regular review of the credit portfolios, monitoring for deteriorating credit trends and managing the reporting process. CRF provides regular reporting to the Company' CC and Board committees which includes monitoring of credit risk exposures against Board approved risk appetite limits, as well as more detailed credit information covering total authorised and outstanding exposures and credit quality trends enabling appropriate risk escalation. The CRF also reviews and assesses the appropriateness of recommendations in relation to impairment assessment and provisioning including expected credit losses; ensures that credit risk management policies and programs and risk rating systems are documented, reviewed, and updated to reflect material changes; and reviews and implements credit risk measurement and mitigation methodologies.

Credit risk is primarily controlled by means of credit limits and is monitored through a Board-approved credit risk metric hierarchy which includes single name aggregation and credit concentration limits. The metric hierarchy is ratified by the Board at least annually, with the Board delegating authority to the CC to set risk appetite metrics specific to risks within each business line. As noted above, the CRF, in consultation with business lines, is responsible for reviewing existing limits to ensure that they remain appropriate and consistent with the risk appetite and aligned with Scotiabank's overall credit risk strategy and approach.

In support of its credit risk management activities, the Company uses Scotiabank's comprehensive credit risk management framework which contains, a credit risk-rating system to support the determination and measurement of credit risk. The risk-rating system provides consistency in the Company's analysis, adjudication, management and reporting of credit risks as well as providing minimum lending standards for each of the risk rating categories. These credit risk rating systems include an internal grading (IG) system which appropriately reflects the risk profile of a borrower and the structure of the facilities offered.

4.2 Credit Profile of Exposures

The primary source of credit risk for the Company arises from lending activities to its client base, which is mainly composed of large international corporates although it is also exposed to other sources of credit risk arising from trading and investment activities where the counterparties have repayments or other obligations to the Company.

The Company's lending is largely in the form of syndicated or bilateral loans and off-balance sheet guarantees with investment-grade borrowers. The objective of this portfolio is to generate sustainable income accruals while maintaining a capital preservation ethos, aligning the Company's risk appetite with the business strategy.

4.3 Additional disclosure related to the Credit Quality of Assets

Assessment of impairment under IFRS 9

Since transition to IFRS 9, effective 1st January 2018, the Company assesses and recognises Allowance for credit losses ("ACL") on financial assets from the point of origination or purchase, and updates said assessment at each reporting date, reflecting changes in the credit risk of the financial asset.

Financial assets are classified into 3 stages, based on the Company's assessment of the credit risk specific to each entity:

Stage 1
Obligations are classified Stage 1 at origination or at acquisition by the Company, unless Purchased or Originated Credit Impaired ("POCI"), with a 12 month ACL being recognised. These obligations remain in Stage 1 unless there has been a significant increase in credit risk (SIR).
Obligations can also return to Stage 1 if they no longer meet either the Stage 2 or Stage 3 criteria, subject to satisfaction of the appropriate probation periods, in line with regulatory requirements.

Stage 2
Obligations where evidence of SIR has occurred since initial recognition but do not have objective evidence of credit impairment are classified as Stage 2. For these obligations, lifetime ACLs are recognised. Where SIR criteria are no longer a trigger, the obligations can exit Stage 2 and return to Stage 1.

SIR Assessment
The Company's SIR assessment and identification is a continuous process. The Company assesses whether there has been a significant increase in credit risk for exposures since recognition by comparing the risk of default occurring over the remaining expected life from the reporting date and the date of initial recognition. The assessment considers borrower-specific quantitative and qualitative information (without consideration of collateral), and the impact of forward-looking macro-economic factors.

Stage 3
Defaulted obligations are classed as credit impaired and allocated to Stage 3. Where default criteria are no longer met, the borrower exits Stage 3 subject to probation period, in line with regulatory requirements. The Company uses the definition of default as set down under Article 178 of the CRR for the purposes of regulatory capital computation relating to all credit exposures and applies this definition for use within any relevant sections of the annual financial statements. In keeping with these requirements, default is considered by the Company to have occurred with regard to a particular obligor when one or more of the following have taken place:

- material exposures which are more than 90 days past due, excluding technical past due situations,
- the debtor is assessed as unlikely to pay (UTP) its credit obligations in full without realisation of collateral, regardless of the existence of any past-due amount or of the number of days past due.

ACL Measurement
ACL is estimated using quantitative methods that consider a variety of factors such as historical loss experience, the current credit quality of the portfolio as well as an economic outlook over the life of the loan. Parameters include the probability of default (PD), exposure at default (EAD), and loss given default (LGD) to estimate expected credit losses. The ACL estimation incorporates forward-looking information (FLI) through the use of macro-economic variables applied over the forecasted life of the assets.

Details of these statistical parameters/inputs are as follows:

- PD – the probability of default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the remaining estimated life, if the facility has not been previously derecognised and is still in the portfolio.

- EAD – the exposure at default is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

- LGD – the loss given default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender expects to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

Write-offs
When a financial asset has no reasonable expectation of recovery, its carrying amount is reduced or "written off". Such write-offs are considered a derecognition event and may apply to either the financial asset in its entirety or to a portion of it, based on the expectation of recovering some contractual cash flows.

Impairment review and provisions

Impairment assessments necessarily include the use of estimates and expert judgment as management attempts to project the effect of future events on its exposures. Following best practice, the Company regularly reviews and revises key judgements, assumptions and estimates relating to impairment provisioning. The most significant judgements or estimates relate to management's expectations regarding changes in collateral values, timing of cash flows, value attributed to guarantees and cash flows from trading or other sources. The Company documents all key assumptions including forward looking information and explanations outlining why assumptions have been changed.

The Company adheres to regulatory guidelines with respect to the classification of performing versus non-performing loans, in addition to identifying exposures subject to forbearance measures (see table 26).

Forbearance occurs when a borrower is granted a temporary or permanent concession or an agreed change to the terms of a loan ('forbearance measure') for reasons relating to the actual or apparent financial stress or distress of that borrower. A concession may involve restructuring the contractual terms of a debt or payment in some form other than cash, such as an equity interest in the borrower.

Prior to any decision to grant forbearance the Company performs an assessment of a borrower's financial circumstances and ability to repay. This assessment includes an individual assessment for impairment of the loan. The classification of an exposure as forborne automatically triggers a SIR event and the exposure is transferred from Stage 1 to Stage 2 for ACL accounting purposes.

4.4 Regulatory Pillar 1 capital requirement approach to Credit Risk

Capital requirements for credit risk are determined under the standardised approach. This approach involves the application of risk weights to the Company's assets based on the deemed creditworthiness of its debtors, asset types, maturity obligations and the rules as laid out in the CRR. The Company utilises credit ratings attributed by its chosen External Credit Assessment Institutions ("ECAIs"), Standard and Poor's or Moody's whichever is the lower, to all its exposure classes. In addition, the Company may also use Fitch as another ECAI for all of its covered bond investments. The Company uses the EBA's standard association of ECAI ratings and credit quality steps to map ratings to the relevant credit quality step. In the case of unrated exposures, where a credit rating is not available from either Standard and Poor's or Moody's, the CRR also provides a risk weight depending on the exposure class. The CRR also provides a method for determining the risk weight for specific issuing programmes or facilities based on whether or not a specific credit assessment exists for the specific issuing programmes or facility.

Template EU CR1 below sets out the Company's performing and non-performing exposures and related provisions.

Table 16– EU CR1 - Performing and non-performing exposures and related provisions (Article 442(c) & (e))

31 Oct 2024
US$'000

	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write - off	Collateral and financial guarantees received	
	Gross Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
Cash balances at central banks and other demand deposits	566,259	566,259	-	-	-	-	-	-	-	-	-	-		-	-
Loans and advances	5,069,980	4,965,503	104,477	-	-	-	(4,494)	(1,089)	(3,405)	-	-	-		4,976,588	-
Central banks	302,455	302,455	-	-	-	-	-	-	-	-	-	-		289,273	-
General governments	-	-	-	-	-	-	-	-	-	-	-	-		-	-
Credit institutions	530,620	530,620	-	-	-	-	-	-	-	-	-	-		515,781	-
Other financial corporations	2,623,478	2,623,478	-	-	-	-	(30)	(30)	-	-	-	-		2,616,494	-
Non-financial corporations	1,613,427	1,508,951	104,477	-	-	-	(4,464)	(1,060)	(3,405)	-	-	-		1,555,039	-
Of which SMEs	-	-	-	-	-	-	-	-	-	-	-	-		-	-
Households	-	-	-	-	-	-	-	-	-	-	-	-		-	-
Debt securities	1,944,088	1,890,745	-	-	-	-	(112)	(112)	-	-	-	-		1,082,000	-
Central banks	-	-	-	-	-	-	-	-	-	-	-	-		-	-
General governments	240,730	240,730	-	-	-	-	(7)	(7)	-	-	-	-		-	-
Credit institutions	1,650,015	1,650,015	-	-	-	-	(105)	(105)	-	-	-	-		1,082,000	-
Other financial corporations	53,343	-	-	-	-	-	-	-	-	-	-	-		-	-
Non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-		-	-
Off-balance-sheet exposures	4,511,864	4,485,200	26,664	-	-	-	(1,138)	(776)	(362)	-	-	-		554,802	-
Central banks	-	-	-	-	-	-	-	-	-	-	-	-		-	-
General governments	-	-	-	-	-	-	-	-	-	-	-	-		-	-
Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-		-	-
Other financial corporations	719,469	719,469	-	-	-	-	(10)	(10)	-	-	-	-		-	-
Non-financial corporations	3,792,396	3,792,396	26,664	-	-	-	(1,128)	(766)	(362)	-	-	-		554,802	-
Households	-	-	-	-	-	-	-	-	-	-	-	-		-	-
Total	**12,092,191**	**11,907,707**	**131,141**	**-**	**-**	**-**	**(5,744)**	**(1,977)**	**(3,767)**	**-**	**-**	**-**		**6,613,390**	**-**

31 Oct 2023
US$'000

	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write - off	Collateral and financial guarantees received	
	Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
Cash balances at central banks and other demand deposits	2,169,197	2,169,197	-	-	-	-	-	-	-	-	-	-		-	-
Loans and advances	5,568,141	5,568,141	-	-	-	-	(1,116)	(1,116)	-	-	-	-		5,411,906	-
Central banks	-	-	-	-	-	-	-	-	-	-	-	-		-	-
General governments	-	-	-	-	-	-	-	-	-	-	-	-		-	-
Credit institutions	1,795,815	1,795,815	-	-	-	-	-	-	-	-	-	-		1,781,662	-
Other financial corporations	2,522,530	2,522,530	-	-	-	-	(21)	(21)	-	-	-	-		2,511,512	-
Non-financial corporations	1,249,796	1,249,796	-	-	-	-	(1,095)	(1,095)	-	-	-	-		1,118,732	-
Of which SMEs	-	-	-	-	-	-	-	-	-	-	-	-		-	-
Households	-	-	-	-	-	-	-	-	-	-	-	-		-	-
Debt securities	2,132,760	2,081,688	-	-	-	-	(82)	(82)	-	-	-	-		837,355	-
Central banks	-	-	-	-	-	-	-	-	-	-	-	-		-	-
General governments	580,896	580,896	-	-	-	-	(14)	(14)	-	-	-	-		-	-
Credit institutions	1,432,405	1,432,405	-	-	-	-	(68)	(68)	-	-	-	-		837,355	-
Other financial corporations	119,459	68,387	-	-	-	-	-	-	-	-	-	-		-	-
Non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-		-	-
Off-balance-sheet exposures	4,135,970	-	-	-	-	-	(468)	(468)	-	-	-	-		290,194	-
Central banks	-	-	-	-	-	-	-	-	-	-	-	-		-	-
General governments	-	-	-	-	-	-	-	-	-	-	-	-		-	-
Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-		-	-
Other financial corporations	625,440	-	-	-	-	-	(14)	(14)	-	-	-	-		-	-
Non-financial corporations	3,510,530	-	-	-	-	-	(454)	(454)	-	-	-	-		290,194	-
Households	-	-	-	-	-	-	-	-	-	-	-	-		-	-
Total	**14,006,068**	**9,819,026**	**-**	**-**	**-**	**-**	**(1,666)**	**(1,666)**	**-**	**-**	**-**	**-**		**6,539,455**	**-**

Template EU CR1-A below lays out the maturity profile of the Company's exposures

Table 17 – EU CR1-A - Maturity of exposures (Article 442(g))

31 Oct 2024

US$'000		Net Exposure Value					
		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
1	Loans and advances	-	3,650,919	1,083,283	335,778		5,069,980
2	Debt securities	-	246,865	1,649,926	47,297		1,944,088
3	***Total***	**-**	**3,897,784**	**2,733,209**	**383,075**	**-**	**7,014,068**

31 Oct 2023

US$'000		Net Exposure Value					
		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
1	Loans and advances	-	4,039,726	1,243,450	284,965	-	5,568,141
2	Debt securities	-	531,215	1,404,168	197,377	-	2,132,760
3	***Total***	**-**	**4,570,941**	**2,647,618**	**482,342**	**-**	**7,700,901**

Template EU CR2 sets out the changes in the Company's stock of non-performing loans

Table 18 – EU CR2 - Changes in the stock of non-performing loans and advances (Article 442(f))

US$'000		**Gross carrying amount** **31 Oct 2024**	**Gross carrying amount** **31 Oct 2023**
010	**Initial stock of non-performing loans and advances**	**-**	**14,481**
020	Inflows to non-performing portfolios	-	-
030	Outflows from non-performing portfolios	-	-
040	Outflows due to write-offs	-	-
050	Outflow due to other situations	-	(14,481)
060	**Final stock of non-performing loans and advances**	**-**	**-**

Template EU CQ4 provides a split of the Company's exposures and related provisions by material geographical location (see Appendix 3).

Table 19 – EU CQ4 - Quality of non-performing exposures by geography (Article 442(c) & (e))

31 Oct 2024 US$'000		a	c	e	f	g
		Gross carrying/nominal amount	Of which defaulted	Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
010	***On-balance-sheet exposures***	**7,014,177**	**-**	***(4,606)***		**-**
020	*France*	1,151,627	-	(99)		-
030	*Germany*	643,576	-	(114)		-
040	*Luxembourg*	575,300		(2,114)		-
050	*Netherlands*	209,987		(1,383)		-
060	*Spain*	283,481		(389)		-
070	*United States*	1,714,483		(94)		-
	Other Countries	2,435,723		(413)		-
080	***Off-balance-sheet exposures***	**4,511,864**	**-**		**1,138**	
	France	670,021			177	
	Germany	1,083,498			84	
090	*Luxembourg*	336,390	-		271	
100	*Netherlands*	396,836	-		125	
110	*Spain*	376,323	-		228	
120	*United States*	283,137	-		20	
140	*Other countries*	1,365,659	-		233	
150	***Total***	**11,526,041**	**-**	***(4,606)***	**1,138**	**-**

31 Oct 2023 US$'000		a	c	e	f	g
		Gross carrying/nominal amount	Of which defaulted	Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
010	***On-balance-sheet exposures***	**7,700,901**	**-**	***(1,198)***		**-**
020	*Germany*	471,651	-	(33)		-
030	*France*	2,282,081	-	(61)		-
040	*United States*	2,209,042	-	(32)		-
050	*Netherlands*	187,041	-	(777)		-
061	*Luxembourg*	463,469	-	(37)		-
062	*United Kingdom*	593,185	-	(18)		
070	*Other countries*	1,494,432	**-**	(240)		-
080	***Off-balance-sheet exposures***	**4,135,970**	-		468	
090	*Germany*	857,506	-		28	
100	*France*	676,148	-		31	
110	*United States*	240,333	-		24	
120	*Netherlands*	524,730	-		165	
131	*Luxembourg*	486,546	-		20	
132	*United Kingdom*	270,884	**-**		7	
140	*Other countries*	1,079,823	-		193	
150	***Total***	**11,836,871**	***14,481***	***(1,198)***	468	**-**

Template EU CQ3 provides a split of the Company's performing and non-performing exposures by days past due.

Table 20 – EU CQ3 - Credit quality of performing and non-performing exposures by past due days (Article 442(d))

31 Oct 2024 **US$'000**	a	b	c	d	e	f	g	h	i	j	k	l
	Gross carrying amount/nominal amount											
	Performing exposures			Non-performing exposures								
		Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
Cash balances at central banks and other demand deposits	566,259	566,259	-	-	-	-	-	-	-	-	-	-
Loans and advances	5,069,980	5,069,980	-	-	-	-	-	-	-	-	-	-
Central banks	302,455	302,455	-	-	-	-	-	-	-	-	-	-
General governments	-	-	-	-	-	-	-	-	-	-	-	-
Credit institutions	530,620	530,620	-	-	-	-	-	-	-	-	-	-
Other financial corporations	2,623,478	2,623,478	-	-	-	-	-	-	-	-	-	-
Non-financial corporations	1,613,427	1,613,427	-	-	-	-	-	-	-	-	-	-
Of which SMEs	-	-	-	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities	1,944,197	1,944,197	-	-	-	-	-	-	-	-	-	-
Central banks	-	-	-	-	-	-	-	-	-	-	-	-
General governments	240,730	240,730	-	-	-	-	-	-	-	-	-	-
Credit institutions	1,650,124	1,650,124	-	-	-	-	-	-	-	-	-	-
Other financial corporations	53,343	53,343	-	-	-	-	-	-	-	-	-	-
Non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-
Off-balance-sheet exposures	4,511,864			-								-
Central banks	-			-								-
General governments	-			-								-
Credit institutions	-			-								-
Other financial corporations	896,023			-								-
Non-financial corporations	3,856,759			-								-
Households	-			-								-
Total	12,092,300	7,580,436	-	-	-	-	-	-	-	-	-	-

31 Oct 2023 US$'000	a	b	c	d	e	f	g	h	i	j	k	l
	Gross carrying amount/nominal amount											
	Performing exposures			Non-performing exposures								
		Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
Cash balances at central banks and other demand deposits	2,169,197	2,169,197	-	-	-	-	-	-	-	-	-	-
Loans and advances	5,568,141	5,568,141	-	-	-	-	-	-	-	-	-	-
Central banks	-	-	-	-	-	-	-	-	-	-	-	-
General governments	-	-	-	-	-	-	-	-	-	-	-	-
Credit institutions	1,795,815	1,795,815	-	-	-	-	-	-	-	-	-	-
Other financial corporations	2,522,530	2,522,530	-	-	-	-	-	-	-	-	-	-
Non-financial corporations	1,249,796	1,249,796	-	-	-	-	-	-	-	-	-	-
Of which SMEs	-	-	-	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities	2,132,760	2,132,760	-	-	-	-	-	-	-	-	-	-
Central banks	-	-	-	-	-	-	-	-	-	-	-	-
General governments	580,896	580,896	-	-	-	-	-	-	-	-	-	-
Credit institutions	1,432,405	1,432,405	-	-	-	-	-	-	-	-	-	-
Other financial corporations	119,459	119,459	-	-	-	-	-	-	-	-	-	-
Non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-
Off-balance-sheet exposures	4,135,970			-								-
Central banks	-			-								-
General governments	-			-								-
Credit institutions	-			-								-
Other financial corporations	625,440			-								-
Non-financial corporations	3,510,530			-								-
Households	-			-								-
Total	14,006,068	9,870,098	-	-	-	-	-	-	-	-	-	-

Table EU CR5 below details exposures under the standardised approach by risk weight and exposure class. All amounts presented are post Credit Risk Mitigation (‘CRM’), post Credit Conversion Factors (‘CCF’) and net of impairment provisions. CCR is excluded.

Table 21 – EU CR5 – Standardised approach (Article 444(e))

31 Oct 2024
US$'000

		Risk Weight (%)															Total	Of which unrated
	Exposure classes	**0**	**2**	**4**	**10**	**20**	**35**	**50**	**70**	**75**	**100**	**150**	**250**	**370**	**1250**	**Others**		
1	Central governments or central banks	713,485	-	-	-	-	-	-	-	-	-	-	-	-	-	-	713,485	-
2	Regional governments or local authorities		-	-	-	-	-	-	-	-	-	-	3,880	-	-	-	3,880	3,880
3	Public sector entities	98,387	-	-	-	99,831	-	-	-	-	-	-	-	-	-	-	198,218	-
4	Multilateral development banks	461,275	-	-	-	24,385	-	-	-	-	-	-	-	-	-	-	485,660	485,660
5	International Organisations	20,537	-	-	-		-	-	-	-	-	-	-	-	-	-	20,537	20,537
6	Institutions	-	-	-	-	540,697	-	193,752	-	-	-	-	-	-	-	-	734,449	-
7	Corporates	-	-	-	-	54,410	-	251,052	-	-	4,660,061	-	-	-	-	-	4,965,523	-
8	Retail exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Exposures secured by mortgages on immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Exposures in default	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Exposures associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	1,032	-	-	-	-	1,032	1,032
12	Covered bonds	-	-	-	444,188	-	-	-	-	-	-	-	-	-	-	-	444,188	-
13	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Units or shares in collective investment undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Other items	3	-	-	-	-	-	-	-	-	13,524	-	-	-	-	-	13,527	13,527
17	**Total**	**1,293,687**		**-**	**444,188**	**719,323**	**-**	**444,804**	**-**	**-**	**4,673,585**	**1,032**	**3,880**	**-**	**-**	**-**	**7,580,499**	**524,636**

31 Oct 2023
US$'000

		Risk Weight (%)																
	Exposure classes	**0**	**2**	**4**	**10**	**20**	**35**	**50**	**70**	**75**	**100**	**150**	**250**	**370**	**1250**	**Others**	**Total**	**Of which unrated**
1	Central governments or central banks	2,719,064	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,719,064	-
2	Regional governments or local authorities	-	-	-	-	-	-	-	-	-	-	-	6,656	-	-	-	6,656	6,656
3	Public sector entities	76,917	-	-	-	52,698	-	-	-	-	-	-	-	-	-	-	129,615	10,199
4	Multilateral development banks	351,013	-	-	-	23,100	-	-	-	-	-	-	-	-	-	-	374,113	23,100
5	International Organisations	18,923	-	-	-	-	-	-	-	-	-	-	-	-	-	-	18,923	18,923
6	Institutions	-	-	-	-	407,668	-	181,806	-	-	-	-	-	-	-	-	589,474	374
7	Corporates	-	-	-	-	53,111	-	189,270	-	-	4,053,698	-	-	-	-	-	4,296,079	1,463,836
8	Retail exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Exposures secured by mortgages on immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Exposures in default	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Exposures associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	1,034	-	-	-	-	1,034	1,034
12	Covered bonds	-	-	-	329,358	-	-	-	-	-	-	-	-	-	-	-	329,358	-
13	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Units or shares in collective investment undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Other items	3	-	-	-	-	-	-	-	-	13,757	-	-	-	-	-	13,760	13,760
17	**Total**	3,165,920		-	329,358	536,577	-	371,076	-	-	4,067,455	1,034	6,656	-	-	-	8,478,076	1,514,782

Table 22 – EU CQ5 - Credit quality of loans and advances to non-financial corporations by industry (Article 442(c) & (e))

	31 Oct 2024 **US$'000**	Gross carrying amount		Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			Of which defaulted		
010	Agriculture, forestry and fishing	26,536	-	(20)	-
020	Mining and quarrying	0	-	0	-
030	Manufacturing	388,264	-	(107)	-
040	Electricity, gas, steam and air conditioning supply	1,573	-	(28)	-
050	Water supply	82,274	-	(27)	-
060	Construction	112,421	-	(126)	-
070	Wholesale and retail trade	0	-	(1)	-
080	Transport and storage	167,703	-	(3,443)	-
090	Accommodation and food service activities		-		-
100	Information and communication	630,281	-	(648)	-
110	Financial and insurance activities		-		-
120	Real estate activities		-		-
130	Professional, scientific and technical activities		-		-
140	Administrative and support service activities	165,478	-	(27)	-
150	Public administration and defence, compulsory social security		-		-
160	Education		-		-
170	Human health services and social work activities	0	-	0	-
180	Arts, entertainment and recreation	38,897	-	(38)	-
190	Other services		-		-
200	***Total***	***1,613,427***	**-**	***(4,465)***	**-**

	31 Oct 2023 **US$'000**	Gross carrying amount		Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			Of which defaulted		
010	Agriculture, forestry and fishing	28,633	-	(12)	-
020	Mining and quarrying	-	-	-	-
030	Manufacturing	381,061	-	(46)	-
040	Electricity, gas, steam and air conditioning supply	-	-	-	-
050	Water supply	76,696	-	(8)	-
060	Construction	65,795	-	(109)	-
070	Wholesale and retail trade	5,851	-	-	-
080	Transport and storage	85,964	-	(761)	-
090	Accommodation and food service activities	-	-	-	-
100	Information and communication	361,192	-	(119)	-
110	Financial and insurance activities	-	-	-	-
120	Real estate activities	-	-	-	-
130	Professional, scientific and technical activities	-	-	-	-
140	Administrative and support service activities	215,538	-	(33)	-
150	Public administration and defence, compulsory social security	-	-	-	-
160	Education	-	-	-	-
170	Human health services and social work activities	-	-	-	-
180	Arts, entertainment and recreation	29,066	-	(7)	-
190	Other services	-	-	-	-
200	***Total***	***1,249,796***	**-**	***(1,095)***	**-**

4.5 Credit Risk Mitigation

Table 23 – EU CR3 - CRM techniques overview: Disclosure of the use of credit risk mitigation techniques (Article 453(f))

	31 Oct 2024	Unsecured carrying amount	Secured carrying amount			
				Of which secured by collateral	Of which secured by financial guarantees	
						Of which secured by credit derivatives
	US$'000	a	b	c	d	e
1	Loans and advances	659,650	4,976,588	3,305,819	1,670,769	-
2	Debt securities	862,197	1,082,000	0	1,082,000	
3	Total	1,521,847	6,058,588	3,305,819	2,752,769	-
4	*Of which non-performing exposures*	-	-	-	-	-
EU-5	*Of which defaulted*	-	-			

	31 Oct 2023	Unsecured carrying amount	Secured carrying amount			
				Of which secured by collateral	Of which secured by financial guarantees	
						Of which secured by credit derivatives
	US$'000	a	b	c	d	e
1	Loans and advances	2,325,432	5,411,906	3,671,097	1,740,809	-
2	Debt securities	1,227,018	837,355	-	837,355	
3	Total	3,552,450	6,249,261	3,671,097	2,578,164	-
4	*Of which non-performing exposures*	-	-	-	-	-
EU-5	*Of which defaulted*	-	-			

The above template EU CR3 sets out all Credit Risk Mitigation (CRM) techniques used by the Company regardless of whether these techniques are recognised under CRR, including all types of collateral and financial guarantees used for all secured exposures.

SIDAC uses collateral to mitigate credit risk and reduces capital costs, in a sound and prudent manner, subject to internal controls and in accordance with both legal and regulatory requirements.

Credit Risk Mitigation

The Company holds collateral or guarantees in respect of certain exposures including corporate loans, securities held as part of securities financing transactions and/or OTC derivative activity. The Company maintains policies which detail the acceptability of specific classes of collateral. The acceptable types of collateral are reviewed on an annual basis. A variety of types of collateral are accepted against corporate loan advances, including securities, cash, guarantees and insurance, grouped broadly as follows: Financial collateral (lien over deposits, shares, etc.); Physical collateral (mortgage over aircraft, etc.); Other collateral (guarantees, insurance, etc.). The Company is not currently using credit derivatives to mitigate risk.

All collateral pledged as security is legally effective and enforceable in all relevant jurisdictions. This includes the requirement to obtain independent, written and reasoned legal opinion(s) to confirm the legal effectiveness and enforceability of collateral.

Table 24 – EU CR4 – Standardised approach – Credit risk exposure and CRM effects (Article 453 (g), (h) & (i))

31 Oct 2024 US$'000								**31 Oct 2023**					
		Exposures before CCF and CRM		**Exposures post CCF and CRM**				Exposures before CCF and CRM		Exposures post CCF and CRM			
	Exposure classes	**On-balance sheet amount**	**Off-balance sheet amount**	**On-balance sheet amount**	**Off-balance sheet amount**	**RWAs**	**RWA density**	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWAs	RWA density
1	Central governments or central banks	713,485		713,485		0	0.00%	2,719,064	-	2,719,064	-	-	0.00%
2	Regional governments or local authorities	3,880		3,880		9,699	250.00%	6,656	-	6,656	-	16,641	250.02%
3	Public sector entities	198,218		198,218		19,966	10.07%	129,617	-	129,617	-	10,540	8.13%
4	Multilateral development banks	485,660		485,660		4,877	1.00%	374,113	-	374,113	-	4,620	1.23%
5	International Organisations	20,537		20,537		0	0.00%	18,923	-	18,923	-	-	-
6	Institutions	626,592	107,857	626,592	107,856	205,015	27.91%	589,474	-	589,474	-	172,436	29.25%
7	Corporates	2,674,097	4,403,244	2,674,097	2,291,427	4,805,781	96.78%	2,143,214	4,147,611	2,143,214	2,152,865	4,158,957	96.81%
8	Retail							-	-	-	-	-	-
9	Secured by mortgages on immovable property							-	-	-	-	-	-
10	Exposures in default							-	-	-	-	-	-
11	Exposures associated with particularly high risk	1,032		1,032		1,548	150.00%	1,034	-	1,034	-	1,551	150.00%
12	Covered bonds	444,188		444,188		44,419	10.00%	329,358	-	329,358	-	32,936	10.00%
13	Institutions and corporates with a short-term credit assessment							-	-	-	-	-	-
14	Collective investment undertakings							-	-	-	-	-	-
15	Equity							-	-	-	-	-	-
16	Other items	13,527		13,527		13,524	99.98%	13,760	-	13,760	-	13,757	99.98%
17	**Total**	5,181,216	4,511,101	5,181,216	2,399,283	5,104,829	67.37%	6,325,213	4,147,611	6,325,213	2,152,865	4,411,438	52.03%

In contrast to template EU CR3, the above template EU CR4 provides details only on the effects of CRM techniques recognised under CRR, along with credit conversion factors, on the Company's credit risk exposures. EU CR4 is not reflective of the total volume of exposures against which collateral and guarantees are held, nor does it reflect the full range of credit risk mitigation taken. A significant portion of the exposures included in the table (exposures unsecured carrying amount) benefit from security taken to mitigate credit risk, but this security is not eligible for use in the regulatory capital calculations.

4.6 Counterparty Credit Risk

As per CRR Article 272, CCR is defined as the risk that the counterparty to a transaction could default before the final settlement of the transaction's cash flows. CCR creates a bilateral risk of loss as the market value can be either positive or negative to the counterparty and will vary based on changes in underlying market factors (e.g. changes in interest rates, exchange rates or stock prices). The Company's primary sources of CCR are its OTC derivatives and securities financing transactions executed by SIDAC's Treasury and Capital Markets business lines.

SIDAC controls and mitigates counterparty risk in a number of ways.

- Appropriate Governance and Policies: The Company's credit risk management policies and procedures are supplemented by additional policies that reflect the unique nature of traded products and the resulting CCR. The BNS Counterparty Credit Risk Management Framework and local SIDAC Addendum and the Traded Products Manual are the primary policies governing all aspects of the management of CCR and traded products, including the identification and management of wrong way risk.
- Measurement: Given that it is not possible to accurately predict a particular transaction's exact credit exposure in advance, in order to control the amount of exposure undertaken, the Company estimates Potential Future Exposure (PFE) using simulations to model a distribution of potential outcomes for a transaction or portfolio of transactions and taking the average ('shortfall') above the 90th percentile of potential in-the-money outcomes.
- Limits: The Company's appetite for CCR is articulated through Counterparty limits which are set by the Company for each individual counterparty, approved in accordance with Company policies and guided by advice and counsel from Scotiabank GRM. Sub-limits can be put in place for each product type. For traded products, limits can include notional, PFE and settlement limits. These limits are monitored independently by CRF on a daily basis.
- Trading Documentation: CCR is actively managed through the use of credit risk mitigants included in trading documentation, including close-out netting, collateral and other credit support. The Bank's trading agreements are based on industry-sponsored contracts and master agreements including International Swap Dealers Agreement ("ISDA") Master Agreements (including the Credit Support Annex, "CSA"), Global Master Repurchase Agreements ("GMRA") and Global Master Securities Lending and Borrowing Agreements ("GMSLA")[5].
- Central Counterparties: The Company uses central counterparties (CCP) to clear a portion of its repo/reverse repo transactions which further mitigates counterparty credit risk. CCPs are treated in a manner consistent with all other counterparties from a credit risk perspective. The Company also transacts interest rate swaps via CCPs, which are facilitated by Scotiabank.
- Collateral: The type and quality of collateral that the Company is willing to accept for OTC Derivatives and SFTs is governed by trading agreements and internal limit documents which are reviewed on an annual basis. Positions are monitored on a daily basis with daily collateral calls made based on the mark-to-market value of the position. Although the Company obtained an ECAI credit rating during FY 2023, there is no risk of increased collateral requirements as a result of a downgrade of the Company or its Parent as the Company's credit support agreements do not currently allow for triggers for the posting of additional collateral due to increased counterparty risk.
- Stress Testing: The Company's CCR stress testing programme provides the basis for ongoing monitoring of CCR exposures, including identifying material concentrations, largest counterparty impacts and portfolio and counterparty specific trends.

[5] Note that these arrangements do not meet the criteria for offsetting in the balance sheet. This is because they create for the parties to the agreement a right of set-off of recognised amounts that is enforceable only following an event of default, insolvency or bankruptcy of the Company or the counterparties or following other predetermined events. In addition, the Company and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously

Exposure Value

The Group determines derivative exposure values for counterparty credit risk using the Standardised Approach (SA-CCR) and therefore recognises the credit risk mitigating impact of collateral received under CSAs in accordance with the relevant specific regulatory rules.

The Company applies the financial collateral comprehensive method for the purposes of calculating counterparty credit exposure for repurchase type transactions.

Wrong-way Risk

The Company's credit adjudication process includes an evaluation of potential wrong-way risk. Wrong-way risk is also systematically identified using results from regular stress testing scenarios.

The approach for managing wrong-way risk is called out in SIDAC's Credit Risk Management Policy, in addition to the Counterparty Credit Risk Management Framework and Traded Products Manual.

The template EU CCR5 below provides a breakdown of all types of collateral posted or received to support or reduce CCR exposures related to derivative transactions and to SFTs.

Table 25 – EU CCR5 – Composition of collateral for exposures to CCR (Article 439(e))

	31 Oct 2024	Collateral used in derivative transactions				Collateral used in SFTs			
	US$'000	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral	
	Collateral type	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
1	Cash – domestic currency	-	-	-	-	-	1,387,394	-	-
2	Cash – other currencies	-	372,246	-	335	-	3,151,378	-	-
3	Domestic sovereign debt	-	-	-	-	-	192,230	-	191,843
4	Other sovereign debt	-	-	-	-	-	4,381,695	-	4,366,012
5	Government agency debt	-	-	-	-	-	-	-	-
6	Corporate bonds	-	-	-	-	-	-	-	-
7	Equity securities	-	-	-	-	-	1,394,324	-	-
8	Other collateral	-	-	-	-	-	-	-	-
9	**Total**	**-**	**372,246**	**-**	**335**	**-**	**10,507,021**	**-**	**4,557,855**

	31 Oct 2023	Collateral used in derivative transactions				Collateral used in SFTs			
	US$'000	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral	
	Collateral type	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
1	Cash – domestic currency	-	-	-	-	-	895,589	-	-
2	Cash – other currencies	-	297,597	-	-	-	2,175,061	-	-
3	Domestic sovereign debt	-	-	-	-	-	-	-	-
4	Other sovereign debt	-	-	-	-	-	-	-	-
5	Government agency debt	-	-	-	-	-	-	-	-
6	Corporate bonds	-	-	-	-	-	-	-	-
7	Equity securities	-	-	-	-	-	-	-	1,599,362
8	Other collateral	-	-	-	-	-	-	-	2,907,465
9	**Total**	**-**	**297,597**	**-**	**-**	**-**	**3,070,650**	**-**	**4,506,827**

Template EU CCR1 below sets out the methods the Company uses to calculate CCR regulatory requirements.

Table 26 – EU CCR1 – Analysis of CCR exposure by approach (Article 439(f) and (g))

31 Oct 2024

US$'000		Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
EU-1	EU - Original Exposure Method (for derivatives)				1.4				
EU-2	EU - Simplified SA-CCR (for derivatives)				1.4				
1	SA-CCR (for derivatives)	2,607	42,209		1.4	359,860	62,742	62,742	16,883
2	IMM (for derivatives and SFTs)								
2a	*Of which securities financing transactions netting sets*								
2b	*Of which derivatives and long settlement transactions netting sets*								
2c	*Of which from contractual cross-product netting sets*								
3	Financial collateral simple method (for SFTs)								
4	Financial collateral comprehensive method (for SFTs)					10,550,175	166,380	166,380	51,933
5	VaR for SFTs								
6	**Total**					**10,910,035**	**229,122**	**229,122**	**68,816**

31 Oct 2023

US$'000		Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
EU-1	EU - Original Exposure Method (for derivatives)				1.4				
EU-2	EU - Simplified SA-CCR (for derivatives)				1.4				
1	SA-CCR (for derivatives)	1,877	53,470		1.4	294,400	77,486	77,486	33,233
2	IMM (for derivatives and SFTs)								
2a	*Of which securities financing transactions netting sets*								
2b	*Of which derivatives and long settlement transactions netting sets*								
2c	*Of which from contractual cross-product netting sets*								
3	Financial collateral simple method (for SFTs)								
4	Financial collateral comprehensive method (for SFTs)					7,656,083	145,629	145,629	39,108
5	VaR for SFTs								
6	**Total**					**7,950,483**	**223,115**	**223,115**	**72,341**

Template EU CCR2 provides detail of the Company's CVA charge and calculation approach while template EU CCR3 provides a breakdown of CCR by exposure class and risk weight

Table 27 – EU CCR2 – Transactions subject to own funds requirements for CVA risk (Article 439(h))

	US$'000	**Exposure value 31 Oct 2024**	**RWEA 31 Oct 2024**	Exposure value 31 Oct 2023	RWEA 31 Oct 2023
1	Total transactions subject to the Advanced method	-	-	-	-
2	(i) VaR component (including the 3× multiplier)		-		-
3	(ii) stressed VaR component (including the 3× multiplier)		-		-
4	Transactions subject to the Standardised method	116,731	19,301	82,248	15,835
EU-4	Transactions subject to the Alternative approach (Based on the Original Exposure Method)	-	-	-	-
5	**Total subject to the CVA capital charge**	**116,731**	**19,301**	**82,248**	**15,835**

Table 28 – EU CCR3 – CCR exposures by regulatory portfolio and risk weight – Standardised Approach (Article 444(e))

31 Oct 2024

US$'000		Risk weight (%)					
	Exposure classes	**0**	**2**	**20**	**50**	**100**	**Total exposure value**
1	Central governments or central banks	28,032	-	54,741	-	-	82,773
2	Regional government or local authorities	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	-	-
4	Multilateral development banks	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-
6	Institutions	-	29,183	65,821	14,449	-	109,453
7	Corporates	-	-	-	-	36,896	36,896
8	Retail	-	-	-	-	-	-
9	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
10	Other items	-	-	-	-	-	-
11	**Total exposure value**	**28,032**	**29,183**	**120,562**	**14,449**	**36,896**	**229,122**

31 Oct 2023

US$'000		Risk weight (%)					
	Exposure classes	**0**	**2**	**20**	**50**	**100**	**Total exposure value**
1	Central governments or central banks	47,962	-	-	-	35,951	83,913
2	Regional government or local authorities	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	-	-
4	Multilateral development banks	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-
6	Institutions	-	56.378	20,497	62,327	-	139,202
7	Corporates	-	-	-	-	-	-
8	Retail	-	-	-	-	-	-
9	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
10	Other items	-	-	-	-	-	-
11	**Total exposure value**	**47,962**	**56,378**	**20,497**	**62,327**	**35,951**	**223,115**

Template EU CCR8 provides a breakdown of the Company's exposures to CCPs.

Table 29 – EU CCR8 – Exposures to CCPs (Article 439(i))

31 Oct 2024

	US$'000	Exposure value	RWEA
1	**Exposures to QCCPs (total)**		**2,398**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	29,183	584
3	(i) OTC derivatives	-	-
4	(ii) Exchange-traded derivatives	-	-
5	(iii) SFTs	29,183	584
6	(iv) Netting sets where cross-product netting has been approved	-	-
7	Segregated initial margin	-	
8	Non-segregated initial margin	-	-
9	Prefunded default fund contributions	5,319	1,814
10	Unfunded default fund contributions	-	-
11	**Exposures to non-QCCPs (total)**		-
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	-	-
13	(i) OTC derivatives	-	-
14	(ii) Exchange-traded derivatives	-	-
15	(iii) SFTs	-	-
16	(iv) Netting sets where cross-product netting has been approved	-	-
17	Segregated initial margin	-	
18	Non-segregated initial margin	-	-
19	Prefunded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

31 Oct 2023

	US$'000	Exposure value	RWEA
1	**Exposures to QCCPs (total)**		**2,171**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	-	-
3	(i) OTC derivatives	-	-
4	(ii) Exchange-traded derivatives	-	-
5	(iii) SFTs	56,378	1,128
6	(iv) Netting sets where cross-product netting has been approved	-	-
7	Segregated initial margin	-	
8	Non-segregated initial margin	-	-
9	Prefunded default fund contributions	5,086	1,043
10	Unfunded default fund contributions	-	-
11	**Exposures to non-QCCPs (total)**		-
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	-	-
13	(i) OTC derivatives	-	-
14	(ii) Exchange-traded derivatives	-	-
15	(iii) SFTs	-	-
16	(iv) Netting sets where cross-product netting has been approved	-	-
17	Segregated initial margin	-	
18	Non-segregated initial margin	-	-
19	Prefunded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

4.7 Credit Risk Stress Testing

Stress testing is a risk management tool used by the Company to alert management to potential adverse outcomes related to a variety of risks and inform risk appetite and contingent mitigating action. Under the Company's stress testing program SIDAC performs regular stress testing to assess its exposure to credit risk under a range of severe, yet plausible scenarios. Credit risk stress tests are governed by the Company's SIDAC's Stress Testing Framework and Policy.

Credit risk stress testing includes but is not limited to industry sector review, geographic considerations, counterparty credit risk analysis, climate change risk scenario analysis and overall enterprise stress testing, SIDAC has adopted the Scotiabank model for the computation of expected losses under stressed conditions for inclusion in its ICAAP Enterprise Wide Stress Test (EWST). A stressed credit risk impact is estimated, based on the model, by translating the macro-economic environment projected in each scenario into credit downgrade scenarios.

5 Market Risk and Interest Rate Risk in the Banking Book ("IRRBB")

The below disclosures are made under Article 445.

5.1 Definition

Market risk can be defined as the risk of losses in on and off-balance sheet positions arising from adverse movements in market prices. This can arise at SIDAC from dealing in debt and equity securities, currencies, or derivatives.

5.2 Scope and Drivers of Market Risk

Market risk at SIDAC mainly applies to trading book activities within Capital Markets.

Capital Markets activities comprise:

- Fixed Income and Currencies (FIC)
    - The trading and distribution of fixed income products
    - Collateral Management and Funding business (CMF): included in this business is the Capital Markets funding unit which uses repo and reverse-repo products (classified as interest rate risk in the banking book ["IRRBB"])
    - Debt Capital Markets
- Equities
    - Prime Services (PS) which includes the execution of equity total return swaps (TRS) and stock borrow/loan trade products.

SIDAC's product mix is vanilla in nature resulting in limited non-linear risk. The key driver of market risk at SIDAC is interest rate risk which arises across most of the Company's business activity. The nature of the interest rate risk varies depending upon the instruments used, trading strategies, transaction terms with clients and nature of the funding used.

Credit Spread risk arises from holdings in bonds and securities as the market value of such holdings can change as a result of credit spread changes. The FIC business can give rise to some credit spread risk and this is managed through limits and condition restrictions.

Equity risk is the risk of potential loss due to a change in the market value of shares. This risk arises to a lesser extent as it is primarily mitigated through hedging strategies where equity holdings are largely hedged with the use of equity derivatives and vice versa. Furthermore, there are specific limits related to the maximum unhedged positions.

The hedging strategies within both FIC and Equities may also result in inherent basis risk when a trader hedges an asset with a derivative such as a futures contract.

The Company's foreign exchange risk consists of residual risk arising from non-functional currency profits and nostro balances. SIDAC also utilises specific product and maturity limits to limit foreign exchange market risk.

5.3 Market Risk Governance Process

The Board has overall responsibility for market risk oversight and is supported in this by the BRC and ALCO. SIDAC operates a "Three Lines of Defence" model in relation to the daily management of market risk:

- The first line consists of business lines who are responsible for the day-to-day management of Market Risk.
- The second line is represented by Trade Floor Risk Management ("TFRM") within Risk Management who are responsible for:
  - providing review and challenge;
  - measuring monitoring and reporting of exposures vs limits;
  - ensuring compliance with the Market and Structural Risk Management Framework and Policy and overall Risk Appetite.
- The third line is Internal Audit who provides independent assurance to the Board and Senior Management regarding the effective operation of the market risk governance, risk management and control processes established and maintained by the first and second lines.

5.4 Measurement, Monitoring and Reporting of Market Risk

SIDAC's Risk Appetite Framework ("RAF") articulates the amount of market risk the Company is willing to take to achieve its strategic and financial objectives. Each desk is responsible for managing market risk against pre-defined RAF and management limits.

SIDAC's risk appetite for market risk in the Trading Book is stipulated via the establishment of the following Risk Appetite metrics:

- Value at Risk (VaR)
- Stress Testing

The Scotiabank VaR model is a historical simulation model based on 300 business days of market data, a 1 day holding period and a 99% confidence level. The VaR result is calculated daily and reviewed by TFRM and Front Office. As at 31st October 2024, SIDAC's VaR equated to CAD $155k.

Each trading desk is responsible for monitoring their risk and hedging appropriately. Exchange Traded Derivatives ("ETDs"), Interest Rate swaps and FX (spot & forwards) have been identified for hedging purposes with respect to FIC, with cash equities (PS) and Convertible bonds (PS) more frequently used as hedges in the equities business line.
Exposures are measured, monitored and reported vis a vis pre-defined management and RAF limits by the second line of defence team, TFRM and reported daily to management and monthly and/or quarterly to the appropriate oversight committees.

5.5 Approach

The Company uses the standardised approach to calculate market risk for regulatory purposes, more specifically the maturity-based method for calculation of general debt instruments risk[6].
The table below provides Risk Weighted Exposure Amounts ("RWEAs") and capital requirements arising from market risk.

The increase in 2024 is due mainly to the further establishment and growth of the Capital Markets business.

[6] The company will be utilising the CRR FRTB Standardised Approach from Q1 2026.

Table 30 – EU MR1 – Market Risk under the Standardised Approach (Article 445)

	US$'000	RWEAs 31 Oct 2024	RWEAs 31 Oct 2023
	Outright products		
1	Interest rate risk (general and specific)	65,856	16,723
2	Equity risk (general and specific)	5,817	9,819
3	Foreign exchange risk	169,979	75,633
4	Commodity risk	-	-
	Options		
5	Simplified approach	-	-
6	Delta-plus approach	-	-
7	Scenario approach	-	-
8	Securitisation (specific risk)	-	-
9	**Total**	**241,652**	**102,175**

5.6 Interest Rate Risk in the Banking Book ("IRRBB") and Credit Spread Risk in the Banking Book ("CSRBB")

5.6.1 Definition

Interest rate risk arises from changes in the level of interest rates, changes in the shape of the yield curve, interest rate basis risk and re-pricing risk, which can affect any structural and duration mismatches between assets and liabilities in the balance sheet, and which can generate a risk to earnings or capital. SIDAC is primarily exposed to re-price, yield curve and basis risk.

Tools used to measure this risk include Net Interest Income ("NII") and Economic Value of shareholders' equity ("EVE") sensitivity measures. The measurement is based on outcomes of both indicators, arising from adverse movement in interest rates. The risk measurements are applied to the Company's non-trading (banking) books. See section 5.6.5 for more details.

CSRBB relates to credit spread risk from the banking book. CSRBB captures the changes of the market price for credit risk, for liquidity and for potentially other characteristics of credit-risky instruments.

5.6.2 Scope of Activities and Policies

SIDAC mitigates market risk through the use of derivatives and has approved products and limits for this purpose with experience in employing this strategy across a range of portfolios. In addition to the financial tools used to mitigate this risk, the Company has established a robust market risk framework which takes an integrated approach to identifying the sources of market risk ensuring that the risk is measured, monitored and controlled. SIDAC's Market and Structural Risk Management Framework and Policy clearly defines and describes the principles for identifying, measuring, monitoring and reporting its market risk, clearly articulating roles and responsibilities. SIDAC's activities giving rise to IRRBB are Treasury Management, International Corporate Banking and Capital Markets (secured funding transactions).

CSRBB is associated with the risk of widening Held To Collect and Sell ("HTC&S") bond credit spreads (net of bond and swap movements) impacting HTC&S reserves via fair value through other comprehensive income ("FVOCI"). CSRBB also impacts capital ratios, as the market value of HTC&S bond holdings can change as a result of credit spread changes[7].

5.6.3 Governance Process

The Board has overall responsibility for IRRBB and CSRBB oversight and is supported in this by the BRC and ALCO. See section 5.3 for description of the "Three Lines of Defence" model in relation to the daily management of these risks.

[7] Revised EBA Guidelines required SIDAC to measure the impact of CSRBB in relation to NII and MV changes on its banking book from December 2023.

5.6.4 Risk Management and Mitigation Strategies

The Treasury function within SIDAC has primary responsibility for managing IRRBB to the pre-defined RAF and management limits. Treasury holds a high-quality liquid asset ("HQLA") portfolio which comprises fixed and floating rate notes. Treasury fund this and other activities through a combination of term deposits and notice deposits. They utilise several techniques to manage, mitigate and hedge market risk, including balance sheet duration matching and entering offsetting transactions with balance sheet or derivative hedging products for example interest rate swaps used to convert fixed rate risk on a bond to floating rate risk, short -term interest rate swaps to manage gap risk to manage against either an expected move up or down in interest rates. Hedging derivatives are currently transacted with parent bank/affiliated entities or regulated financial counterparts.

Within the repo business interest rate risk arises from the mismatch of repo and reverse repo tenor and balances. Interest rate risk limits are in place on the repo desk by currency and tenor, as well as notional and cash gap limits to control the size of the book and mismatch of cashflow. This risk may be hedged by interest rate futures.

Sensitivity analysis and stress testing are key tools used to facilitate in the measurement, monitoring and management of IRRBB and CSRBB (described further in the next section). SIDAC's Stress Testing Framework and Policy covers standardised and non-standardised stress tests. In addition, stress tests are either risk-specific or general.

- ✓ Standardised stress tests, such as market risk stress tests, are usually designed to be highly automated and repetitive and are generally more risk-specific covering a single risk type.

- ✓ Non-standardised stress tests provide a framework for management discussion and review of risks e.g., Enterprise-Wide Stress Testing ("EWST"), Recovery Plan

The Board articulates its appetite for Market Risk in the banking book, in the RAF, setting limits and approving the annual Business Plan and policy papers. Risk appetite limits along with early warning indicators are set to control SIDAC's market and structural risk exposures, and to highlight any potential weaknesses or pressure points. The RAF limits are approved at least annually by the Board. Performance against these metrics is monitored and reported by Risk Management to ALCO and ExCo monthly, and to the BRC on a quarterly basis.

The Risk Appetite with respect to the IRRBB and CSRBB is stipulated via the establishment of the following Risk Appetite metrics:

- Economic Value of Equity (EVE) Sensitivity
- Net Interest Income (NII) Sensitivity
- Credit Spread Sensitivity (CS01)

Additionally, interest rate risk is also measured, monitored and controlled via ALCO limits including (but not limited to),

- DV01 (parallel and non-parallel)
- Notional product limits

Further disclosures with respect to interest rate risk exposures are provided below.

5.6.5 Scope and Nature of Risk Reporting Measurement Systems

The following tools have been identified as being appropriate for the measurement, monitoring and controlling of market and structural risk exposure in the banking book. These results are reported daily to Senior Management and stakeholders and are presented to ALCO monthly and to the BRC on a quarterly basis.

Sensitivity Analysis

All Interest rate sensitive assets/liabilities are present valued using the appropriate risk-free curve and then a standard present value of a one basis point change in interest rate (DV01) is calculated for every deal. The DV01s are then bucketed into currency and yield curve tenor points to provide an overall interest rate gap. To calculate the various EVE and NII interest rate exposure measures the present value is shocked by the policy and regulatory interest rate shocks. The EVE and NII calculations are supplemented by DV01 reports, desk level position reports and stress testing.

Assumptions

- All transactions are included at their contractual re-pricing schedules.
- Balance Sheet is static.
- SIDAC does not have products that require behavioural assumptions.
- Capital is excluded as considered non-rate sensitive.

Economic Value of Equity ("EVE") Sensitivity

The EVE component of the IRRBB framework forms a key part of the IRRBB measurement tools for SIDAC and is designed to protect Shareholder's equity. It represents the maximum before-tax effect of a +/- 200-250 bp parallel shift (depending on the currency of the position) in yield curves on the net present value of SIDAC's assets and liabilities.

The risk positions are recalculated daily with updated market curves and positions. The positions are present valued using the latest market curves and then shocked according to the relevant policy/regulatory interest rate shock.

Net Interest Income ("NII") Sensitivity

The NII component is designed to protect short term revenue. NII is calculated daily and measures the net potential loss in Net Interest Income over the next year of the balance sheet with respect to a standard +/-200-250 basis point shock (one of these scenarios will create a loss)[8].

Additional Interest Rate Stress Testing

SIDAC also performs the "Standardised Interest Rate Shocks" as outlined in the 2023 EBA Guidelines on the management of IRRBB and CSRBB arising from non-trading book activities. This involves calculating the impact on EVE of six prescribed interest rate scenarios and compare the results daily to an outlier test figure of 15% of tier 1 capital. From an NII perspective, the results of the aforenoted +/- 200 - 250 bp shock is compared to an outlier figure of 5% of tier 1 capital If the decline in either EVE or NII stress tests is greater than the prescribed thresholds, SIDAC will immediately report to the regulator.

The results of these scenarios are reported daily to Senior Management, with the most severe scenario reported monthly to ALCO and quarterly to the Board Risk Committee.

Table EU IRRBB1 below details changes in EVE under each supervisory interest rate shock scenario and NII under both the parallel up and parallel down scenarios for the current and previous period. SIDAC does not use any assumptions different from those used for disclosure of this template.

[8] SIDAC's methodology for both EVE and NII is aligned to the Standardised Interest Rate Shocks as outlined in the 2023 EBA Guidelines and supporting Regulatory Technical Standards (RTS) on IRRBB.

Table 31 – EU IRRBB1 – Interest rate risks of non-trading book activities (Article 448(1)(a),(b))

		a	b	c	d
Supervisory shock scenarios		Changes of the economic value of equity		Changes of the net interest income	
US$ millions		31-Oct-24	31-Oct-23	31-Oct-24	31-Oct-23
1	Parallel up	(16.5)	(24.4)	35.4	25.3
2	Parallel down	7.6	11.8	(70.9)	(25.3)
3	Steepener	3.5	3.2		
4	Flattener	(11.8)	(13.6)		
5	Short rates up	(16.8)	(21.7)		
6	Short rates down	7.5	9.9		

In 2024 the most severe loss of $16.5mm arising from the parallel up shock with respect to EVE whereas in 2023 it was $24.4m. The decrease for 2024 related primarily to a decrease in assets positions further out the curve and time decay on existing positions. With respect to NII, the loss was created by the parallel down scenario in both 2023 and 2024, with the increase in 2024 driven primarily by the inclusion of all Capital Markets secured financing (Repo, Reverse Repo, secured borrowing / lending) positions in IRRBB measures, following approval of an updated RAF methodology in December 2023. It is noted also that positive changes are weighted by a factor of 50% across all measures (including NII) in 2024 in accordance with EBA guidelines which became effective from September 2024.

SIDAC holds Pillar 2 capital to mitigate non-trading market risk, the results of which are generated from an economic internal capital model for capital charges and includes all non-trading positions, with a rolling 10-year observation period and market volatility scaled to one year and a confidence level of 99.95%.

Credit spread risk is controlled by setting a maximum Credit Spread 01 (CS01) RAF sensitivity limit. The CS01 is the change in the value of the bond portfolio for a 1 basis point increase in yields. The CS01 is calculated and reported daily to Treasury and Senior Management and forms part of the standard ALCO and BRC reporting packs.

Credit spread risk is considered a material risk and Pillar 2 Capital is calculated quarterly based on an approved model which calculates credit spread volatility over a 1-year period, to a 99.95% confidence level and utilising historical data set from June 2009 to date.

6 Operational Risk

Operational risk is the risk of loss, whether direct or indirect, to which the Company is exposed due to external events, human error, or the inadequacy or failure of processes, procedures, systems or controls. The Company views outsourcing and third-party risk to be a subset of operational risk.

All of the Basel operational event classes and event types are considered in the review of operational risk. Internal factors, such as the internal control environment and external factors, such as macroeconomic conditions, external threats (e.g. fraud/crime) and the legal/regulatory environments all contribute to levels of operational risk. The Company has identified its top operational risk concerns as follows: Compliance & AML risk, Processing & Execution risk (including Change Management risk) and People risk.

6.1 Operational Risk Management and Risk Measures

The Company's objective is to manage Operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and control procedures that do not restrict initiative and creativity. Within these parameters the Company operates by following the Operational Risk and Compliance policies and controls approved by the Board and Operational Risk Committee. Application of these policies and procedures is monitored by the Risk Management, Compliance and Internal Audit functions.

Senior Management is responsible for ensuring that internal controls designed to minimise operational risk are in place and that all staff are trained to understand their responsibilities in identifying and reporting operational risk events ("OREs"). Furthermore, periodic Risk Control and Self-Assessments ("RCSAs") are conducted by the selected business lines, control and support functions of the Company. The resulting reports are challenged by Risk Management, reviewed by ORC and approved by relevant Senior Management.

The overarching governance documents for operational risk are the Scotiabank Operational Risk Management Framework adopted by the Board along with a local Addendum reflecting region specific requirements. In addition, advice and counsel is received from Scotiabank GRM on the addendum. Additional supporting BNS policies include the BNS Model Risk Management Policy, the BNS Business Continuity Management Policy, the Global Third Party Risk Management Policy and the BNS Internal Control Policy, adopted by the Board each with a local addendum. The Company also has a locally developed and approved New Initiative Risk Management policy.

The Company recognises the range of operational risks that are inherent in any organisation and uses appropriate Key Risk Indicators ("KRIs") to monitor each category. KRIs are reviewed each month by the ORC.

Procedures exist for the identification, assessment and reporting of operational risk events, with reports being evaluated and categorised for severity by the owner and reviewed and challenged by the Risk Management function. Reporting of OREs, including analysis of root cause and any trends or potential systemic issues, is provided to ORC. Remedial action identified as required is tracked by the Risk Management function for completion and progress or delinquency is reported to the ORC. Regulatory reporting for Operational risk is also a requirement and this is produced quarterly by the Risk Management function

6.2 Methodology and Approaches to Operational Risk

The CRR sets out three approaches for calculating exposure values and capital requirements for operational risk: Basic Indicator Approach, Standardised Approach, and the Advanced Measurement Approach. The Company has elected to use the Basic Indicator Approach. This requires the Company to hold a capital amount equal to 15% of the average of the sum of net interest income and net non-interest income for the three preceding 12-month financial periods for which audited financial information is available.

Template EU OR1 below provides the details of the Company's operational risk calculation under the basic indicator.

Table 32 – EU OR1 – Operational risk own funds requirements and risk-weighted exposure amounts (Article 446)

31 Oct 2024		Relevant Indicator			Own funds requirements	Risk exposure amount
US$'000		2022	2023	2024		
1	Banking activities subject to basic indicator approach (BIA)	87,986	177,357	271,388	26,837	**335,457**
2	Banking activities subject to standardised (TSA) / alternative standardised (ASA) approaches	-	-	-	-	-
3	*Subject to TSA:*	-	-	-		
4	*Subject to ASA:*	-	-	-		
5	Banking activities subject to advanced measurement approaches AMA	-	-	-	-	-

31 Oct 2023 US$'000		Relevant Indicator 2021	2022	2023	Own funds requirements	Risk exposure amount
1	Banking activities subject to basic indicator approach (BIA)	75,453	84,175	169,675	16,465	205,814
2	Banking activities subject to standardised (TSA) / alternative standardised (ASA) approaches	-	-	-	-	-
3	*Subject to TSA:*	-	-	-		
4	*Subject to ASA:*	-	-	-		
5	Banking activities subject to advanced measurement approaches AMA	-	-	-	-	-

6.3 Operational Risk Scenario Testing

Following the Enterprise approach, the Company employs a scenario testing process. An annual plan is agreed by ORC determining the scenario(s) to be tested after an assessment of the potentially most impactful scenarios from the overall scenario inventory has been completed.

6.4 Operational Risk Mitigation

The Company has put in place policies and procedures to mitigate each of the key elements of operational risk as described above. Operational risk is also mitigated through the holding of capital in the form of Pillar 1 regulatory capital and Pillar 2 capital. SIDAC's Pillar 2 Internal Capital Adequacy Assessment is based on a derivation of the Pillar 1 Basic Indicator Approach which is applied to the three-year rolling average of operating income for which the Company takes the highest of each of the last three years and the forecast for the following year and applies the 15% multiplier to that amount The Pillar 2 charge is computed as the excess of the Internal Capital Adequacy Assessment over the Pillar 1 amount.

7 Cyber Security & Information Technology risk

Cyber Security & Information Technology ("IT") risk is categorised as a separate risk from operational risk and is deemed to be a principal risk.

This is based on the pervasive nature of Cyber Security & IT risk and the potential for substantial losses and reputational damage that could be caused by an IT failure.

The Company's IT functions are largely outsourced to its ultimate parent, Scotiabank under a Service Level Agreement ("SLA") which is monitored against key performance indicators monthly.

Accountabilities for IT risk management are clearly laid out with the three lines of defense operating model.

IT risk is managed by the first line with independent risk oversight by Risk Management specialist second line resource.

IT risk is monitored by the first line against a range of indicators which, along with overall 'RAG' status, are assessed and challenged by Risk Management.

Scotiabank and its subsidiaries are exposed to cyber security risks, which may include theft of assets, unauthorized access to sensitive information, or operational disruption due to breaches of cyber security. Scotiabank has implemented a robust and continuously evolving cyber security program to keep pace with evolving threats in which the Company participates.

While computer systems continue to be subject to sophisticated cyber-attack attempts, Scotiabank's countermeasures in place remain effective.

The Company, supported by a Chief Information Security Officer ("CISO") resource, continues to actively monitor this risk, leveraging external threat intelligence, internal monitoring, reviewing best practices and implementing additional controls as required to mitigate these risks.

While the risk is considered material to the Company, exposure to this risk is sufficiently mitigated by the capital held for operational risk.

8 Compliance Risk and Conduct Risk

Compliance Risk is the risk of an activity not being conducted in conformity with applicable laws, rules, regulations and prescribed practices (Regulatory Requirements), as well as compliance-related internal policies and procedures, and ethical standards expected by regulators, customers, investors, employees and other stakeholders. Compliance Risk includes Regulatory Compliance Risk, Conduct Risk and Privacy Risk.

Within Scotiabank Conduct Risk is defined as "an aggregation of risks arising from actions or behaviours of the Company's officers, directors, employees, or the conduct of the Company's business (directly or indirectly), not in conformity with the Company's values or principles for ethical conduct and which has, or has the potential to have, an adverse impact on the:

- Company;
- Company's customers or employees; or
- Integrity of the financial markets in which the Company operates".

Compliance Risk and Conduct Risk are both deemed as principal risks to SIDAC.

Compliance risk arises throughout the Company with respect to on-going compliance with transactions, documentation and a wide range of prudential and conduct of business regulations, including regulatory reporting. This risk is heightened as a result of:

- Increased volume and complexity of new regulations and changes to existing regulatory obligations including but not limited to the CBI's Individual Accountability Framework ("IAF"), the Digital Operational Resilience Act ("DORA"), the Corporate Sustainability Reporting Directive ("CSRD"), EU MiFID II and MiFIR review, EMIR 3.0, CRR III/CRD VI, the Sustainable Finance Disclosures ("SFDR") and the EU's new Anti-Money Laundering Regulation ("AMLR").
- Continuous monitoring and outcomes from the CBI's Supervisory Review and Evaluation Process ("SREP") bi-annually.
- Increased number of regulatory expectations, as articulated via supervisory expectations, thematic reviews or Dear CEO letters, amongst others.
- Increased focus by regulators on non-financial risk such as conduct risk (as highlighted by the CBI's 2023 thematic review on embedding an effective conduct-focused culture).
- High number of regulatory bodies and associations whose rules or guidance have application to the Company's activities, e.g., CBI, EBA, Basel, ESMA, Financial Action Task Force ("FATF"), Office of the Superintendent of Financial Institutions ("OSFI");
- Extra-territorial scope for international regulation e.g., Volcker, Foreign Account Tax Compliance Act ("FATCA"), EMIR, GDPR;
- Increased volume and complexity of reporting requirements to regulators / key stakeholders and impact on existing systems, and
- Increased level of scrutiny, enquiry, inspection and regulatory enforcement by the CBI with an expectation that recommendations will be dealt with promptly.

While the risk is considered material to the Company, exposure to this risk is sufficiently mitigated by the governance, controls and compliance risk management framework in place.

8.1 Governance and Controls

The Board is ultimately responsible for overseeing the execution of the Company's Compliance Risk Management Programme (as detailed in the Compliance Risk Summary Framework and local addendum) and the Company's Risk Culture and Conduct Risk Management Framework with local addendum. The Board approves a number of Frameworks and associated Policies supporting Regulatory Compliance and Conduct Risk.

The Director, Head of Compliance has a reporting line directly to the SIDAC Audit Committee and presents a report, inclusive of the Compliance Opinion on SIDAC's regulatory risk profile and assessment of the risk of infringement of compliance risk appetite as expressed in the Risk Appetite Framework.

The Compliance & Conduct Committee ("CCC") is the management committee responsible for assessing the adequacy and effectiveness of the regulatory risk management and control framework in SIDAC. This committee seeks to ensure that the risk of SIDAC being non-compliant with new or current legal and regulatory requirements is effectively managed and controlled. This is also supported by the European Regulatory Change Group ("ERCG"), which overseas regulatory change across Europe and escalates items to the CCC as appropriate.

The CCC is also responsible for assessing the adequacy and effectiveness of SIDAC's Compliance Risk Management Framework and Policy; SIDAC's Conduct and Risk Culture Framework, as articulated within the Scotiabank Compliance Risk Management Framework and the Scotiabank Risk Culture and Conduct Risk Management Framework, Policy and local addenda. Compliance Risk, Conduct Risk and the effectiveness of the Compliance Program are assessed via a series of KRIs, KPIs and risk metrics, which in turn inform the overall Compliance Opinion.

The Company has a Local Conduct Committee ("LCC", a sub-committee of ROC) to oversee instances of staff mis-conduct risk where they occur and consider/recommend any potential variable compensation impact to ROC. This Committee is separate to the CCC. Additionally, any breaches of Compliance policies are managed through the Scotiabank Consequence Management process, which ensures consistency of response across all Scotiabank locations.

In addition, the GBM Europe Financial Crime Committee ("FCC"), which covers both SIDAC and Bank of Nova Scotia London Branch ("BNSL"), provides oversight of GBM Europe's financial crime controls, enables the business to communicate financial crime-related concerns and reviews current and emerging regulatory risks or trends related to financial crime.

9 Environmental and Climate Risk

In 2018, BNS announced its support for the Financial Stability Board ("FSB") Task Force on Climate-related Financial Disclosures ("TCFD"), illustrating BNS' commitment to environmental sustainability from an early stage.

The Company's Board recognises the significance of Environmental and Climate Risk, classifying it as a principal risk, and has directed management to take action to ensure adherence to the BNS group expectations, (see further details below), and the ECB Guidelines.

The Board has adopted the BNS Environmental, Social and Governance Risk Management Framework with local addendum, and has approved a strategy with increased focus on Climate Risk identifying key areas of strategic focus to supports its sustainability ambitions and regulatory obligations.

The Company has also established a risk appetite metric, within its Risk Appetite Framework which focuses on climate risks. It has also established a programme of climate stress testing, incorporating climate-related and environmental risks within the ICAAP stress scenarios, and Environmental, Social and Governance (ESG) risks are included in the Company's assessment of Capital Adequacy Requirements.

The Board of Directors oversees the Company's ESG strategy and monitors management's execution against this strategy.

Climate change requires a multidisciplinary approach. The risks and opportunities posed to the Company will ultimately be overseen by the Board and its Risk Committee. Accountability for the management of this risk resides with the Business Lines but oversight practices have been developed to ensure due consideration of key risks affected by climate change. Existing practice includes reviewing and seeking Board approval for risk appetite limits and Environmental & Climate Risk related policy documents and conducting risk assessments on new initiatives.

The BNS Climate Commitments (as referenced in its 2023 Climate Report) are a comprehensive strategy to address climate risks and opportunities for customers, shareholders, employees, other stakeholders, and BNS's business and operations. The strategy includes a pledge to mobilize CAD 350bn by 2030 to reduce the impacts of climate change, of which over CAD 132bn has been mobilized since November 2018. The commitments also include ensuring robust climate-related governance and transparency in reporting, integrating climate risk assessments into lending, financing and investing, decarbonizing the Bank's own operations, and establishing a Climate Change Centre of Excellence to inform, educate and collaborate.

BNS has committed to establishing bank-wide, quantitative, time-bound targets for reducing greenhouse gas emissions associated with its underwriting and lending activities. Scotiabank commits to being a net-zero bank by 2050 and released its inaugural Net-zero Pathways report in March 2022, which outlined interim (2030) targets for the Bank's Oil & Gas and Power & Utilities sector portfolios.

As part of its inaugural 2023 Climate Report, BNS has expressed its vision of its climate goals focusing on three pillars:

1. Financing Climate Solutions, by providing climate-related financing to clients in all sectors including certain carbon intensive sectors.

2. Advancing to Net-Zero, by working with clients to achieve net-zero emissions associated with its lending portfolio and setting 2030 sectoral emissions intensity reduction targets to keep on course to meet its goal of achieving net-zero financed emissions by 2050

3. Reducing Our Own Emissions, by introducing solutions to minimize BNS's operational emissions.

The identification, assessment and management of environmental and climate-related risk is primarily managed through due diligence performed under environmental risk assessments and credit adjudication processes.

2024 progress includes:

- Expansion of the ESG Project team remit to address and implement European regulatory requirements beyond the Corporate Sustainability Reporting Directive (CSRD).
- Increased headcount on Enterprise Risk teams in BNS and SIDAC to focus specifically on ESG risk.
- Progress made on building capabilities and knowledge to address upcoming ESG reporting requirements.

The Company continues to develop and prepare for the disclosure requirements under to Article 449a of the CRR (disclosure requirement currently only applies to large institutions which have issued securities admitted to trading on a Member State regulated market) and the expected amendments to Commission Implementing Regulation (EU) 2021/637 laying out prudential disclosures on ESG risks. These will be developed in a manner that is proportionate to the Company's size and complexity and the level of risk that it faces while also ensuring that the disclosures are transparent and comprehensible.

10 Liquidity and Funding Risk

10.1 Liquidity Risk Management Qualitative Disclosures (Article 451(a)(4))

Strategies and processes in the management of the liquidity risk

Liquidity risk is identified as a principal risk for SIDAC via its risk identification and assessment process, the outcome of which is recorded in SIDAC's Risk Register. The Company's Internal Liquidity Adequacy Assessment Process (ILAAP) and Liquidity and Funding Risk Management Framework & Policy set out in detail the strategy, risk measurement and management approaches employed to address this risk. By approving the ILAAP and signing the Liquidity Assessment Statement (LAS), the Board attests that it is satisfied as far as possible, that the Company will have sufficient liquidity to meet its obligations when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The liquidity strategy is designed to proactively manage the funding-liquidity risks inherent to the Company's balance sheet, ensuring that the Company meets all financial obligations, satisfies regulatory requirements, while seeking to manage liquidity costs in the most efficient manner. The strategy also aims to minimise the possibility and impact of liquidity stress events.

Its main objectives are to:

- Ensure that the liquidity strategy is consistent with the Company's Risk Appetite and the Business Plan objectives.
- Support business line growth.
- Structure the liquidity profile using methods that balance risk and performance to ensure a resilient liquidity and funding profile.
- Identify available liquidity resources and quantify the related risk/returns.
- Identify contingency sources of funding.
- Maintain an appropriately sized liquidity portfolio and perform ongoing due diligence and risk assessment of liquid assets.
- Consider the direct or indirect impacts of climate related and environmental risks
- Maintain confidence of counterparties and funding providers.
- Ensure that disciplined liquidity management processes are embedded in Treasury's risk culture.

Structure and organisation of the liquidity risk management function

The Liquidity and Funding Risk Management Framework & Policy which is a component of the Risk Management Framework is predicated on the three-lines of defence model.

The Company's Treasury function, which is a first line of defence function, under the direction of the ALCO is responsible for managing the Company's liquidity risk. Treasury is responsible for ensuring compliance with policies, frameworks and procedures as well as ensuring legal and regulatory compliance. The Risk Management function, a second line of defence function oversees the implementation of the Liquidity and Funding Risk Management Framework & Policy, providing review and challenge of liquidity and funding risks. Risk Management measures, monitors and reports liquidity and funding risk to senior management as well as the BRC.

The ALCO is the committee responsible for the strategic direction of liquidity and funding risk management. It has oversight and monitoring responsibilities with respect to liquidity and funding risk, approving ALCO limits and the methodologies used for measuring and managing liquidity risk. It also reviews and challenges the policies, frameworks, strategies and plans with respect to the management of funding and liquidity risk, and consents to their onward submission to the ExCo and/or BRC as appropriate. The Board reviews and approves the Liquidity and Funding Risk Management Framework & Policy annually as well as the established relevant RAF metrics.

The degree of centralisation of liquidity management and interaction between the group's units

The Company maintains its Liquidity and Funding Risk Management policies in accordance with regulatory requirements and ensuring alignment with BNS policies. The Head of Treasury will document SIDAC's Liquidity strategy in consultation with BNS Group Treasury and in line with the Company's Liquidity Risk Appetite. The Company's liquidity management also takes into consideration BNS' centralised global liquidity management approach under the strategic direction and oversight provided by BNS Group Treasury. BNS Global Risk Management and/or Group Treasury also provide advice and counsel with respect to SIDAC's policies, frameworks and ILAAP where appropriate.

Scope and nature of liquidity risk reporting and measurement systems

Liquidity risk is measured and controlled through the establishment of quantifiable metrics outlined in the Company's Risk Appetite Framework, namely LCR, NSFR, and Intraday Liquidity Coverage metrics. This is supplemented by a suite of internal liquidity limits including Minimum Liquidity Buffers, Liquidity Stress Surplus/Liquidity survival horizon (LSH), FX funding metrics, single currency LCR, NSFR metrics, single currency Intraday Liquidity monitoring, and Cash flow gaps. Liquidity reporting is conducted daily to management, monthly to the ALCO and quarterly to the BRC.

Forecasting of key liquidity metrics plays an important role in evaluating the potential future liquidity risk at SIDAC with the view to implementing any remedial action required to ensure adherence to limits.

Policies for hedging and mitigating the liquidity risk and strategies and processes for monitoring the continuing effectiveness of hedges and mitigants

The Company's Liquidity and Funding Risk Management Framework and Policy outlines the principles for liquidity and funding risk management, these include (but not limited to) the establishment of a liquidity and funding risk limit framework, the implementation of a comprehensive liquidity strategy, ensuring appropriate mitigants such as an appropriately sized liquidity buffer is established, the maintenance of a contingency funding plan, and the implementation of an appropriate infrastructure for identifying, measuring, monitoring, and controlling liquidity and funding risk.

The primary sources of the Company's funding are deposits from Scotiabank and Scotiabank affiliates. Treasury may also execute foreign exchange swaps with Scotiabank and third parties to fund its non-USD positions. The Company maintains a pool of bonds of high-quality liquid assets, in various currencies which enables it to raise funds through wholesale banking repo markets, the ECB and other national central banks via affiliates. In addition, the Company has a US$1.5bn multi-currency committed funding facility from Scotiabank. The Company complies with regulatory liquidity management requirements set by the Central Bank of Ireland, including the maintenance of a diversified liquidity buffer calibrated against liquidity stress scenarios as required by the EBA.

An outline of the Company's contingency funding plans

Contingency funding planning is an integral component of the company's liquidity and funding framework and provides a mechanism for determining appropriate actions in the event of a liquidity crisis event. The Contingency Funding Plan (CFP) identifies management actions which could be taken in a stressed scenario. Liquidity Stress Indicators (LSIs) have been established as the basis upon which an evaluation of liquidity stress can be made. LSIs are monitored and reported daily providing an early warning of any potential liquidity issues. A CFP document describes the governance process, key roles and responsibilities and the communication process for the CFP as well as the key stages of the CFP. It is reviewed and approved annually by the Company's Board.

An explanation of how stress testing is used

The Company's Liquidity Stress Testing (LST) Framework governs its Liquidity Stress Testing program. The LST program defines a range of liquidity stress scenarios that could be encountered and includes idiosyncratic, market wide and combination scenarios, their frequency, methodological details, appropriate assumptions, and relevant data infrastructure. The LST scenarios are designed to identify the key vulnerabilities to potential liquidity stress events and to evaluate the cumulative liquidity position under the defined stress scenarios. Furthermore, The LST program is established to ensure that the Company maintains a sufficient liquidity buffer to mitigate liquidity shortfalls from stress events, such as those defined by the scenarios outlined within the Framework. The LST Framework including stress assumptions and parameters are reviewed annually and approved by the relevant management bodies. Results from the LST are monitored against pre-defined aforenoted limits and reported daily to management, as well as monthly and/or quarterly to oversight committees.

The stress assumptions from the LST also inform and are applied to SIDAC's Funding Plan, i.e., informs the 'normative perspective', comprising funding stress scenarios over the medium term (out to three years) taking in to account the impact on LCR and NSFR regulatory ratios.

Reverse Stress scenarios are designed stressing key risk drivers that could severely impact liquidity and thereby result in non-viability of the entity. These are presented to the company's ALCO and Board at least annually.

A declaration approved by the management body on the adequacy of liquidity risk management arrangements.

Through the ILAAP process conducted, the Company's Board attests to the adequacy of the Company's liquidity and funding position and risk management processes on an annual basis. The ILAAP provides a holistic view of the Company's liquidity adequacy. It examines both the short- and long-term liquidity position relative to all internal and regulatory limits and includes forward looking analysis of the Company's liquidity assessment.

Risk Appetite Statement for Liquidity and Funding Risk

The Company's RAF governs the risk activities undertaken by the Company and articulates the level of risk the Board is willing to assume in the pursuit of its strategy and financial objectives. The RAF uses the output from the risk identification and assessment process, ILAAP, ICAAP, and Recovery Plan to determine what risks require measurement, the appropriate metrics that enable the monitoring of those risks and the calibration of the metrics' thresholds to allow for prompt and appropriate decision making.

The Company maintains a clearly defined RAF which consists of the identification of:

- Risk Capacity: The maximum level of risk which the Company can assume before breaching key constraints;
- Risk Appetite: The level and types of risk the Company is willing to assume within its risk capacity to achieve its strategic objectives; and
- Key Risk Appetite Measures: Quantitative and qualitative metrics that capture SIDAC's Risk Appetite.

Together, the application of these components helps to ensure the Company stays within appropriate risk boundaries. The RAF is reviewed annually by senior management who recommend it to the Board for approval, via the BRC. SIDAC actively communicates its risk appetite throughout the Company to further promote a sound risk culture.

From a Liquidity Risk perspective, the Company's risk appetite ensures that SIDAC maintains a strong liquidity position, diversifies its funding sources and term of such funding ensuring that it can meet its financial obligations in the near term while also managing longer term liquidity risk.

The appetite for liquidity risk is expressed by way of a number of metrics, namely;

- The Liquidity Coverage Ratio (LCR) is calculated as the ratio of unencumbered high quality liquid assets (HQLA) to 30-day net cash-outflows as defined under a regulatory prescribed extreme liquidity stress scenario. The RAF is set as a buffer above the minimum regulatory ratio of 100%.
- The Net Stable Funding Ratio (NSFR) requires SIDAC to maintain a stable funding profile in relation to the composition of assets and off-balance sheet activities. The RAF is set as a buffer above the minimum regulatory ratio of 100%.
- Minimum Intraday Liquidity Risk coverage under stress which is designed to ensure adequate intraday sources of funding to cover any potential intraday stress outflows, thereby ensuring SIDAC is able to meet any payment obligation and mitigating against any further impacts on other parties.

10.2 Additional Qualitative Information on LCR (Article 451a(2))

The below items provide additional qualitative information on LCR, which complements template EU LIQ1.

Explanations on the actual concentration of funding sources

The Company's primary sources of unsecured funding are via Scotiabank's Group Treasury and affiliates. This practice creates a concentration risk, as SIDAC has few external depositors. This is monitored by Risk Management on a quarterly basis and is reported to ALCO and the BRC.

SIDAC has identified contingent sources of funding through which it can access alternative funding. SIDAC through its Collateral Management Funding (CMF) business has ready access to the repo market, Treasury undertake regular testing of assets in its portfolio, testing bond haircuts and time to monetisation. It evaluates its ability to withstand crisis situations through the execution of its LST framework.

Funding concentration with respect to term is also assessed and measured against RAF metrics including the LCR and the NSFR. Maintaining single currency LCR and NSFR metrics further assists in ensuring diversity.

Derivative exposures and potential collateral calls

SIDAC enters into CSAs with its external counterparties with whom derivatives are transacted to further mitigate counterparty credit risk of derivative positions. In addition, SIDAC has also established a CSA with its parent. CSA terms include thresholds, minimum transfer amounts, eligible securities and currencies, haircuts applicable to eligible securities and rules for the settlement of disputes. Pledging of collateral is subject to ALCO approved limits.

Within the LCR calculation itself, in order to determine outflows related to potential collateral calls, the Company uses the Historic Look Back Approach ("HLBA") which uses the largest collateral movement on an absolute basis over any 30-day period over the previous two years. This amount is included within the LCR as an outflow and reported on row 11 of template EU LIQ1 on the following page.

In addition to the LCR, SIDAC measures and monitors this risk type through the application of stress tests and scenario analysis. SIDAC leverages the Bank's collateral stress testing process, run at least monthly, the results of which determine additional collateral requirements which are applied to SIDAC's LST as a day 1 outflow across all scenarios, and are monitored daily.

The Company also monitors collateral levels through a Treasury Asset Encumbrance Ratio and the regulatory Asset Encumbrance Ratio.

Currency mismatch in the LCR

Liquidity risk is managed in SIDAC on a material currency basis. The Company is cognisant that its sources of funding are not diversified, and concentration risk may be generated if there is a dependence on FX swap instruments to fund certain currencies, which are transacted with Group entities. This risk is mitigated by imposing a management limit on the percentage amount of funding that can be conducted via FX, by holding a large portfolio of liquid assets and other unencumbered assets in various currencies, as well as by managing the maturity mismatch by ensuring diversification of the funding maturity profile.

Furthermore, SIDAC monitors both the LCR and NSFR internally against pre-defined limits for all material currencies. In addition, ALCO has established intraday risk limits for each material currency and maintains 30-day cumulative FX funding gap limit with respect to EUR.

Explanations on the changes in the LCR over time, the main drivers of LCR results and the evolution of the contribution of inputs to the LCR's calculation over time

Template EU LIQ1 provides details of the Company's LCR calculation. All figures included in the table represent a 12-month rolling average per data point for each quarter of 2024, as per the requirements. The quarterly 12 month rolling average LCR ranged from 194% to 213% in 2024. The ranges of the quarterly averages of the key inputs to the LCR during 2024 were:

- HQLA: US$ 2,883 million to US$ 3,176 million.
- Outflows (weighted): US$ 2,179 million to US$ 2,457 million
- Inflows (weighted): US$ 660 million to US$ 974 million

The gradual decrease in Net Cash Outflows is met with almost similar decrease in HQLA. Hence the LCR was stable within the narrow range above.

High-level description of the composition of the institution`s liquidity buffer.

The Company's buffer of HQLA is predominantly comprised of level 1 assets in the form of bonds issued by Sovereigns, Supranational and Agencies ("SSA"s) and cash held at the CBI along with a smaller proportion of level 2A assets in the form of covered bonds and corporates.

Net Stable Funding Ratio

The subsequent template, EU LIQ2, provides the required information on the calculation of the Company's Net Stable Funding Ratio ("NSFR").

Table 33 – EU LIQ1 – Liquidity Coverage Ratio (LCR) Disclosure Template (Article 451a (2))

US$'000		Total unweighted value (average)				Total weighted value (average)			
EU 1a	**Quarter ending on**	**31 Oct '24**	**31 Jul '24**	**30 Apr '24**	**31 Jan '24**	**31 Oct '24**	**31 Jul '24**	**30 Apr '24**	**31 Jan '24**
EU 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
HIGH QUALITY LIQUID ASSETS									
1	Total high-quality liquid assets (HQLA)					2,882,741	3,176,283	3,097,591	3,002,896
CASH – OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	-	-	-	-	-	-	-	-
3	*Stable deposits*	-	-	-	-	-	-	-	-
4	*Less stable deposits*	-	-	-	-	-	-	-	-
5	Unsecured wholesale funding	602,923	629,266	480,972	510,955	602,923	629,266	480,972	510,955
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*	-	-	-	-	-	-	-	-
7	*Non-operational deposits (all counterparties)*	546,132	529,616	358,328	362,734	546,132	529,616	358,328	362,734
8	*Unsecured debt*	56,790	99,650	122,644	148,221	56,790	99,650	122,644	148,221
9	*Secured wholesale funding*					46	69,750	108,037	124,319
10	Additional requirements	3,893,845	3,762,692	3,647,572	3,493,156	953,576	940,020	916,797	872,758
11	*Outflows related to derivative exposures and other collateral requirements*	176,512	174,023	171,503	169,999	176,512	174,023	171,503	169,999
12	*Outflows related to loss of funding on debt products*	-	-	-	-	-	-	-	-
13	*Credit and liquidity facilities*	3,717,333	3,588,669	3,476,068	3,323,157	777,064	765,997	745,293	702,759
14	Other contractual funding obligations	2,237,099	2,475,966	2,745,863	2,721,662	554,172	754,323	861,571	855,736
15	Other contingent funding obligations	1,214,246	1,129,690	1,065,092	1,072,153	68,781	63,503	56,745	56,389
16	**TOTAL CASH OUTFLOWS**					2,179,497	2,456,861	2,424,121	2,420,156
CASH – INFLOWS									
17	Secured lending (e.g. reverse repos)	860,443	780,172	818,678	757,909	-	-	-	-
18	Inflows from fully performing exposures	113,985	133,105	99,320	104,522	111,657	126,248	92,502	99,959
19	Other cash inflows	4,995,542	5,613,136	6,056,014	5,693,116	547,853	740,399	842,998	873,828
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					-	-	-	-
EU-19b	(Excess inflows from a related specialised credit institution)					-	-	-	-
20	**TOTAL CASH INFLOWS**	5,969,970	6,526,413	6,974,012	6,555,547	659,509	866,647	935,499	973,788
EU-20a	*Fully exempt inflows*	-	-	-	-	-	-	-	-
EU-20b	*Inflows Subject to 90% Cap*	-	-	-	-	-	-	-	-
EU-20c	*Inflows Subject to 75% Cap*	5,109,527	5,746,241	6,155,334	5,797,638	659,509	867,184	936,036	974,325
TOTAL ADJUSTED VALUE									
EU-21	**LIQUIDITY BUFFER**					2,882,741	3,176,283	3,097,591	3,002,896
22	**TOTAL NET CASH OUTFLOWS**					1,519,988	1,589,677	1,488,085	1,445,832
23	**LIQUIDITY COVERAGE RATIO (%)**					194%	205%	212%	213%

There are no other items in the LCR calculation that are not captured in the LCR disclosure template but that the Company considers relevant for its liquidity profile.

US$'000		Total unweighted value (average)				Total weighted value (average)			
EU 1a	**Quarter ending on**	**31 Oct '23**	**31 Jul '23**	**30 Apr '23**	**31 Jan '23**	**31 Oct '23**	**31 Jul '23**	**30 Apr '23**	**31 Jan '23**
EU 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
HIGH QUALITY LIQUID ASSETS									
1	Total high-quality liquid assets (HQLA)					2,766,668	2,302,263	2,143,193	1,962,127
CASH – OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	-	-	-	-	-	-	-	-
3	*Stable deposits*	-	-	-	-	-	-	-	-
4	*Less stable deposits*	-	-	-	-	-	-	-	-
5	Unsecured wholesale funding	495,719	469,391	547,997	560,657	495,719	469,391	547,997	560,657
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*	-	-	-	-	-	-	-	-
7	*Non-operational deposits (all counterparties)*	309,570	286,304	335,825	319,865	309,570	286,304	335,825	319,865
8	*Unsecured debt*	186,149	183,087	212,173	240,793	186,149	183,087	212,173	240,793
9	*Secured wholesale funding*					126,324	58,037	26,290	14,261
10	Additional requirements	3,314,978	3,067,867	2,857,536	2,717,260	839,067	772,320	688,885	614,925
11	*Outflows related to derivative exposures and other collateral requirements*	172,843	158,955	140,306	117,643	172,843	158,955	140,306	117,643
12	*Outflows related to loss of funding on debt products*	-	-	-	-	-	-	-	-
13	*Credit and liquidity facilities*	3,142,136	2,908,912	2,717,230	2,599,617	666,224	613,365	548,579	497,282
14	Other contractual funding obligations	2,653,960	2,066,132	1,417,958	1,021,778	813,712	519,110	321,920	188,982
15	Other contingent funding obligations	1,057,000	791,811	525,816	253,015	-	-	-	-
16	**TOTAL CASH OUTFLOWS**					2,274,822	1,818,858	1,585,093	1,378,825
CASH – INFLOWS									
17	Secured lending (e.g. reverse repos)	618,596	549,351	447,939	340,050	-	-	-	-
18	Inflows from fully performing exposures	109,207	132,340	192,792	274,043	104,605	132,199	191,401	272,652
19	Other cash inflows	4,998,343	3,618,421	2,502,023	2,026,030	845,336	562,162	368,467	207,917
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					-	-	-	-
EU-19b	(Excess inflows from a related specialised credit institution)					-	-	-	-
20	**TOTAL CASH INFLOWS**	5,726,146	4,300,112	3,142,753	2,640,123	949,941	694,361	559,868	480,569
EU-20a	*Fully exempt inflows*	-	-	-	-	-	-	-	-
EU-20b	*Inflows Subject to 90% Cap*	-	-	-	-	-	-	-	-
EU-20c	*Inflows Subject to 75% Cap*	5,107,550	3,750,761	2,694,814	2,300,073	950,479	694,361	559,868	480,569
TOTAL ADJUSTED VALUE									
EU-21	**LIQUIDITY BUFFER**					2,766,668	2,302,263	2,143,193	1,962,127
22	**TOTAL NET CASH OUTFLOWS**					1,378,954	1,176,792	1,073,428	940,005
23	**LIQUIDITY COVERAGE RATIO (%)**					203.75%	198.08%	211.44%	220.54%

There are no other items in the LCR calculation that are not captured in the LCR disclosure template but that the Company considers relevant for its liquidity profile.

Table 34 – EU LIQ2 – Net Stable Funding Ratio (Art 451a (3))

31 Oct 2024

		Unweighted value by residual maturity				Weighted value
US$'000		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items						
1	Capital items and instruments	-	-	-	1,950,408	1,950,408
2	Own funds	-	-	-	1,950,408	1,950,408
3	Other capital instruments		-	-	-	-
4	Retail deposits		-	-	-	-
5	Stable deposits		-	-	-	-
6	Less stable deposits		-	-	-	-
7	Wholesale funding:		2,968,666	701,841	2,462,938	2,813,859
8	Operational deposits		-	-	-	-
9	Other wholesale funding		2,968,666	701,841	2,462,938	2,813,859
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	-	1,964,588	925	3,491	3,953
12	NSFR derivative liabilities	-				
13	All other liabilities and capital instruments not included in the above categories		1,964,588	925	3,491	3,953
14	Total available stable funding (ASF)					4,768,220
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					117,473
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		-	-	-	-
16	Deposits held at other financial institutions for operational purposes		-	-	-	-
17	Performing loans and securities:		2,677,480	966,866	3,490,082	3,607,160
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		870,268	-	-	-
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		1,753,412	964,600	170,256	757,275
20	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		102	2,265	1,199,075	1,020,397
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		-	-	-	-
22	Performing residential mortgages, of which:		-	-	-	-
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		-	-	-	-
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		53,698	-	2,120,751	1,829,487
25	Interdependent assets		-	-	-	-
26	Other assets:		444,128	-	5,192	59,019
27	Physical traded commodities				-	-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		5,539	-	-	4,708
29	NSFR derivative assets		40,897			40,897
30	NSFR derivative liabilities before deduction of variation margin posted		48,261			2,413
31	All other assets not included in the above categories		349,431	-	5,192	11,001
32	Off-balance sheet items		468,084	1,250,226	3,411,591	260,814
33	Total RSF					4,044,466
34	Net Stable Funding Ratio (%) (Quarterly Average 2022)					117.89%

31 Jul 2024

US$'000		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items						
1	**Capital items and instruments**	-	-	-	1,846,514	**1,846,514**
2	*Own funds*	-	-	-	1,846,514	1,846,514
3	*Other capital instruments*		-	-	-	-
4	**Retail deposits**		-	-	-	-
5	*Stable deposits*		-	-	-	0
6	*Less stable deposits*		-	-	-	0
7	**Wholesale funding:**		**5,290,931**	**734,371**	**2,562,379**	**2,929,564**
8	*Operational deposits*		-	-	-	0
9	*Other wholesale funding*		5,290,931	734,371	2,562,379	2,929,564
10	**Interdependent liabilities**		-	-	-	-
11	**Other liabilities:**	**41,358**	**1,859,148**	**920**	**3,474**	**3,934**
12	*NSFR derivative liabilities*	41,358				
13	*All other liabilities and capital instruments not included in the above categories*		1,859,148	920	3,474	**3,934**
14	**Total available stable funding (ASF)**					**4,780,012**
Required stable funding (RSF) Items						
15	**Total high-quality liquid assets (HQLA)**					**118,380**
EU-15a	**Assets encumbered for a residual maturity of one year or more in a cover pool**		-	-	-	-
16	**Deposits held at other financial institutions for operational purposes**		-	-	-	-
17	**Performing loans and securities:**		**4,894,819**	**398,957**	**4,046,392**	**3,870,778**
18	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*		2,913,551	-	-	-
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		1,939,317	343,193	621,334	907,993
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		40,642	3,497	1,137,015	988,532
21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		-	-	-	-
22	*Performing residential mortgages, of which:*		-	-	-	-
23	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		-	-	-	-
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*		1,309	52,266	2,288,043	1,974,252
25	**Interdependent assets**		-	-	-	-
26	**Other assets:**		**350,676**	-	**5,167**	**20,330**
27	*Physical traded commodities*				-	-
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		7,551	-	-	6,419
29	*NSFR derivative assets*		-			-
30	*NSFR derivative liabilities before deduction of variation margin posted*		59,019			2,951
31	*All other assets not included in the above categories*		284,106	-	5,167	10,961
32	**Off-balance sheet items**		**762,858**	**1,199,348**	**3,488,303**	**276,107**
33	**Total RSF**					**4,285,595**
34	**Net Stable Funding Ratio (%) (Quarterly Average 2022)**					**111.54%**

30 Apr 2024

US$'000		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items						
1	Capital items and instruments				1,845,773	1,845,773
2	Own funds				1,845,773	1,845,773
3	Other capital instruments		-	-	-	-
4	Retail deposits		-	-	-	-
5	Stable deposits		-	-	-	0
6	Less stable deposits		-	-	-	0
7	Wholesale funding:		5,914,849	890,166	1,071,426	1,516,509
8	Operational deposits		-	-	-	0
9	Other wholesale funding		5,914,849	890,166	1,071,426	1,516,509
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	22,651	2,657,090	911	3,438	3,894
12	NSFR derivative liabilities	22,651				
13	All other liabilities and capital instruments not included in the above categories		2,657,090	911	3,438	3,894
14	Total available stable funding (ASF)					3,366,176
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					116,841
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		-	-	-	-
16	Deposits held at other financial institutions for operational purposes		-	-	-	-
17	Performing loans and securities:		4,774,262	169,536	2,676,683	2,595,376
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		2,771,029	-	-	-
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		1,999,328	169,536	815,745	1,011,626
20	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		3,906	-	852,153	726,283
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		-	-	-	-
22	Performing residential mortgages, of which:		-	-	-	-
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		-	-	-	-
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		-	-	1,008,785	857,467
25	Interdependent assets		-	-	-	-
26	Other assets:		927,145	-	5,116	22,855
27	Physical traded commodities				-	-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		9,706	-	-	8,250
29	NSFR derivative assets		-			-
30	NSFR derivative liabilities before deduction of variation margin posted		74,020			3,701
31	All other assets not included in the above categories		843,420	-	5,116	10,904
32	Off-balance sheet items		1,474,496	459,316	2,790,620	236,806
33	Total RSF					2,971,878
34	Net Stable Funding Ratio (%) (Quarterly Average 2022)					113.27%

31 Jan 2024

US$'000		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items						
1	Capital items and instruments				1,844,894	1,844,894
2	Own funds				1,844,894	1,844,894
3	Other capital instruments		-	-	-	-
4	Retail deposits		-	-	-	-
5	Stable deposits		-	-	-	0
6	Less stable deposits		-	-	-	0
7	Wholesale funding:		6,384,020	1,019,651	953,204	1,463,030
8	Operational deposits		-	-	-	0
9	Other wholesale funding		6,384,020	1,019,651	953,204	1,463,030
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	30,464	2,273,630	921	3,477	3,937
12	NSFR derivative liabilities	30,464				
13	All other liabilities and capital instruments not included in the above categories		2,273,630	921	3,477	3,937
14	Total available stable funding (ASF)					3,311,861
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					107,500
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		-	-	-	-
16	Deposits held at other financial institutions for operational purposes		-	-	-	-
17	Performing loans and securities:		5,904,473	285,353	2,398,187	2,425,721
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		4,055,819	-	-	-
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		1,792,029	283,423	832,174	1,065,333
20	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		56,625	1,930	796,865	706,613
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		-	-	-	-
22	Performing residential mortgages, of which:		-	-	-	-
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		-	-	-	-
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		-	-	769,147	653,775
25	Interdependent assets		-	-	-	-
26	Other assets:		625,511	-	5,171	18,732
27	Physical traded commodities				-	-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		5,584	-	-	4,747
29	NSFR derivative assets		-			-
30	NSFR derivative liabilities before deduction of variation margin posted		60,580			3,029
31	All other assets not included in the above categories		559,347	-	5,171	10,956
32	Off-balance sheet items		1,067,648	789,034	2,976,065	242,814
33	Total RSF					2,794,767
34	Net Stable Funding Ratio (%) (Quarterly Average 2022)					118.50%

31 Oct 2023

US$'000		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items						
1	**Capital items and instruments**	-	-	-	1,842,295	1,842,295
2	*Own funds*	-	-	-	1,842,295	1,842,295
3	*Other capital instruments*		-	-	-	-
4	**Retail deposits**		-	-	-	-
5	*Stable deposits*		-	-	-	-
6	*Less stable deposits*		-	-	-	-
7	**Wholesale funding:**		6,240,609	774,828	1,041,476	1,428,891
8	*Operational deposits*		-	-	-	-
9	*Other wholesale funding*		6,240,609	774,828	1,041,476	1,428,891
10	**Interdependent liabilities**		-	-	-	-
11	**Other liabilities:**	-	1,995,559	902	3,407	3,858
12	*NSFR derivative liabilities*	-				
13	*All other liabilities and capital instruments not included in the above categories*		1,995,559	902	3,407	3,858
14	**Total available stable funding (ASF)**					3,275,044
Required stable funding (RSF) Items						
15	**Total high-quality liquid assets (HQLA)**					107,978
EU-15a	**Assets encumbered for a residual maturity of one year or more in a cover pool**		-	-	-	-
16	**Deposits held at other financial institutions for operational purposes**		-	-	-	-
17	**Performing loans and securities:**		5,026,250	356,625	1,787,184	1,943,917
18	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*		3,034,950	-	-	-
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		1,937,005	304,734	704,502	970,543
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		53,261	3,881	807,105	714,610
21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		-	-	-	-
22	*Performing residential mortgages, of which:*		-	-	-	-
23	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		-	-	-	-
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*		1,034	48,011	275,578	258,763
25	**Interdependent assets**		-	-	-	-
26	**Other assets:**		471,452	-	5,071	24,955
27	*Physical traded commodities*				-	-
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		5,547	-	-	4,715
29	*NSFR derivative assets*		5,990			5,990
30	*NSFR derivative liabilities before deduction of variation margin posted*		67,716			3,386
31	*All other assets not included in the above categories*		392,199	-	5,071	10,864
32	**Off-balance sheet items**		480,630	1,101,316	2,965,982	231,418
33	**Total RSF**					2,308,267
34	**Net Stable Funding Ratio (%) (Quarterly Average 2022)**					141.88%

31 Jul 2023

US$'000		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items						
1	**Capital items and instruments**	-	-	-	1,731,930	1,731,930
2	*Own funds*	-	-	-	1,731,930	1,731,930
3	*Other capital instruments*		-	-	-	-
4	**Retail deposits**		-	-	-	-
5	*Stable deposits*		-	-	-	-
6	*Less stable deposits*		-	-	-	-
7	**Wholesale funding:**		5,889,503	577,419	721,237	1,010,399
8	*Operational deposits*		-	-	-	0
9	*Other wholesale funding*		5,889,503	577,419	721,690	1,010,399
10	**Interdependent liabilities**		-	-	-	-
11	**Other liabilities:**	43,267	2,801,371	937	3,536	4,005
12	*NSFR derivative liabilities*	43,267				
13	*All other liabilities and capital instruments not included in the above categories*		2,801,371	937	3,536	4,005
14	**Total available stable funding (ASF)**					2,746,334
Required stable funding (RSF) Items						
15	**Total high-quality liquid assets (HQLA)**					103,743
EU-15a	**Assets encumbered for a residual maturity of one year or more in a cover pool**		-	-	-	-
16	**Deposits held at other financial institutions for operational purposes**		-	-	-	-
17	**Performing loans and securities:**		7,252,736	72,468	1,697,708	1,779,775
18	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*		4,769,177	-	-	-
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		2,368,668	69,284	651,685	831,618
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		113,859	1,667	655,064	614,568
21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		-	-	-	-
22	*Performing residential mortgages, of which:*		-	-	-	-
23	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		-	-	-	-
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*		1,032	1,517	390,959	333,589
25	**Interdependent assets**		-	-	-	-
26	**Other assets:**		166,801	-	5,257	87,090
27	*Physical traded commodities*				-	-
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		87,739	-	-	74,578
29	*NSFR derivative assets*		-			-
30	*NSFR derivative liabilities before deduction of variation margin posted*		29,040			1,452
31	*All other assets not included in the above categories*		50,022	-	5,257	11,060
32	**Off-balance sheet items**		447,759	366,032	3,513,405	225,430
33	**Total RSF**					2,196,038
34	**Net Stable Funding Ratio (%)**					125.06%

30 Apr 2023

US$'000		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items						
1	**Capital items and instruments**	-	-	-	1,736,578	1,736,578
2	*Own funds*		-	-	1,736,578	1,736,578
3	*Other capital instruments*		-	-	-	-
4	**Retail deposits**		-	-	-	-
5	*Stable deposits*		-	-	-	-
6	*Less stable deposits*		-	-	-	-
7	**Wholesale funding:**		5,883,192	378,429	698,522	887,736
8	*Operational deposits*		-	-	-	-
9	*Other wholesale funding*		5,883,192	378,429	698,522	887,736
10	**Interdependent liabilities**		-	-	-	-
11	**Other liabilities:**	-	3,921,357	933	3,523	3,989
12	*NSFR derivative liabilities*	-				
13	*All other liabilities and capital instruments not included in the above categories*		3,921,357	933	3,523	3,989
14	**Total available stable funding (ASF)**					2,628,303
Required stable funding (RSF) Items						
15	**Total high-quality liquid assets (HQLA)**					107,282
EU-15a	**Assets encumbered for a residual maturity of one year or more in a cover pool**		-	-	-	-
16	**Deposits held at other financial institutions for operational purposes**		-	-	-	-
17	**Performing loans and securities:**		5,520,055	444,094	1,698,051	1,997,926
18	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*		2,988,998	-	-	-
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		2,358,378	442,432	737,025	1,093,885
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		171,647	1,661	539,007	544,810
21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		-	-	-	-
22	*Performing residential mortgages, of which:*		-	-	-	-
23	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		-	-	-	-
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*		1,032	-	422,019	359,232
25	**Interdependent assets**		-	-	-	-
26	**Other assets:**		2,122,433	-	5,238	49,570
27	*Physical traded commodities*				-	-
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		37,519	-	-	31,891
29	*NSFR derivative assets*		5,771			5,771
30	*NSFR derivative liabilities before deduction of variation margin posted*		17,621			881
31	*All other assets not included in the above categories*		2,061,521	-	5,238	11,026
32	**Off-balance sheet items**		666,085	517,654	2,792,207	200,401
33	**Total RSF**					2,355,179
34	**Net Stable Funding Ratio (%)**					111.60%

31 Jan 2023

US$'000		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items						
1	**Capital items and instruments**	-	-	-	1,771,684	1,771,684
2	*Own funds*	-	-	-	1,771,684	1,771,684
3	*Other capital instruments*		-	-	-	-
4	**Retail deposits**		-	-	-	-
5	*Stable deposits*		-	-	-	-
6	*Less stable deposits*		-	-	-	-
7	**Wholesale funding:**		3,221,025	171,087	380,430	465,974
8	*Operational deposits*		-	-	-	-
9	*Other wholesale funding*		3,221,025	171,087	380,430	465,974
10	**Interdependent liabilities**		-	-	-	-
11	**Other liabilities:**	31,396	1,660,518	921	9,842	10,302
12	*NSFR derivative liabilities*	31,396				
13	*All other liabilities and capital instruments not included in the above categories*		1,660,518	921	9,842	10,302
14	**Total available stable funding (ASF)**					2,247,961
Required stable funding (RSF) Items						
15	**Total high-quality liquid assets (HQLA)**					96,111
EU-15a	**Assets encumbered for a residual maturity of one year or more in a cover pool**		-	-	-	-
16	**Deposits held at other financial institutions for operational purposes**		-	-	-	-
17	**Performing loans and securities:**		2,130,750	487,355	1,242,416	1,490,237
18	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*		1,275,043	-	-	-
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		745,347	407,410	602,795	851,406
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		110,360	79,946	474,279	498,290
21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		-	-	-	-
22	*Performing residential mortgages, of which:*		-	-	-	-
23	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		-	-	-	-
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*		-	-	165,342	140,541
25	**Interdependent assets**		-	-	-	-
26	**Other assets:**		469,999	-	5,169	30,694
27	*Physical traded commodities*				-	-
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		5,137	-	-	4,367
29	*NSFR derivative assets*		-			-
30	*NSFR derivative liabilities before deduction of variation margin posted*		31,396			1,570
31	*All other assets not included in the above categories*		433,466	-	5,169	24,758
32	**Off-balance sheet items**		500,599	471,614	2,963,735	197,209
33	**Total RSF**					1,814,252
34	**Net Stable Funding Ratio (%)**					123.91%

11 Concentration Risk

Concentration risk is the risk associated with any single exposure (or group of exposures that may perform similarly because of a common characteristic or common sensitivity to economic, financial, or business developments) that has the potential to cause considerable risk to earnings and capital. Concentration risk may arise as a result of correlated positions that present exposure to multiple risk factors. Credit concentration risk includes concentrations to the same counterparties or groups of connected counterparties, and counterparties in the same industry sector, geographical region or concentrations from the same activity.

11.1 Concentration Risk Management and Risk Measures

As noted in section 4, the Board has approved a Concentration Risk Management Framework and Policy which sets out types of concentration risk and the levels at which concentrations are regarded as material or significant. Oversight of the Company’s management of Concentration risk also includes ALCO, ExCo and Board review and approval of policies and limits relating to credit, market, liquidity, and operational risk as well as quarterly reporting to the BRC on risk concentrations relating to these key risk disciplines, if applicable, and stress testing on sectors where a material concentration is deemed to arise. Specific Board and Credit Committee approved limits are set to control the maximum exposure to any counterparty or group of related counterparties. Coupled with this, the regulatory Large Exposure rules must be observed. Industry and country concentration is monitored on a regular basis for internal and regulatory purposes. Overall industry and country exposures are reviewed by the CC on a regular basis.

Credit concentration risk, considered a subset of credit risk, is primarily monitored and controlled by the Company under three categories: exposure to an entity or group of connected entities; exposure by industry; and exposure by geography. A measure of Credit concentration risk for use in the Company’s internal capital calculation is computed on a quarterly basis using the Moody's RiskFrontier model. Using the model, the deviation of the internal capital charge for SIDAC’s credit portfolio from that of a well-diversified credit portfolio is assessed by comparing it to SIDAC’s portion of internal capital charge for the consolidated Scotiabank business banking credit portfolio. The difference between the two calculations can be viewed as the diversification benefit that the non-SIDAC exposures in the consolidated Scotiabank portfolio would provide to reduce the amount of capital otherwise attributable to the SIDAC exposures.

11.2 Concentration Risk Mitigation

As per its Risk Appetite Framework, the Company seeks to avoid excessive risk concentrations through a diversified mix of businesses, products, geographies, currencies and customers. Appropriate management of concentration risk is also ensured by the Company’s limits, policies and procedures. Other credit risk mitigation techniques include reviewing risks associated with large indirect credit exposures.

12 Securitisations (Article 449)

Securitisations activities and approach to calculating risk weighted exposure amounts (Article 449(a),(c),(h))

The Company acts purely as investor in securitisations and does not act as originator or sponsor for any securitisation activity. The same overall financial objective applies to any securitisation investments, which is to generate a satisfactory return for the risk being taken.

On 31 October 2024, the Company held one traditional securitisation position. This is a capital note subordinated to other obligations in a larger Asset Backed Commercial Paper conduit which is taken as a full deduction from Tier 1 capital. No new transactions were entered into during the year.

Accounting treatment (Article 449(g))

At inception, exposures to securitisations in the form of debt instruments are classified into one of the following measurement categories: Amortised cost; Fair value through other comprehensive income (FVOCI); or Fair value through profit or loss (FVTPL) for trading related assets and financial instruments mandatorily or optionally designated as such.

Classification of debt instruments is determined based on the business model under which the assets are held and the contractual cash flow characteristics of the instrument.

The capital note is classified within Investment securities mandatorily measured at FVTPL (as its cash flows do not represent payments that are solely payments of principal and interest – "SPPI") with realised and unrealised gains and losses recognised in the Profit and Loss account as part of net trading income or net gain/loss from other financial instruments carried at fair value. This position is classified as Level 3 as it does not trade in an active market. It is fair valued based on an internally developed model that requires the use of significant unobservable inputs, involving greater management judgment for valuation purposes. The unobservable inputs used in the valuation primarily include assumptions on the level of cash flows, the effective maturity and discount rates. These assumptions are reviewed on an ongoing basis by Trade Floor Risk Management and are reviewed, challenged and approved by local ALCO/Enterprise Risk.

Monitoring of risks (Article 449(b))

In relation to the capital note position the Company conducts an annual valuation review which is approved by ALCO. The review incorporates changes in the expected average life, cash flows received and projected, and discount rate to use. Outside of the formal annual revaluation model review, members of SIDAC's Corporate Banking and Risk Management teams liaise with the Securitisation Team at Scotiabank USA on a quarterly basis, or more frequently if required. Various factors are considered and discussed such as liquidity, pricing, term of the commercial paper issuances, delinquencies, pool amounts, fees and the external economic environment. If any factors are deemed to have a material impact on the pricing assumptions a recommendation to update the valuation can take place outside of the formal annual review process.

Credit risk

There was no credit risk capital charge for securitisations at 31 October 2024 as the capital note, which is unrated, is taken as a full deduction from Tier 1 Capital rather than being risk weighted at 1250%. The Company does not avail of any hedging or unfunded protection techniques to mitigate the exposures to securitisations.

Other risks

There are a number of possible inherent risks in purchasing certain securitised notes including: the performance of the underlying assets; the explicit support of the Issuer and its financial stability; volatility in the market value of securitised notes; and liquidity risk that the SPV issuing the purchased securitisation notes has insufficient income from the underlying assets to meet its obligations. The Company is not subject to these risks in a material way which would require additional regulatory capital beyond what has been provided under the Standardised Approach.

Quantitative disclosures regarding securitisations

Template EU SEC1 provides a breakdown of the Company's securitisation exposures by activity, type and underlying assets. Template EU SEC4 provides the detail of the regulatory capital calculations by risk weight and regulatory approach.

Table 35 – EU SEC1 - Securitisation exposures in the non-trading book (Article 449(j))

31 Oct 2024		Institution acts as originator							Institution acts as sponsor				Institution acts as investor			
		Traditional				Synthetic		Sub-total	Traditional		Synthetic	Sub-total	Traditional		Synthetic	Sub-total
		STS		Non-STS			of which SRT		STS	Non-STS			STS	Non-STS		
US$'000			of which SRT		of which SRT											
1	**Total exposures**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**53,343**	-	**53,343**
2	**Retail (total)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**
3	residential mortgage	-	-	-	-	-	-	-	-	-	-	-	-	**-**	-	**-**
4	credit card	-	-	-	-	-	-	-	-	-	-	-	-	**-**	-	**-**
5	other retail exposures	-	-	-	-	-	-	-	-	-	-	-	-	**-**	-	**-**
6	re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	**-**	-	**-**
7	**Wholesale (total)**	-	-	-	-	-	-	-	-	-	-	-	-	**53,343**	**-**	**53,343**
8	loans to corporates	-	-	-	-	-	-	-	-	-	-	-	-	**-**	-	**-**
9	commercial mortgage	-	-	-	-	-	-	-	-	-	-	-	-	**-**	-	**-**
10	lease and receivables	-	-	-	-	-	-	-	-	-	-	-	-	**53,343**	-	**53,343**
11	other wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

31 Oct 2023		Institution acts as originator							Institution acts as sponsor				Institution acts as investor			
		Traditional				Synthetic		Sub-total	Traditional		Synthetic	Sub-total	Traditional		Synthetic	Sub-total
		STS		Non-STS			of which SRT		STS	Non-STS			STS	Non-STS		
US$'000			of which SRT		of which SRT											
1	**Total exposures**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**119,459**	-	**119,459**
2	**Retail (total)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**68,387**	-	**68,387**
3	residential mortgage	-	-	-	-	-	-	-	-	-	-	-	-	**-**	-	**-**
4	credit card	-	-	-	-	-	-	-	-	-	-	-	-	**-**	-	**-**
5	other retail exposures	-	-	-	-	-	-	-	-	-	-	-	-	**68,387**	-	**68,387**
6	re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	**-**	-	**-**
7	**Wholesale (total)**	-	-	-	-	-	-	-	-	-	-	-	-	**51,072**		**51,072**
8	loans to corporates	-	-	-	-	-	-	-	-	-	-	-	-	**-**	-	**-**
9	commercial mortgage	-	-	-	-	-	-	-	-	-	-	-	-	**-**	-	**-**
10	lease and receivables	-	-	-	-	-	-	-	-	-	-	-	-	**51,072**	-	**51,072**
11	other wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Table 36 – EU SEC4 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as investor (Article 449(k))

31 Oct 2024		Exposure values (by RW bands/deductions)					Exposure values (by regulatory approach)				RWEA (by regulatory approach)				Capital charge after cap			
US$'000		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW/ deductions
1	**Total exposures**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**53,343**
2	Traditional securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	53,343
3	Securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	53,343
4	Retail underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Of which STS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	53,343
7	Of which STS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Synthetic securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Retail underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

31 Oct 2023		Exposure values (by RW bands/deductions)					Exposure values (by regulatory approach)				RWEA (by regulatory approach)				Capital charge after cap			
US$'000		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW/ deductions
1	**Total exposures**	**68,387**	**-**	**-**	**-**	**51,072**	**-**	**68,387**	**-**	**51,072**	**-**	**13,677**	**-**	**51,072**	**-**	**1,094**	**-**	**51,072**
2	Traditional securitisation	68,387	-	-	-	51,072	-	68,387	-	51,072	-	13,677	-	51,072	-	1,094	-	51,072
3	Securitisation	68,387	-	-	-	51,072	-	68,387	-	51,072	-	13,677	-	51,072	-	1,094	-	51,072
4	Retail underlying	68,387	-	-	-	-	-	68,387	-	-	-	13,677	-	-	-	1,094	-	-
5	Of which STS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Wholesale	-	-	-	-	51,072	-	-	-	51,072	-	-	-	51,072	-	-	-	51,072
7	Of which STS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Synthetic securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Retail underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

13 Asset Encumbrance (Article 443)

An asset is considered encumbered if it has been pledged or if it is subject to any form of arrangement to secure, collateralise or credit enhance any transaction from which it cannot be freely withdrawn.

As required, the asset encumbrance disclosure templates, shown on the following three pages, show reported amounts as median values based on quarter end point in time over the year to 31 October 2024.

Table 37 – EU AE1 – Encumbered and unencumbered assets

	31 Oct 2024	Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
			of which notionally eligible EHQLA and HQLA		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA		of which EHQLA and HQLA
	US$'000	010	030	040	050	060	080	090	100
010	**Assets of the disclosing institution**	176,854	-			9,986,805	2,679,630		
030	Equity instruments	-	-	-	-	1,381,152	-		
040	Debt securities	151,779	-	151,779	-	1,982,210	1,869,127	1,982,210	1,869,127
050	of which: covered bonds	-	-	-	-	413,153	413,153	413,153	413,153
060	of which: securitisations	-	-	-	-	50,092	-	50,092	-
070	of which: issued by general governments	146,872	-	146,872	-	462,502	448,515	462,502	448,515
080	of which: issued by financial corporations	-	-	-	-	1,510,786	1,407,667	1,510,786	1,407,667
090	of which: issued by non-financial corporations	-	-	-	-	-	-	-	-
120	Other assets	25,075	-			6,623,443	3	-	-

	31 Oct 2023	Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
			of which notionally eligible EHQLA and HQLA		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA		of which EHQLA and HQLA
	US$'000	010	030	040	050	060	080	090	100
010	**Assets of the disclosing institution**	352,999	-			7,680,130	2,366,546		
030	Equity instruments	43,143	-	-	-	59,530	-		
040	Debt securities	215,661	-	215,661	-	2,148,109	1,978,473	2,148,109	1,978,473
050	of which: covered bonds	-	-	-	-	277,145	277,145	277,145	277,145
060	of which: securitisations	-	-	-	-	42,442	-	42,442	-
070	of which: issued by general governments	215,661	-	215,661	-	853,546	805,097	853,546	805,097
080	of which: issued by financial corporations	-	-	-	-	1,294,563	1,171,910	1,294,563	1,171,910
090	of which: issued by non-financial corporations	-	-	-	-	-	-	-	-
120	Other assets	94,195	-			5,472,491	-		

Table 38 – EU AE2 – Collateral received and own debt securities issued

	31 Oct 2024	Fair value of encumbered collateral received or own debt securities issued		Unencumbered	
				Fair value of collateral received or own debt securities issued available for encumbrance	
			of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA
	US$'000	010	030	040	060
130	**Collateral received by the disclosing institution**	2,857,106	-	60,520	-
140	Loans on demand	0	-	-	-
150	Equity instruments	0	-	-	-
160	Debt securities	2,848,608	-	60,520	-
170	of which: covered bonds	0	-	-	-
180	of which: securitisations	0	-	-	-
190	of which: issued by general governments	2,848,608	-	60,520	-
200	of which: issued by financial corporations	-	-	-	-
210	of which: issued by non-financial corporations	-	-	-	-
220	Loans and advances other than loans on demand	-	-	-	-
230	Other collateral received	-	-	-	-
240	**Own debt securities issued other than own covered bonds or securitisations**	-	-	-	-
241	**Own covered bonds and securitisations issued and not yet pledged**			-	-
250	**TOTAL COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED**	3,080,639	-		

	31 Oct 2023	Fair value of encumbered collateral received or own debt securities issued		Unencumbered	
				Fair value of collateral received or own debt securities issued available for encumbrance	
			of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA
	US$'000	010	030	040	060
130	**Collateral received by the disclosing institution**	3,713,576	-	413,371	-
140	Loans on demand	-	-	-	-
150	Equity instruments	-	-	-	-
160	Debt securities	3,713,576	-	413,371	-
170	of which: covered bonds	-	-	-	-
180	of which: securitisations	-	-	-	-
190	of which: issued by general governments	3,713,576	-	413,112	-
200	of which: issued by financial corporations	-	-	-	-
210	of which: issued by non-financial corporations	-	-	525	-
220	Loans and advances other than loans on demand	-	-	-	-
230	Other collateral received	-	-	-	-
240	**Own debt securities issued other than own covered bonds or securitisations**	-	-	-	-
241	**Own covered bonds and securitisations issued and not yet pledged**			-	-
250	**TOTAL COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED**	4,066,574	-		

Table 39 – EU AE3 – Sources of encumbrance

	31 Oct 2024	Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and securitisations encumbered
	US$'000	010	030
010	**Carrying amount of selected financial liabilities**	1,534,230	3,072,864

	31 Oct 2023	Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and securitisations encumbered
	US$'000	010	030
010	**Carrying amount of selected financial liabilities**	1,119,408	3,978,600

The Company engages in activities that result in certain assets being encumbered. The majority of encumbrance arises from secured financing transactions, including repos/reverse repos and securities lending. Other sources of encumbrance are collateral placed at CCPs and clearing banks (including default funds and initial margins).

The Company primarily adopts standard collateral agreements and collateralises based on industry standard contractual agreements (including CSA, ISDA, PSA or GMRA).

The largest unencumbered asset classification is cash receivable from reverse repurchase agreements. Other unencumbered assets include cash held with the Central Bank of Ireland, equity instruments, debt securities, derivative assets and other assets.

14 Remuneration

All SIDAC employees participate in a compensation structure and programmes that apply to Bank of Nova Scotia ("BNS") employees globally. In fiscal 2024, the SIDAC Board, SIDAC Remuneration and Nomination Committee ("RemNomCo") and the BNS Human Capital and Compensation Committee of the Board of Directors ("BNS HCOB") fulfilled the oversight responsibilities contained in their respective mandates outlined below. The SIDAC Board reviews and adopts the BNS Compensation Policy on an annual basis with any differing local practices reflected in a SIDAC Board-approved Addendum to this policy. The most recent adoption of the BNS Compensation Policy and approval of the SIDAC Addendum was in May 2024, with updates to include further alignment to regulatory requirements and the incorporation of changes to the Fixed Pay Allowance Policy. Consistent with regulatory requirements and best practices, SIDAC's approach to compensation is gender neutral.

This section outlines SIDAC's approach to remuneration and provides information on the Company's compliance with remuneration-related regulatory requirements. The remuneration requirements include those of the Central Bank of Ireland (CBI) for firms identified by the CBI as less significant institutions and the EBA, including the EBA Guidelines on Sound Remuneration Policies, European Union Capital Requirements Directive ("CRD V") as transposed into Irish law as Statutory Instruments No. 710/2020 and No. 711/2020, Statutory Instrument No. 375 of 2017 European Union (Markets In Financial Instruments) Regulations, EBA Regulatory Technical Standards on Material Risk Takers Identification and other required remuneration regulations applicable to Ireland.

14.1 Qualitative Disclosure

14.1.1 Governance

Role of SIDAC Board, SIDAC Remuneration and Nomination Committee and the Remuneration Oversight Committee

SIDAC Board

The SIDAC Board is responsible for oversight of SIDAC's remuneration policy and local regulatory processes, within the overarching framework of the BNS Compensation Policy, the BNS Clawback Policy, as well as the Ireland Addendums to both policies and the Global Banking and Markets Incentive Plan ("GBMIP") deferred compensation guidelines. SIDAC's remuneration policy sets out a pay-for-performance and conduct culture philosophy that supports the Bank's strategic focus, encourages strong corporate performance incorporating environmental, social and governance ("ESG") objectives, and helps SIDAC and BNS create and sustain shareholder value over the long term. Among other things, the remuneration policy outlines SIDAC's and BNS's approach to compensation risk oversight in incentive plan design and funding. It outlines the minimum deferral rates for senior executives and individuals whose roles may have a material impact on the risk profile of the business, including roles in control and support functions.

The SIDAC Board is ultimately responsible for ensuring that SIDAC has remuneration policies and practices that are consistent with sound and effective risk management and do not promote excessive risk-taking. The SIDAC Board has oversight of remuneration and succession planning for SIDAC executives and ensures that appropriate compensation and succession planning frameworks are in place that include monitoring of executive management to ensure that they are qualified, competent and compensated in a manner that is consistent with appropriate prudential incentives including the risk strategies of the Company and BNS.

SIDAC does not use variable remuneration vehicles or methods that facilitate avoidance of the *EBA Guidelines on Sound Remuneration Policies*.

The SIDAC Board is responsible for:

- Adopting the BNS Compensation Policy, as recommended by RemNomCo and approving the Ireland Compensation Addendum;
- Approving the SIDAC MRT Identification Procedure, to assess and identify employees whose professional activities have a material impact on SIDAC's risk profile;
- Approving the lists of MRTs, prepared in respect of each performance year, as recommended by RemNomCo;
- Approving SIDAC's overall Pillar 3 disclosures in advance of publication;
- Approving the remuneration for non-executive directors, as recommended by RemNomCo, subject to appropriate mechanisms to avoid conflicts of interest.

- The SIDAC Board met 13 times during fiscal 2024, of which 4 of the meetings included discussion of remuneration matters. Composition of the SIDAC Board is as referenced in section 3.1.2 of this document.

SIDAC Remuneration and Nomination Committee

The primary role of the RemNomCo is to assist the SIDAC Board in the effective discharge of its responsibilities relating to leadership, succession planning and total rewards including compensation, in support of the Company's purpose, culture and strategy. RemNomCo is responsible for ensuring compliance with applicable remuneration regulatory requirements including those of the European Banking Authority (EBA), the Central Bank of Ireland (CBI), relevant European Union regulations and other regulations applicable, by virtue of the Company's location in Ireland.

Additionally, the RemNomCo is responsible for:

- Reviewing remuneration decisions in the context of SIDAC's risk appetite;
- Overseeing and approving MRT remuneration, including SIDAC's CEO in line with SIDAC's remuneration policy, the BNS Clawback Policy and the compensation programs and policies of BNS;
- Approving management reports on remuneration matters prepared to meet regulatory or legislative requirements as required, including, but not limited to, the annual High Earners Report, Ireland MRT exclusions list, the Remuneration Benchmarking Disclosure and the annual Gender Pay Gap Report;
- Overseeing that the design of performance-related pay schemes operated in Ireland are appropriate, relative to the Company's risk appetite and relevant regulatory and legal requirements;
- Reviewing the results of internal Audit or Compliance reviews performed on remuneration practices and actions taken to remedy any findings;
- Overseeing SIDAC employee pension and benefit plans.

Membership of the SIDAC RemNomCo in fiscal 2024 comprised Caroline McDonnell (RemNomCo Chair), Joseph Dempsey, Edward Ward, Peter Heidinger and Dagmar Kent Kershaw. The committee met seven times during 2024.

SIDAC Remuneration Oversight Committee

RemNomCo is in turn supported in executing its remuneration mandate by the SIDAC Remuneration Oversight Committee ("ROC", a management committee). The ROC is responsible for ensuring compliance with applicable Irish and European remuneration-related regulatory requirements and overseeing implementation of new policies and procedures to support the requirements, including those of the CBI and EBA. The ROC has reporting responsibility to the SIDAC RemNomCo.

Specifically, the ROC's remuneration-related responsibilities include:

- Endorsing the submission to the RemNomCo, SIDAC Board and BNS HCOB for approval or adoption, the Ireland Addendum to the BNS Compensation Policy, Ireland Schedule in the BNS Clawback Policy and other remuneration policies as appropriate;
- Ensuring compliance with applicable remuneration-related regulatory requirements and overseeing the implementation of new policies and procedures to support the requirements including, but not limited to, the remuneration requirements of CRD V, related EBA Guidelines on Sound Remuneration Policies and the EBA Regulatory Technical Standards/Regulations on MRT Identification;
- Reviewing SIDAC's Material Risk Taker Identification Procedure annually to address regulatory changes, to ensure it remains appropriate for the size, scale and activities of SIDAC and submitting for review and approval to the SIDAC RemNomCo, Board and BNS HCOB;
- Being involved in the design of the annual MRT assessment process, reviewing SIDAC's MRT list including the MRT Exclusion Report for submission to the SIDAC RemNomCo, Board and BNS HCOB;
- Reviewing and approving all remuneration related submissions including the Pillar 3 Disclosure (Remuneration Section), the High Earners Report, the Gender Pay Gap Report, etc;

- Reviewing memoranda from SIDAC Heads of Compliance, Risk and Finance, ahead of provision to the SIDAC RemNomCo, the BNS HCOB and prior to approval of incentive payments;
- Reviewing remuneration-related publications from the EBA and the CBI to determine impact on SIDAC and any adaptation required;
- Through a sub-committee of the ROC, the Local Conduct Committee, reviewing and approving the list of SIDAC-related conduct or breach or material risk incidents on a quarterly basis to provide advice and counsel for submission to the BNS Compensation Review Committee ("CRC") and recommending ex-ante or ex-post (percentage) adjustments to individual incentive awards at fiscal year-end for MRTs and for other employees involved in a material risk or misconduct incident, if any, to the CRC to determine appropriate percentage adjustments.

Role of The Bank of Nova Scotia Human Capital and Compensation Committee

BNS has an established Human Capital and Compensation Committee ("BNS HCOB") of its Board of Directors (the "Parent Board"), which is responsible for setting global policies for BNS on compensation, overseeing the compensation governance framework and ensuring that compensation arrangements are consistent with and promote effective risk management. The BNS HCOB assumes decision-making responsibilities relating to compensation and annual disclosure and related reviews and recommends to the Parent Board for approval of the content and effectiveness of the BNS Compensation Policy, as informed by corporate human resources and independent advisors, and ensures that they align with BNS's strategic objectives. Additionally, the BNS HCOB annually approves the remuneration section of the SIDAC Pillar 3 disclosure, as well as the list of SIDAC MRTs and their remuneration.

At an Enterprise level, the BNS HCOB is responsible for:

- Compensation philosophy and human resources policies and practices – oversees alignment with BNS's pay-for-performance strategy and risk appetite;
- Compensation programmes – oversees material compensation programmes and incentive plans and makes recommendations to the Parent Board with respect to these programmes. Reviews and approves compensation disclosures and/or recommends to the Parent Board for approval prior to publication;
- Compensation governance – reviews evolving governance practices and the alignment of compensation policies with best practices, including the remuneration-related requirements of the Financial Stability Board ("FSB"), CBI, EBA and proxy voting guidelines of shareholder advisory firms such as Institutional Shareholder Services ("ISS") and Glass Lewis, and monitors compliance; and
- Managing compensation risk – works with the BNS Risk Committee to jointly review and recommend to the BNS Board all key elements of material compensation plans, including plan design, targets, metrics and potential pay-outs.

The BNS HCOB has retained Hugessen Consulting Inc. ("Hugessen") as its independent advisor since 2019 to advise on compensation-related matters including matters that are applicable to SIDAC, for example, regulatory trends and updates in the European Union. The HCOB also retains Semler Brossy Consulting Group LLC ("Semler Brossy") to collaborate with Hugessen to provide a broader global perspective on executive compensation practices and related compensation governance matters. Hugessen and Semler Brossy are independent executive compensation consulting firms based in Toronto, Canada and Los Angeles, United States of America respectively.

The BNS HCOB held six meetings in 2024 (2023: eight meetings), including one joint session with the BNS Risk Committee. Additional information on the BNS HCOB composition and compensation decision-making can be found in BNS's Management Proxy Circular at http://www.scotiabank.com/ca/en/0,,917,00.html.

14.1.2 Material Risk Taker Criteria

SIDAC follows the EBA MRT regulatory technical standards[9], the Commission Delegated Regulation (EU) No 604/2014 and Guideline 4/Title I No. 5 of the July 2021 EBA Guidelines on Sound Remuneration Policies to identify the following

[9] Under Article 92(2) of the CRD 2013/26/EU, the EBA introduced regulatory technical standards to set out the criteria to identify categories of staff whose professional activities have a material impact on the firm's risk profile.

groups of employees as MRTs based on qualitative criteria (related to the role and decision-making authority of employees) and quantitative criteria (related to the level of total gross remuneration in absolute or relative terms). All MRTs are annually notified of their MRT status and specific remuneration regulatory requirements.

a) SIDAC executive-level employees;

b) Employees who are members of the management body (in its management or supervisory functions);

c) Employees with managerial responsibility for legal affairs, the soundness of accounting policies and procedures, finance including taxation and budgeting, performing economic analysis, prevention of money laundering and terrorist financing, human resources, development or implementation of remuneration policy, information technology and information security, and managing outsourcing arrangements of critical or important functions;

d) Employees with managerial responsibilities for the following risk categories: credit and counterparty risk, residual risk, concentration risk, securitisation risk, market risk, interest risk arising from non-trading book activities, operational risk, liquidity risk and risk of excessive leverage, or if the employee is a voting member of a committee responsible for the management of a risk category;

e) Employees leading business line functions with a significant proportion of revenues, numbers of staff and capital usage;

f) Employees leading control and stewardship functions including Risk, Compliance, Finance, Audit and HR;

g) Employees responsible for developing and implementing SIDAC's business line strategy;

h) Employees whose activities are deemed to have a material impact on SIDAC's risk profile;

i) Higher earners and employees involved in trading activities who have a material impact on the risk profile of SIDAC; and

j) SIDAC's non-executive Board members.

14.1.3 Performance Management and Remuneration

SIDAC's remuneration philosophy aligns remuneration with achieving strong sustainable performance. Sustainable performance means making a positive difference to the Bank's shareholders, clients and the communities we operate in. Our remuneration philosophy applies to all employees, including those identified as MRTs, and aims to reinforce good and effective performance management practices that align to our culture, which is imperative to enabling the delivery of our business strategy.

Our performance management process is based on clear standards of delivery and behaviour, which begins at the start of the fiscal year with employees aligning their personal objectives ('the What') to business and goals, to enable business strategy and good client outcomes. Behavioural expectations ('the How') are set in line with the Bank's Code of Conduct and Values and Culture framework (the 'ScotiaBond').

SIDAC does not remunerate or assess employees' performance in a way that encourages employees to act in a manner that is contrary to our risk management strategy and/or creates conflicts of interest. Through the Company's performance management process, employees understand performance expectations for their role through ongoing dialogue with their manager. The performance management process is designed globally by the Human Resources function and is reviewed periodically so that it meets the needs of managers to assess and communicate performance expectations. Throughout the year, employees receive coaching on their performance and ultimately receive a rating for their full year of performance based upon their achievement of goals for their job. Each employee's performance is assessed on quantitative and qualitative objectives as well as specific behaviours, and performance is factored into each employee's incentive remuneration award. At the end of the year, employees receive two ratings – a Result rating and a Behaviour rating. The Results rating is based on factors such as business performance, whilst the Behaviour rating is based on factors such as conduct and broader contributions to the Company. The scale for both ratings is 'Exceeds Expectations', 'Meets Expectations', and 'Partially Meets Expectations'. Both the 'What' and the 'How' ratings are assessed together with the use of a 9-box grid in determining employees' performance which impacts their variable remuneration and base salary increase. Weak performance generally results in a Partially Meets Expectations rating.

14.1.4 Remuneration Structures

Total remuneration of SIDAC employees, including MRTs, may be comprised of fixed remuneration (i.e., base salary, fixed pay allowance, non-discretionary pension, other benefits and all allowances including mobility-related allowances) and variable remuneration (i.e., annual incentives including AIP and GBMIP schemes and deferred incentives including Europe Restricted Share Units (“RSUs”) and Deferred Cash). In determining the appropriate mix of fixed and variable remuneration, an employee’s ability to affect results over the longer term, the mix for similar positions in the markets in which SIDAC competes and market practice are all considered.

In addition to fixed pay, SIDAC’s remuneration programme includes a mix of annual and deferred incentives – which together are variable pay, also known as “pay-at-risk” since they are not guaranteed and subject to performance and the BNS Clawback Policy as applicable. In compliance with the requirements set out within CRD V, and SIDAC shareholder approval on July 18, 2014, SIDAC has set variable pay at a maximum ratio of 200% of fixed compensation for its MRTs. SIDAC MRTs who are also material risk takers in other jurisdictions outside of Ireland (e.g., United Kingdom) are required to also comply with applicable local remuneration-related regulatory requirements (e.g., Prudential Regulation Authority, Financial Conduct Authority).

Annual incentives reward employees for meeting annual corporate objectives (financial and non-financial) and individual deliverables. Employees in non-revenue generating roles, typically in control and support functions, are eligible for the Bank’s Annual Incentive Plan (“AIP”). Under AIP, the business performance against a set of goals is used to determine a Business Performance Factor (“BPF”). Front-office revenue-generating employees receive incentives through the Global Banking and Markets Incentive Plan (“GBMIP”).

Guaranteed variable remuneration is not part of SIDAC’s remuneration approach and is provided on a limited basis, in keeping with the Bank’s Compensation Policy and SIDAC’s remuneration policy. Multi-year guarantees are not permitted. One-time awards may be selectively provided to new-hire employees in their first year of employment to compensate for variable remuneration foregone from a previous employer, and in adherence to EU Capital Requirements Directives remuneration requirements and Guideline 4/Title II No. 9.1 of the July 2021 EBA Guidelines on Sound Remuneration Policies. Additionally, retention awards, if any, may be made by SIDAC in exceptional circumstances only. All retention awards comply with the EBA’s requirements for variable remuneration including ex-post risk alignment, deferral, retention, malus and clawback.

Furthermore, SIDAC employees at the Vice President level and above as well as Senior Leaders and Managing Directors in Global Banking and Markets (GBM) are expected to hold equity in BNS to ensure their interests are aligned with those of BNS shareholders. Common shares, outstanding share units (for example: restricted share units) and holdings through the BNS Employee Share Ownership Plan all count towards meeting this requirement. Share ownership compliance is assessed annually based on holdings as of December 31st, using the higher of the grant date value or the December 31st BNS closing share price.

SIDAC provides severance at or above Irish statutory requirements and in line with market practice in Ireland. In accordance with the EU Capital Requirements Directives and related regulation and guidance, any early termination payments reflect performance achieved over time and do not reward for failure or misconduct and are made in a manner that is consistent with appropriate risk management. Severance payments to MRTs are made in compliance with EU Capital Requirements Directives remuneration requirements and Guideline 4/Title II No. 9.3 of the July 2021 EBA Guidelines on Sound Remuneration Policies. Severance pay, if any, is determined on a case-by-case basis and involves consultation with Legal, Human Resources and advice of external counsel, if required, to ensure all severance payments are sound, appropriate, proportionate and in line with regulatory guidelines and SIDAC’s Employee Severance Payment Guidelines.

Fixed Remuneration

Fixed remuneration includes base salary, non-discretionary pension, and other benefits and allowances, including fixed pay allowance and mobility-related allowances. The fixed remuneration of MRTs reflects their professional experience and organisational responsibility, taking into account the level of education, the degree of seniority, the level of expertise, skills, job experience, the relevant business activity and local remuneration levels.

Salary	Base salary is paid in non-deferred cash and compensates employees for fulfilling their day-to-day roles and responsibilities, including leadership and management

	duties. Total remuneration, including base salary and incentives, is reviewed annually and adjusted where appropriate based on each employee's role and experience, sustained performance, internal job value and local external market practice.
Fixed Pay Allowance ('FPA')	Fixed pay allowances (if granted to MRTs) are paid in non-deferred cash and form an element of an eligible employee's fixed annual pay. The amount of the fixed pay allowance is determined based on role, function and/or organisational responsibility and experience in that capacity (i.e., education, seniority, expertise and skill, job experience, business activity), and is set at a level that is determined to be appropriate, taking into account market remuneration for the employee's role. The allowance is provided, as long as there are no material changes regarding the responsibilities and authorities of the role. Our FPA Policy meets the remuneration-related regulatory requirements in that FPAs are pre-determined, fixed, transparent to staff, non-discretionary, not linked to measures of performance, and are not an incentive for risk-taking.
Pension and Benefits	SIDAC operates two registered pension schemes for its employees, a defined benefit pension ("DB") scheme which is closed to new members effective November 2005, and a defined contribution ("DC") scheme. The schemes are funded over the employees' period of service and the assets of the schemes are held in separate trustee-administered funds. In addition, in order to attract and retain talent, SIDAC provides a competitive package of benefits. Employees have access to a range of country-specific company-funded benefits, including healthcare, life assurance and share plan as well as additional offerings. The cost of providing these benefits is defined and controlled.

Annual Incentives (Variable Remuneration)

Variable pay is comprised of annual incentives (paid in non-deferred cash or a mix of non-deferred cash and immediately vested Restricted Share Units) and deferred incentives (paid in RSUs or a mix of deferred cash and RSUs) for all employees including material risk takers, the management body and control function staff. For all Group Treasury and support and control functions employees (i.e., Risk Management, Compliance, Internal Audit and Finance) who are not client-facing, incentives are delivered through the AIP and deferred compensation programmes. For GBM front-office revenue generating employees, incentives are delivered through the GBMIP where a portion of the GBMIP award is delivered as upfront incentives, and a portion is delivered as deferred incentives. See 13.1.6 below.

The separate variable remuneration plans outlined above ensure independence of incentives for employees in support and control functions from the front-office business they support.

Incentive Plan Specific Performance Measurements

The AIP rewards employees based on BNS's performance on financial and customer/ESG metrics for the fiscal year and on individual performance, which has a significant impact on final awards. The AIP includes risk-adjusted measures that reflect the full range of potential risks. The aggregate AIP pool is determined based on BNS's achievement on a scorecard of all-Bank measures used to determine an all-bank BPF: Net Income Attributable to Common Shareholders ("NIACS"), operating leverage and client/ESG goals, and may be adjusted based on application of a Modifier which considers measures beyond these core metrics, such as strategic execution metrics and our performance relative to our peers on key metrics such as return on equity and earnings per share growth, as well as a discretionary risk adjustment that is approved by the Parent Board after considering performance against BNS's Risk Appetite Framework. The risk adjustment was enhanced in fiscal 2024 to allow upward adjustments to the all-Bank performance metric to reward employees for positive risk and compliance behaviours, while maintaining a bias for a neutral-to-negative adjustment (including the potential for a zero payout).

The GBMIP rewards eligible employees of GBM for the achievement of GBM's overall and business line objectives. The aggregate GBMIP pool is determined based on a pre-determined target pool for each GBM business line. The preliminary GBMIP funding is adjusted according to year-over-year performance of business line Net Income Before Bonus and Tax ("NIBBT"), GBM's overall Net Income After Tax ("NIAT") against plan, an overall GBM Internal Controls Index score, GBM's Return On Equity ("ROE") against plan, overall BNS performance, and caps and floors incorporated into the funding model to minimise undue volatility. It also includes a discretionary risk adjustment that is approved by the Parent Board after considering performance against BNS's Risk Appetite Framework. The risk adjustment was enhanced in fiscal 2024 to allow upward adjustments to the all-Bank performance metric to reward employees for positive risk and compliance behaviours, while maintaining a bias for a neutral-to-negative adjustment (including the potential for a zero payout). Individual awards consider individual and business line performance, as well as market positioning and the pool of funds available.

Both AIP and GBMIP bonus pools may be adjusted by the Parent Board, based on recommendations from BNS HCOB and BNS Risk Committee following the BNS CRO's assessment of the risks taken to achieve performance outcomes. Additionally, the SIDAC CRO can make recommendations to the SIDAC Board Risk Committee and RemNomCo to adjust the SIDAC bonus spend.

Risk Adjustment

Prior to annual incentive awards being approved, SIDAC's CRO assesses risks undertaken by SIDAC including compensation plan design, conduct considerations, risk considerations (including performance against risk appetite, stress testing and risks yet to crystalise) with input from SIDAC's Compliance and Finance functions, the use of financial resources within SIDAC in conducting its activities during the fiscal year, and may recommend adjustments to the aggregate SIDAC incentive spend, if necessary, to the SIDAC RemNomCo and SIDAC Board Risk Committee and to the BNS HCOB and BNS Risk Committee. For further details please refer to section 13.1.6.

Additionally, the Head of Compliance, Ireland, assesses whether SIDAC's remuneration policies are in compliance with EU regulations including the EBA Guidelines, and whether the policies impact SIDAC's ability to comply with other areas of legislation, regulations, internal policies and risk culture, as well as address any conduct or compliance matters related to individual staff members that require ROC's and/or SIDAC Board's consideration in terms of potential compensation impacts including clawbacks.

The Company has a robust process for considering risk and conduct as part of individual performance management, with outcomes reflected in individual remuneration outcomes.

Line managers have primary accountability for ensuring that risk and conduct issues are considered when assessing performance and making remuneration decisions. In addition, there is a secondary review by the Local Conduct Committee including control functions heads, for individuals involved in significant failures of risk management, conduct issues, regulatory actions or other major incidents that impact either the Company or a business area, to ensure these issues are properly considered.

14.1.5 Deferral Incentives (Deferred Variable Remuneration)

Rationale & Eligibility Criteria

A portion of the incentive awards made to MRTs is deferred to reward them for sustained performance over a four- or five-year period. Deferred incentive awards include RSUs and Deferred Cash Awards. The Company does not apply a discount rate for deferred incentives. The following are considerations in setting the actual deferral period for each MRT and proportion of incentive to be deferred:

- Employee job level/grade, corresponding responsibilities and authorities of MRTs
- business cycle and nature of the MRT's risk impact activities
- expected fluctuations in the economic activity, performance and risks of SIDAC and the impact of MRTs on these fluctuations
- minimum deferral requirements, vesting periods and schedule as required by the EBA

AIP participants at the internal director level and above may be eligible to receive grants of deferred compensation in addition to an AIP award. Deferral and vesting of deferred incentives for MRTs are as follows:

- MRTs receive 50% of their deferred award in RSUs and 50% as Deferred Cash Awards. Both RSUs and Deferred Cash Awards vest pro-rata over a four- or five-year deferral period depending on the MRT's role[10]. The portion of the total incentive deferred varies between 40% and 60%, depending on the MRT's variable remuneration[11].
- Exempt MRTs and other eligible participants in AIP, depending on seniority, may receive deferred compensation on a discretionary basis, based on individual performance and potential, and deferred awards typically range between 0% - 40% of total incentives received. Deferred awards are made entirely in RSUs that vest 100% at the end of three years.

GBMIP participants receive a portion of their award as deferred compensation.

- MRTs who are GBMIP participants have the same vesting and deferral criteria as MRT participants of the AIP programme (see above).
- Exempt MRTs and other participants in GBMIP receive their entire deferred award in RSUs that vest in equal instalments over three years. The portion of total deferred incentive varies between 15% - 40% of total incentives depending on GBM job level and remuneration.

RSUs awarded to MRTs do not attract reinvested dividend equivalents and are subject to a 12-month retention period prior to payment. Payment of the RSUs is based on the value of the units at the time of payment in cash.

SIDAC does not benefit from derogation on an institution basis.

14.1.6 Risk Management and Risk Adjustment

SIDAC's and BNS's approach to risk management and compensation is to ensure alignment of compensation with the respective organisations' risk profile and risk time horizon. The compensation programme takes into account the risks that employees take on behalf of SIDAC and BNS, and ensures compensation takes into consideration prospective risks and outcomes.

In designing employee compensation programmes, SIDAC and BNS strive to ensure that:

1. Risk is carefully managed, so that all business performance targets, and individual/department objectives can be accomplished within established risk policies, limits, processes and standards. The key metrics on which incentive compensation plans are based are approved by the Parent Board. Employees are discouraged from taking unreasonable and excessive risks through a strong internal risk culture that is reinforced by compensation programmes. By delivering incentive compensation through a combination of annual, mid-term and long-term incentives that reflect the organisation's risk profile and by deferring a substantial portion of the incentive compensation paid to senior executives and other employees whose actions can have a material impact on risk, employees are discouraged from taking unreasonable and excessive risks. Caps are also placed on annual incentive funding in conjunction with stress-testing potential pay-outs and implementing share ownership and post-retirement share retention requirements to ensure shareholder alignment on a long-term basis.
2. The SIDAC RemNomCo is responsible for ensuring compliance with key CBI and EU remuneration regulatory requirements and overseeing the implementation of policies and procedures to support the requirements, including those of the EBA, CBI, CRD V and CRR II.
3. SIDAC has a compensation adjustment process for all employees, the purpose of which is to maintain the alignment between risk and rewards to ensure that variable remuneration is paid / vests only if it is sustainable, taking into account the financial situation of SIDAC, and justified on the basis of the performance of SIDAC, the business area and the individual(s) concerned. Under this framework, SIDAC may take action to adjust variable remuneration either individually or collectively. This process includes SIDAC's CRO assessing the risks undertaken by SIDAC including compensation plan design, conduct considerations, considerations on performance against risk appetite, stress testing and risks yet to crystalise, input from SIDAC's compliance and finance functions, and the use of financial resources within SIDAC in conducting its activities during the fiscal year, and recommending adjustments to the aggregate Ireland incentive spend – if necessary – to the RemNomCo, SIDAC Board Risk Committee and to

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[10] 4-year vesting for MRTs occurs on a pro-rata basis at the end of years 1 through 4. Where a SIDAC MRT also meets the local criteria for higher risk, the employee will be subject to 5-year vesting, on a pro-rata basis at the end of years 1 through 5.

[11] Minimum 60% deferral applies to High Paid MRTs which are those MRTs whose annual variable remuneration exceeds €500,000. For all other MRTs, a minimum deferral of 40% applies.

the BNS HCOB and BNS Risk Committee. Additionally, the SIDAC RemNomCo assesses the achievement of performance targets and the need for ex-post risk adjustments, including any proposed application of malus and clawback arrangements in SIDAC. Finally, the process includes input from SIDAC Finance on the quality and sustainability of net income and profit that feeds into the determination of bonus spend in SIDAC, and evaluations conducted for SIDAC through its ICAAP to ensure SIDAC has been prudent in managing its capital.

4. Measures for incentive programmes are thoroughly reviewed by the BNS senior executive leadership team: a committee has been established of the President and CEO of the Parent and his direct reports, the BNS Human Capital Committee, that provides senior leaders with the opportunity to review and evaluate the key aspects of material incentive programmes from an overall policy and comprehensive risk basis.
5. SIDAC's internal Audit and Compliance teams conduct annual reviews of the remuneration programmes applicable to SIDAC employees against remuneration-related regulatory requirements. SIDAC's Internal Audit provides an independent opinion on the design and operating effectiveness of internal controls to ensure that remuneration policies and procedures in SIDAC comply with the applicable regulations of the CBI and EBA. The regulations apply to all SIDAC staff with specific requirements for material risk taker compensation. Compliance conducts tests to provide an opinion on the adequacy of and adherence to the applicable regulation and controls related to remuneration in order to mitigate regulatory and/or other compliance risks.
6. The BNS Risk Committee participates in reviews of the design and results of incentive programmes: BNS Risk Committee members and BNS HCOB members jointly review and approve the design, metrics, targets, and payouts of material incentive programmes.
7. Control and stewardship functions including Risk Management, Legal, Compliance and Anti-Money Laundering, Finance, Internal Audit, and Human Resources are independent from the business units they oversee and have responsibility independent from the business to provide objective assessment, reporting and / or assurance. Control functions have appropriate authority and are remunerated in accordance with their functional objectives. The remuneration of all MRTs including control function heads is overseen by the SIDAC RemNomCo and the BNS HCOB and is predominantly fixed, to reflect the nature of their responsibilities. Compensation for control and stewardship function employees is tied to overall Bank performance only. These employees participate in the Bank's global programme and are excluded from any incentive programme offered by the business line they support. Control and stewardship function management have day-to-day responsibility and ultimate accountability for control and stewardship function employees including hiring decisions, performance appraisals, and compensation.
8. To ensure appropriate linkage between incentive compensation and risk, possible breaches are reviewed for Material Risk Impact employees throughout the Parent organisation by the BNS CRC (whose membership includes the global heads of Finance, Risk management, Legal, Compliance, Internal Audit and Human Resources) and for MRTs in SIDAC by the Local Conduct sub-Committee of the SIDAC ROC.
9. Clawback and malus provisions: The BNS Clawback Policy and SIDAC's 'Schedule B' of the same policy, applies to covered individuals and employee groups, including SIDAC MRTs. Employees may forfeit outstanding awards, be required to repay previous compensation or have future grants reduced if there is: a) employee misconduct, misbehaviour, fraud or gross negligence; b) material risk management failure of the firm and/or business unit; c) material misstatement of the Parent's or a business of the Parent's financial results; d) material downturn in financial performance; e) significant increases in the Parent's or a business of the Parent's economic or regulatory capital base; f) any regulatory sanctions where the conduct of the covered individual contributed to the sanctions; or g) there is reasonable evidence of an MRT engaging in misbehaviour/misconduct or committing a material error.
10. Anti-hedging and non-assignability provisions prohibit employees from utilising hedging strategies or derivatives to circumvent the risk alignment effects of the Parent's compensation programmes.
11. Compensation programmes are reviewed independently of management. The BNS Internal Audit group conducts an annual review of compensation programmes and practices, reporting the outcomes to the BNS HCOB. The review includes all material compensation plans and programmes, and assessment of the appropriateness of these plans and programmes against organisational goals and risk profile as well as the FSB principles and standards, and an assessment of appropriateness of pay-outs relative to performance and risk.

14.2 Quantitative Disclosure

The following pages show compensation awards and related data for the 2024 fiscal year for MRTs and Directors who are not executives of SIDAC. The quantitative tables have been produced using the ANNEX XXXIV– Instructions for the disclosure of remuneration policy templates. The information is reported by major business area, control function and management group. The figures reflect the full value of the compensation awarded to MRTs in a manner appropriate to the size, nature and internal organisation of SIDAC.

2024 Fiscal Year

The tables below summarise total remuneration for fiscal year 2024 for MRTs and SIDAC's Non-Executive Directors and include variable remuneration awards made after the end of the fiscal year to reflect decisions made during the compensation planning cycle. The Deferred Remuneration table is a snapshot of outstanding deferred remuneration as of October 31st, 2024 and deferred remuneration awarded / redeemed during the respective fiscal year.

Table 40- EU REM1 - Remuneration awarded for the fiscal year (USD'000)

	Management Body Supervisory function(1)	Management Body Management function(2)	Other senior management(3)	Other identified staff
FIXED REMUNERATION				
Number of identified staff	**6**	**1**	**8**	**12**
Total fixed remuneration(4)	433	955	2,451	2,430
Cash	433	955	2,451	2,430
VARIABLE REMUNERATION				
Number of identified staff	**6**	**1**	**8**	**12**
Total variable remuneration	-	262	1,535	978
Cash	-	131	768	518
Cash deferred	-	66	321	179
Shares	-		-	
Shares deferred	-		-	
Share-linked instruments	-	131	767	460
Share-linked deferred	-	66	321	192
Other instruments	-	-	-	-
Other instruments deferred	-	-	-	-
Other forms	-	-	-	-
Other forms deferred	-	-	-	-
Total Remuneration	433	1,217	3,986	3,408

(1) For purposes of the Pillar 3 disclosure, Management Body Supervisory function is defined as SIDAC's Non-Executive Directors
(2) For purposes of the Pillar 3 disclosure, Management Body Management function is defined as SIDAC's Executive Director(s). This is a change in categorisation compared to prior years, where the Management Body Management function included all voting members of the SIDAC Executive Committee.
(3) For purposes of the Pillar 3 disclosure, Other senior management includes all voting members of the SIDAC Executive Committee (excluding Executive Directors)
(4) Includes year-end base salary, pension, benefits and aggregate allowances

Table 41 - EU REM2 - Special payments to staff whose professional activities have a material impact on institutions' risk profile

	Management Body Supervisory function(1)	Management Body Management function(2)	Other senior management(3)	Other identified staff
Guaranteed variable remuneration				
Number of identified staff				2
Total amount	-	-	-	76
Paid during the FY	-	-	-	76
Severance payments awarded in previous periods, that have been paid out during the FY				
Number of identified staff	-	-	-	-
Total amount	-	-	-	-
Severance payments awarded during the FY				
Number of identified staff	-	-	-	2
Total amount	-	-	-	546
Paid during the financial year	-	-	-	546
Deferred	-	-	-	-
Not taken into account in the bonus cap	-	-	-	-
Highest payment awarded to a single person	-	-	-	322

(1) For purposes of the Pillar 3 disclosure, Management Body Supervisory function is defined as SIDAC's Non-Executive Directors

(2) For purposes of the Pillar 3 disclosure, Management Body Management function is defined as SIDAC's Executive Director(s). This is a change in categorisation compared to prior years, where the Management Body Management function included all voting members of the SIDAC Executive Committee.

(3) For purposes of the Pillar 3 disclosure, Other senior management includes all voting members of the SIDAC Executive Committee (excluding Executive Directors)

Table 42 - EU REM3 – Deferred renumeration (USD'000)

The values of outstanding awards are estimated using the closing share price of the BNS's common shares on October 31, 2024 of C$71.69. The table includes former MRTs who remain entitled to deferred compensation (i.e., deferred cash, deferred share-linked instruments), as well as prior awards granted to MRTs including grants when the employees were employed by SIDAC and rewarded for their performance in SIDAC but they were not in MRT roles. The table does not include deferred remuneration that was awarded in December 2024 in respect of fiscal 2024 – these awards are reflected in the Table EU REM1 – Remuneration awarded for the fiscal year above.

Deferred and retained remuneration	Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
Management Body Supervisory function[(1)]	-	-	-	-	-	-	-	-
Cash	-	-	-	-	-	-	-	-
Shares	-	-	-	-	-	-	-	-
Share-linked instruments	-	-	-	-	-	-	-	-
Other instruments	-	-	-	-	-	-	-	-
Other forms	-	-	-	-	-	-	-	-
Management Body Management function[(2)]	**548**	**116**	**432**	**-**	**-**	**-**	**92**	**63**
Cash-based	248	53	195	-	-	-	53	0
Shares	-	-	-	-	-	-	-	-
Share-linked instruments	300	63	237	-	-	-	39	63
Other instruments	-	-	-	-	-	-	-	-
Other forms	-	-	-	-	-	-	-	-
Other senior management[(3)]	**2,004**	**383**	**1,621**	**-**	**-**	**-**	**305**	**209**
Cash-based	891	174	717	-	-	-	174	0
Shares			-	-	-	-	-	
Share-linked instruments	1,113	209	904	-	-	-	131	209
Other instruments			-	-	-	-	-	
Other forms			-	-	-	-	-	
Other identified staff	**590**	**117**	**473**	**-**	**-**	**-**	**99**	**62**
Cash-based	249	55	194	-	-	-	55	0
Shares			-	-	-	-	-	
Share-linked instruments	341	62	279	-	-	-	44	62
Other instruments			-	-	-	-	-	
Other forms			-	-	-	-	-	
Total amount	**3,142**	**616**	**2,526**	**-**	**-**	**-**	**496**	**334**

(1) For purposes of the Pillar 3 disclosure, Management Body Supervisory function is defined as SIDAC's Non-Executive Directors

(2) For purposes of the Pillar 3 disclosure, Management Body Management function is defined as SIDAC's Executive Director(s). This is a change in categorisation compared to prior years, where the Management Body Management function included all voting members of the SIDAC Executive Committee.

(3) For purposes of the Pillar 3 disclosure, Other senior management includes all voting members of the SIDAC Executive Committee (excluding Executive Directors)

Table 43- EU REM4 – Remuneration of 1 million EUR or more per year

Total Remuneration Band (EUR)	2024 Number of MRTs	2023 Number of MRTs
1 000 000 to 1 500 000	1	-
1 500 000 to 2 000 000	-	-
2 000 000 to 2 500 000	-	-
2 500 000 to 3 000 000	-	-
3 000 000 to 3 500 000+	-	-
Total	**1**	**Nil**

Table 44 - EU REM5 – Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (USD '000)

	MB Supervisory function(1)	MB Management function(2)	Total MB	Investment banking	Retail banking(3)	Asset mgt.	Corporate functions	Independent internal control functions	All other	Total
Total number of identified staff										27
Management Body	6	1	7							
Other senior mgt.				1	1	-	4	2	-	
Other identified staff				3	2	-	2	5	-	
Total remuneration of identified staff	433	1,217	1,650	1,797	1,415	-	2,276	1,906	-	
Variable remuneration	-	262	262	685	596	-	726	506	-	
Fixed remuneration(4)	433	955	1,388	1,112	819	-	1,550	1,400	-	

(1) For purposes of the Pillar 3 disclosure, Management Body Supervisory function is defined as SIDAC's Non-Executive Directors.

(2) For purposes of the Pillar 3 disclosure, Management Body Management function is defined as SIDAC's Executive Director(s). This is a change in categorisation compared to prior years, where the Management Body Management function included all voting members of the SIDAC Executive Committee.

(3) Retail Banking is included for the purposes of the Pillar 3 disclosure only and encompasses MRTs whose roles are predominantly, but not limited to, wholesale lending. SIDAC does not have a retail banking division

(4) Includes year-end base salary, pension, benefits and aggregate allowances

Appendix 1 – CRR Roadmap

Table 45 – CRR Roadmap

CRR Ref	High Level Summary	Company Reference
431	**Scope of disclosure requirements**	
431 (1)	Requirement to publish Pillar 3 disclosures.	Scotiabank (Ireland) Designated Activity Company Pillar 3 Disclosures as at October 2024.
431 (2)	Firms with permission to use specific operational risk methodologies must disclose operational risk information.	Not applicable as SIDAC does not use Advanced Measurement Approaches for operational risk.
431 (3)	Institution must have a policy covering frequency of disclosures, their verification, comprehensiveness and overall appropriateness. Additionally, Institution must have written attestation of at least one member of the management body or senior management that the required disclosures have been made.	Section 1.2 and 1.3.
431 (4)	Quantitative disclosures must be accompanied by qualitative narrative and any other supplementary information required to understand the disclosures.	Provided throughout these Disclosures where required.
431 (5)	Explanation of ratings decision upon request.	Not applicable for SIDAC.
432	**Non-material, proprietary or confidential Information**	
432 (1)	Institutions may omit information that is not material if certain conditions are respected.	SIDAC complies with all relevant disclosure requirements with regards to non-material, proprietary or confidential information.
432 (2)	Institutions may omit information that is proprietary or confidential if certain conditions are respected.	
432 (3)	Where 432 (2) applies this must be stated in the disclosures, and more general information must be disclosed.	
433	**Frequency of disclosure**	
	Disclosures must be published once a year at a minimum on the same date of publication of financial statements, and more frequently if necessary.	Section 1.2
433 (a)	**Disclosures by large institutions**	
433 (a) (1)	Disclosures under specified articles must be made on an annual, semi-annual or quarterly basis as is identified in this article.	Not applicable as SIDAC is not a large institution.
433 (a) (2)	Non-listed G-SIIs are required to disclose information relating to specified articles on an annual or semi-annual basis as identified in this article.	
433 (a) (3)	Large institutions subject to articles 92a or 92b must make additional disclosures on a semi-annual or quarterly basis as identified in this article.	
433 (b)	**Disclosures by small and non-complex institutions**	
433 (b) (1)	Disclosures under specified articles must be made on an annual or semi-annual basis as is identified in this article.	Not applicable as SIDAC is not a small and non-complex institution.
433 (b) (2)	Non-listed small and non-complex institutions are required to disclose information relating to specified articles on an annual basis as identified in this article.	
433 (c)	**Disclosures by other institutions**	
433 (c) (1)	Disclosures under specified articles must be made on an annual, semi-annual basis as is identified in this article.	Disclosures are made on an annual basis as per Article 433(c)(2).
433 (c) (2)	Non-listed other institutions are required to disclose information relating to specified articles on an annual basis as identified in this article.	Disclosures are made on an annual basis as per this derogation as SIDAC meets the definition of a non-listed other institution.
434	**Means of disclosures**	
434 (1)	To include all required disclosures in electric format in one appropriate medium. Medium shall be standalone document or distinctive section of financial statements or financial reports containing the required disclosures.	These Disclosures are provided as a standalone document.
434 (2)	Institutions shall make their disclosure available on their website and shall be kept accessible for a period of time that shall be no less than the storage period set by national law for information contained in financial reports.	Section 1.2
434 (a)	**Uniform disclosure formats**	
	EBA shall develop implementing technical standards specifying uniform disclosure formats and associated instructions in accordance with the disclosures required under CRR.	These Disclosures comply with Commission Implementing Regulation (EU) 2021/637
434 (b)	**Accessibility of information on the European single access point (ESAP)**	

CRR Ref	High Level Summary	Company Reference
434 (b) (1)	When making public any information in Part 8 of CRR Institutions shall submit information in data extractable format accompanied by specific metadata at the same time to collection body for purpose of making it accessible on ESAP	Currently not applicable as ESAP applies from 10.01.30
434 (b) (2)	Institutions shall obtain legal entity identifier (LEI) as part of metadata requirements	SIDAC already has a LEI
434 (b) (3)	Collection body referred to in 434 (b) (1) is EBA	Not Applicable
434 (b) (4)	EBA shall develop implementing technical standards specifying any other metadata to accompany the information, the structuring of data in the information and for which information a machine-readable format is required and to be used.	EBA implementing technical standards not yet developed
435	**Risk management objectives and policies**	
435 (1) (a)	Disclose information on strategies and processes to manage risks.	Section 3
435 (1) (b)	Disclose information on structure and organisation of risk management function.	Section 3.1
435 (1) (c)	Disclose information on risk reporting and measurement systems.	Section 3.3
435 (1) (d)	Disclose information on hedging and mitigating risk.	Sections 3 – 11 as applicable for each of the risks.
435 (1) (e)	Declaration approved by the management body on the adequacy of risk management arrangements with regard to the institution's profile and strategy.	Section 3
435 (1) (f)	Inclusion of a concise risk statement approved by the Board.	Section 3
435 (2)	Information on governance arrangements, including information on Board composition and recruitment, and risk committees.	Section 3.1
435 (2) (a)	Number of directorships held by directors.	Section 3.1
435 (2) (b)	Recruitment policy of Board members, their experience and expertise.	Section 3.1
435 (2) (c)	Policy on diversity of Board membership and results against targets.	Section 3.1
435 (2) (d)	Disclosure of whether a dedicated risk committee is in place, and number of meetings in the year.	Section 3.1
435 (2) (e)	Description of information flow on risk to Board.	Section 3.1 Section 3.3
436	**Scope of application**	
436 (a)	Name of institution.	Section 1.1
436 (b)	Reconciliation between consolidated financial statements prepared under the applicable accounting framework and the consolidated financial statements prepared under the requirements of the regulatory consolidation. This should outline differences between scopes, and legal entities included in consolidation, whether entities are fully or proportionally consolidated and whether the holdings are deducted from own funds.	Table EU L1
436 (c)	Breakdown of assets and liabilities of consolidated financial statements prepared under regulatory requirements, broken down by risk type.	Table EU L1
436 (d)	Reconciliation identifying main source of differences between carrying value under regulatory scope of consolidation and the exposure amount used for regulatory purposes.	Table EU L2
436 (e)	Breakdown of amounts of constituent elements of prudent valuation adjustment for, by risk type, exposures from trading and non-trading books which are adjusted per Articles 34 and 105.	Not applicable as SIDAC does not use core approach for prudential valuation adjustments.
436 (f)	Impediments to transfer of funds between parent and subsidiaries.	Not applicable as SIDAC does not prepare consolidated accounts.
436 (g)	Capital shortfalls in any subsidiaries outside of scope of consolidation.	Not applicable as SIDAC does not prepare consolidated accounts.
436 (h)	Making use of articles on derogations from a) prudential requirements on an individual basis b) Individual consolidation method	Not applicable as SIDAC does not prepare consolidated accounts.
437	**Disclosure of own funds**	
437 (1)	Institutions shall disclose the following information regarding their own funds:	
437 (1) (a)	A full reconciliation of Common equity tier 1 items, Additional tier 1 items, Tier 2 items and filters and deductions to own funds of the institution and to the statutory balance sheet in the audited financial statements	Table EU CC2 Table EU CC1
437 (1) (b)	A description of the main features of capital instruments issued by the institution.	Appendix 4
437 (1) (c)	The full terms and conditions of all capital instruments issued by the institution.	Appendix 4
437 (1) (d)	Disclosure of the nature and amounts of the following: (i) Each prudential filter applied; (ii) Each capital deduction applied; (iii) Items not deducted from capital.	Table EU CC1
437 (1) (e)	A description of all restrictions applied to the calculation of own funds in accordance with this Regulation and the instruments, prudential filters and deductions to which	Table EU CC1

CRR Ref	High Level Summary	Company Reference
	those restrictions apply.	
437 (1) (f)	A comprehensive explanation of the basis on which capital ratios are calculated where those capital ratios are calculated by using elements of own funds determined on a basis other than the basis laid down in this Regulation.	Table EU CC1
437a	**Disclosure of own funds and eligible liabilities**	
437a	Institutions subject to Articles 92a or 92b should disclose the following:	Not applicable as SIDAC is not subject to Articles 92a and 92b.
437a (a)	Composition of own funds and eligible liabilities, their maturity and their main features.	
437a (b)	Ranking of eligible liabilities in the creditor hierarchy.	
437a (c)	Total amount of issuance of eligible liabilities instruments and amount of those issuances included in eligible liabilities items.	
437a (d)	Total amount of excluded liabilities referred to in article 72a(2).	
438	**Disclosure of own funds requirements and risk-weighted exposure amounts**	
438 (a)	Summary of institution’s approach to assessing adequacy of capital levels.	Section 2.1
438 (b)	Own funds requirements based on supervisory review process per Article 104(1)(a), including composition of Common Equity Tier 1, additional Tier 1 and Tier 2 instruments.	Table EU KM1
438 (c)	Upon demand from relevant component authority, result of the ICAAP process.	Section 2.1
438 (d)	Total risk-weighted exposure amount and corresponding total own funds requirement, broken down by risk categories, and explanation of effect on calculations resulting from application of capital floors.	Table EU OV1
438 (e)	On and off-balance sheet exposures, the RWA amounts and associated expected losses for specialised lending.	Not applicable as SIDAC does not use the simple risk weighted approach.
438 (f)	Exposure value and RWA exposure amount of own funds held in insurance and reinsurance undertakings, or insurance holding company that institutions do not deduct from own funds when calculating capital requirements.	Not applicable to SIDAC’s business.
438 (g)	Supplementary own funds requirement and capital adequacy ratio of the financial conglomerate calculated in accordance with Article 6 of Directive 2002/87/EC	Not applicable as SIDAC is not a financial conglomerate,
438 (h)	Variations in risk weighted exposure amounts of current period compared to preceding period resulting from use of internal models, including outline of key drivers.	Not applicable as SIDAC does not use internal models.
439	**Disclosure of exposures to counterparty credit risk (CCR)**	
439 (a)	Description of process to assign internal capital and credit limits to CCR exposures, including exposures to central counterparties.	Section 4.6
439 (b)	Description of policies related to guarantees and other credit risk mitigants.	Section 4.5
439 (c)	Description of policies related to general and specific wrong-way risk.	Section 4.6
439 (d)	Disclosure of collateral to be provided (outflows) in the event of a ratings downgrade.	Section 4.6
439 (e)	Amount of segregated and unsegregated collateral received and posted per type of collateral, both for derivatives and securities.	Table EU CCR5
439 (f)	Derivative exposures before and after credit risk mitigation.	Table EU CCR1
439 (g)	Securities financing exposures before and after credit risk mitigation.	Table EU CCR1
439 (h)	Exposure values and credit risk mitigation effects and associated risk exposures for credit valuation adjustment capital charge.	Table EU CCR2
439 (i)	Exposure value and risk exposures to central counterparties.	Table EU CCR8
439 (j)	Notional amounts and fair value of credit derivative transactions.	Not applicable as SIDAC did not hold reportable positions in the period.
439 (k)	The estimate of alpha where permission received to use own estimate.	Not applicable to SIDAC.
439 (l)	Separately, the disclosures included in point (e) of Article 444 and point (g) of Article 452.	Table EU CCR3
439 (m)	For institutions using the methods set out in Sections 4 to 5 of Chapter 6 of Title II Part Three, the size of their on- and off-balance sheet derivative business as calculated in accordance with Article 273a(1) or (2)	Not applicable to SIDAC.
439 (End Note)	Where central bank provides liquidity assistance in the form of collateral swaps, component authority may exempt institutions from requirements of points (d) and (e)	Not applicable to SIDAC.
440	**Disclosure of countercyclical capital buffers**	
440 (a)	Geographical distribution of relevant credit exposures.	Table EU CCyB1
440 (b)	Amount of the institution specific countercyclical capital buffer.	Table EU CCyB2
441	**Disclosure of the indicators of global systemic importance**	
441	G-SIIs to disclose the values of indicators used for determining their score.	Not applicable to SIDAC.

CRR Ref	High Level Summary	Company Reference
442	**Disclosure of exposures to credit risk and dilution risk**	
442 (a)	Disclosure of Company's definitions of past due and impaired.	Section 4.3
442 (b)	Approaches for calculating specific and general Credit risk adjustments.	Section 4.3
442 (c)	Amount and quality of performing, nonperforming and forborne exposures for loans, debt securities and off-balance sheet exposures, including impairment, provisions and fair value changes.	Table EU CR1 Table EU CQ1 Table EU CQ4 Table EU CQ5
442 (d)	Ageing analysis of accounting past due exposures.	Table EU CQ3
442 (e)	Gross carrying amounts of defaulted and non-defaulted exposures, accumulated credit risk adjustments, write-offs and net carrying amounts.	Table EU CR1 Table EU CQ4 Table EU CQ5
442 (f)	Changes in gross defaulted on- and off-balance sheet exposures, including information on opening and closing balances, gross amount reverted to non-defaulted status or subject to a write-off.	Table EU CR2
442 (g)	Breakdown of loans and debt securities by residual maturity.	Table EU CR1-A
443	**Disclosure of encumbered and unencumbered assets**	
443	Disclosures on encumbered and unencumbered assets.	Section 13
444	**Disclosure of the use of the standardised approach**	
444 (a)	Names of the nominated ECAIs and ECAs, and reasons for any changes in nominations.	Section 4.4
444 (b)	Exposure classes associated with each ECAI or ECA.	Section 4.4
444 (c)	Description of the process for transfer of issuer and issue credit ratings onto items not included in the trading book.	Section 4.4
444 (d)	Mapping of external rating to credit quality steps.	Not necessary to disclose this information as SIDAC complies with the standard association published by EBA;
444 (e)	Exposure value pre- and post-Credit risk mitigation, by credit quality step.	Table EU CR5
445	**Disclosure of exposure to market risk**	
445	Disclosure on exposures to market risk	Table EU MR1
446	**Disclosure of operational risk management**	
446 (a)	Disclosure of the approaches for the assessment of own funds requirements for operational risk.	Section 6.2
446 (b)	Where institution makes use of it, description of methodology set out in Article 312(2), including relevant internal and external factors being considered.	AMA not applicable to SIDAC
446 (c)	In the case of partial use, the scope and coverage of the different methodologies used.	AMA not applicable to SIDAC
447	**Disclosure of key metrics**	
447 (a)	Composition of own funds and own funds requirements.	Table EU KM1
447 (b)	Total risk exposure amount.	
447 (c)	Amount and composition of additional own funds required to be held.	
447 (d)	Combined buffer requirement which institutions are required to hold.	
447 (e)	Leverage ratio and total exposure measure.	
447 (f)	The following information on the liquidity coverage ratio: (i) average(s) of liquidity coverage ratio based on end of month observations over preceding 12 months. (ii) average(s) of total liquid assets, after applying haircuts, in the liquidity buffer. (iii) average liquidity outflows, inflows and net liquidity outflows based on end of the month observations over the preceding 12 months.	
447 (g)	The following information on the net stable funding requirement: (i) NSFR ratio and end of each quarter of the relevant period. (ii) Available stable funding at end of each quarter of the relevant period. (iii) Required stable funding at the end of each quarter of the relevant period.	
447 (h)	The own funds and eligible liabilities ratios and their components, numerator and denominator.	
448	**Disclosure of exposure to interest rate risk on positions not held in the trading book**	
448 (1)	Institutions shall disclose the following quantitative and qualitative information:	
448 (1) (a)	Changes in economic value of equity for the current and previous disclosure periods.	Section 5.6

CRR Ref	High Level Summary	Company Reference
448 (1) (b)	Changes in the net interest income calculated under the two supervisory shock scenarios for the current and previous disclosure periods.	
448 (1) (c)	Description of key modelling and parametric assumptions used to calculate changes in the economic value of equity and net interest income.	
448 (1) (d)	Explanation of the significance of the risk measures, and of any significant variations of those risk measures since the previous disclosure date.	
448 (1) (e)	Descriptions of how institution defines, measures, mitigates and controls interest rate risk of their non-trading book, including: (i) description of specific measures used to evaluate changed in economic value of equity and net interest income. (ii) description of key modelling and parametric assumptions used in measurement systems that would differ from common modelling and parametric assumptions for calculating changes in the economic value of equity and net interest income. (iii) description of the interest rate shock scenarios used to estimate interest rate risk. (iv) recognition of the effect of hedges against those interest rate risks. (v) an outline of how often the evaluation of interest rate risk occurs.	
448 (1) (f)	Description of overall risk management and mitigation strategies for those risks.	
448 (1) (g)	Average and longest repricing maturity assigned to non-maturity deposits.	
448 (2)	By way of derogation, the requirements set out in (c) and (e)(i)-(iv) shall not apply to institutions that use the standardised or simplified standardised methodologies.	Section 5.6
449	**Disclosure of exposures to securitisation positions**	
449 (a)	Description of securitisation and resecuritisation activities, including risk management and investment objectives, role in securitisation and re-securitisation transactions, whether simple, transparent and standardised (STS) securitisations are used, and the extent to which securitisation transactions are used to transfer the credit risk of securitised exposures to third parties with a separate description of the synthetic securitisation risk transfer policy.	Section 12
449 (b)	Type of risks exposed to in securitisation and re-securitisation activities by level of seniority of the relevant securitisation positions.	Section 12
449 (c)	Approaches to calculation of RWA for securitisations mapped to types of exposures.	Section 12
449 (d)	List of SSPEs falling into any of the following categories, with description of types of exposures to SSPEs: (i) SPPEs which acquire exposures originated by the institutions; (ii) SSPEs sponsored by the institutions; (iii) SSPEs and other legal entities for which the institutions provide securitisation-related services; SSPEs included in the institution's regulatory scope of consolidation.	Not applicable to SIDAC
449 (e)	List of any legal entities relating to the institution that have disclosed that they have provided support.	Not applicable to SIDAC
449 (f)	List of any legal entities affiliated with the institution and that invest in securitisations originated by the institution or in securitisation positions issued by SSPEs sponsored by the institution.	Not applicable to SIDAC
449 (g)	Summary of the accounting policies for securitisation activity, including where there is a relevant distinction between securitisation and re-securitisation.	Section 12
449 (h)	The names of ECAIs used for securitisations and the types of exposure for which each agency is used.	Section 12
449 (i)	Where applicable, a description of the internal assessment approach, including structure of the process and the relation between internal assessment and external ratings of the relevant ECAI, the control mechanisms for the internal assessment process including discussion of independence, accountability and internal assessment process review, the exposure types to which the internal assessment process is applied, and the stress factors used for determining credit enhancement levels.	Not applicable to SIDAC
449 (j)	Carrying amount of securitisation exposures for the trading and non-trading books, including information on whether institutions have transferred significant credit risk, for which institutions act as originator, sponsor or investor, separately for traditional and synthetic securitisations, and for STS and non-STS transactions and broken down by type of securitisation exposures.	Table EU SEC1
449 (k)	For non-trading book activities, the following information: (i) the aggregate amount of securitisation positions where institution act as originator or sponsor and the associated RWAs and capital requirements, including exposures deducted from own funds or risk weighted at 1250%, both synthetic and traditional and between securitisation and re-securitisation exposures, separately for STS and non-STS positions, and further broken down into risk weight or capital requirement bands; (ii) the aggregate amount of securitisation positions where institution act as investor and the associated RWAs and capital requirements, including exposures deducted from own funds or risk weighted at 1250%, both synthetic and traditional and between securitisation and re-securitisation exposures, separately for STS and non-STS positions, and further broken down into risk weight or capital requirement bands.	Table EU SEC4
449 (l)	For exposures securitised by the institution, the amount of exposures in default and the amount of specific credit risk adjustments made by the institution during the current period.	Not applicable to SIDAC
449 (a)	**Disclosure of environmental, social and governance risks (ESG risks)**	Section 9
450	**Disclosure of remuneration policy**	
450 (1) (a)	information concerning the decision-making process used for determining the remuneration policy, as well as the number of meetings held by the main body overseeing remuneration during the financial year, including, if applicable, information about the composition and the mandate of a remuneration committee, the external consultant whose services have been used for the determination of the remuneration policy and the role of the relevant stakeholders.	Section 14

CRR Ref	High Level Summary	Company Reference
450 (1) (b)	information on link between pay and performance;	
450 (1) (c)	the most important design characteristics of the remuneration system, including information on the criteria used for performance measurement and risk adjustment, deferral policy and vesting criteria;	
450 (1) (d)	the ratios between fixed and variable remuneration set in accordance with Article 94(1)(g) of Directive 2013/36/EU;	
450 (1) (e)	information on the performance criteria on which the entitlement to shares, options or variable components of remuneration is based;	
450 (1) (f)	the main parameters and rationale for any variable component scheme and any other non-cash benefits;	
450 (1) (g)	aggregate quantitative information on remuneration, broken down by business area;	Table EU REM5
450 (1) (h)	aggregate quantitative information on remuneration, broken down by senior management and members of staff whose actions have a material impact on the risk profile of the institution, indicating the following: (i) the amounts of remuneration for the financial year, split into fixed and variable remuneration, and the number of beneficiaries; (ii) the amounts and forms of variable remuneration, split into cash, shares, share linked instruments and other types separately for the part paid upfront and the deferred part; (iii) the amount of deferred remuneration awarded for previous performance periods, split into vested and unvested portions; (iv) the amount of deferred remuneration due to vest in the financial year that is paid out during the financial year, and that is reduced through performance adjustments; (v) the guaranteed variable remuneration awards during the financial year, and the number of beneficiaries of those awards; (vi) the severance payments awarded in previous periods, that have been paid out during the financial year; (vii) the amounts of severance payments awarded during the financial year, split into paid upfront and deferred, the number of beneficiaries of those payments and highest payment that has been awarded to a single person;	Table EU REM1 Table EU REM2 Table EU REM3
450 (1) (i)	the number of individuals being remunerated EUR 1 million or more per financial year, for remuneration between EUR 1 million and EUR 5 million broken down into pay bands of EUR 500 000 and for remuneration of EUR 5 million and above broken down into pay bands of EUR 1 million;	Table EU REM4
450 (1) (j)	upon demand from the Member State or competent authority, the total remuneration for each member of the management body or senior management.	Section 14
450 (1) (k)	information on whether the institution benefits from a derogation laid down in Article 94(3) of Directive 2013/36/EU For the purposes of point (k) of the first subparagraph of this paragraph, institutions that benefit from such a derogation shall indicate whether they benefit from that derogation on the basis of point (a) or (b) of Article 94(3) of Directive 2013/36/EU. They shall also indicate for which of the remuneration principles they apply the derogation(s), the number of staff members that benefit from the derogation(s) and their total remuneration, split into fixed and variable remuneration.	
450 (2)	For large institutions, the quantitative information on the remuneration of institutions' collective management body referred to in this Article shall also be made available to the public, differentiating between executive and non-executive members.	Not applicable to SIDAC
451	**Disclosure of the leverage ratio**	
451 (1)	Institutions that are subject to Part Seven shall disclose the following information regarding their leverage ratio as calculated in accordance with Article 429 and their management of the risk of excessive leverage:	
451 (1) (a)	Leverage ratio,	Table EU LR2-LRCom
451 (1) (b)	Breakdown of total exposure measure, including reconciliation to financial statements	Table EU LR1-LRSum Table EU LR2-LRCom Table EU LR3-LRSpl
451 (1) (c)	Where applicable, the amount of exposures calculated in accordance with Articles 429(8) and 429a (1) and the adjusted leverage ratio calculated in accordance with Article 429a (7);	Not applicable to SIDAC
451 (1) (d)	Description of the risk management approach to mitigate excessive leverage	Section 2.4
451 (1) (e)	Description of factors that impacted the leverage ratio during the year.	Section 2.4
451 (2)	Public development credit institutions to disclose the leverage ratio without the adjustment to total exposure measure determined per Article 429a(1)(d).	Not applicable to SIDAC
451 (3)	In addition to points (a) and (b), large institutions shall disclose the leverage ratio between breakdown of total exposure measure per Article 429(4) based on averages calculated in accordance with Article 430(7).	Not applicable to SIDAC
451 (a)	**Disclosure of liquidity requirements**	
451 (a) (1)	Institutions shall disclose information on their liquidity coverage ratio, net stable funding ratio and liquidity risk management.	Section 10
451 (a) (2)	Institutions shall disclose the following in relation to their liquidity coverage ratio:	
451 (a) (2) (a)	Average(s) of the liquidity coverage ratio based on end of month observations over the preceding 12 months for each quarter of the disclosure period.	Table EU LIQ1
451 (a) (2) (b)	Average(s) of total liquid assets after applying relevant haircuts included in the liquidity buffer based on end of month observations over the preceding 12 months for each quarter of the disclosure period.	Section 10.2 Table EU LIQ1
451 (a) (2) (c)	Averages of liquidity outflows, inflows and net liquidity outflows, based on end of month observations over the preceding 12 months for each quarter of the relevant disclosure period.	Table EU LIQ1

CRR Ref	High Level Summary	Company Reference
451 (a) (3)	Institutions shall disclose the following information in relation to the net stable funding ratio (NSFR):	
451(a)(3)(a)	Quarter end figures of the NSFR.	Table EU LIQ2
451 (a) (3) (b)	Overview of the amount of available stable funding.	Table EU LIQ2
451 (a) (3) (c)	Overview of the amount of required stable funding.	Table EU LIQ2
451 (a) (4)	Institutions shall disclose the arrangements, systems, processes and strategies put in place to identify, measure, manage and monitor their liquidity risk.	Section 10.2
452	**Disclosure of the use of the IRB approach to credit risk**	
452 (a)	Permission for use of the IRB approach from authority.	Not applicable to SIDAC
452 (b)	For each exposure class, the percentage of total exposure value of each exposure class subject to the Standardised Approach, as well as the part of each exposure lass subject to a roll out plan. Where institutions have received permission to use own LGDs and conversion factors for their risk weighted exposure calculations, they shall disclose separately the percentage of the total exposure value of each exposure class subject to that permission.	Not applicable to SIDAC
452 (c)	The control mechanisms for rating systems at different stages of the model development, controls and changes, which shall include information on: (i) relationship between the risk management function and the internal audit function. (ii) rating system review. (iii) procedure to ensure the independence of the function in charge of reviewing the models from the functions responsible for the development of the models. (iv) procedure to ensure the accountability of the functions in charge of developing and reviewing the models.	Not applicable to SIDAC
452 (d)	Role of the functions involved in the development, approval and subsequent changes of the credit risk models.	Not applicable to SIDAC
452 (e)	Scope and main content of the reporting related to credit risk models.	Not applicable to SIDAC
452 (f)	Description of the internal ratings process by exposure class, including the number of ley models used and a brief discussion of the main differences between models within the same portfolio, covering: (i) definitions, methods and data for estimation and validation of PD, including information on how PDs are estimated for low default portfolios, whether there are regulatory floors and the drivers for differences observed between PD and actual default rates at least for the last three periods. (ii) where applicable, the definitions, methods and data for estimation and validation of LGD, how LGDs are estimated for low default portfolio and the time lapse between the default event and the closure of the exposure. (iii) where applicable, the definitions, methods and data for estimation and validation of conversion factors, including assumptions employed in the derivation of those variables.	Not applicable to SIDAC
452 (g)	As applicable, the following information in relation to exposure classes: (i) gross on-balance sheet exposure. (ii) off-balance sheet exposure prior to the relevant conversion factor. (iii) exposure after applying the relevant conversion factor and credit risk mitigation. (iv) any model, parameter or input relevant for the understanding of the risk weighting and the resulting exposure amounts disclosed across enough obligor grades to allow for a meaningful differentiation of credit risk. (v) separately for those exposure classes in relation to which institutions have received permission to use own LGDs and conversion factors for the calculation of risk weighted exposure amounts, and for exposures for which institutions do not use such estimates, the values referred to in pints (i) - (iv) subject to that permission.	Not applicable to SIDAC
452 (h)	Estimates of PDs against the actual default rate for each exposure class over a longer period, with separate disclosure of the PD range, the external rating equivalent, the weighted average and arithmetic average PD, the number of obligors at the end of the previous year and of the year under review, the number of defaulted obligors, including the new defaulted obligors, and the annual average historical default rate.	Not applicable to SIDAC
453	**Disclosure of the use of credit risk mitigation techniques**	
453 (a)	Core features of policies and processes for use of on- and off-balance sheet netting.	Not applicable to SIDAC
453 (b)	Core features of policies and processes for how collateral valuation is managed.	Section 4.5
453 (c)	Description of types of collateral used to mitigate credit risk.	Section 4.5
453 (d)	Types of guarantors and credit derivative counterparty, and their creditworthiness.	Section 4.5
453 (e)	Disclosure of market or credit risk concentrations within risk mitigation exposures.	Section 4.5 Section 5 Section 11
453 (f)	For exposures under either the Standardised or Foundation IRB approach, disclose the exposure value not covered by eligible collateral and the exposure value covered by eligible collateral.	Table EU CR3
453 (g)	Corresponding conversion factor and credit risk mitigation associated with the exposure and the incidence of credit risk mitigation techniques with and without substitution effects.	Table EU CR4
453 (h)	For institutions using the Standardised approach, the on and off-balance sheet exposure values before and after conversion factors and associated credit risk mitigation.	
453 (i)	For institutions using the Standardised approach, the risk weighted exposures and ratio between exposure value and value after applying conversion factor and credit risk mitigation.	

CRR Ref	High Level Summary	Company Reference
453 (j)	For institutions using the IRB approach, the risk weighted exposures amount before and after the credit risk mitigation impact of credit derivatives. Where institutions used their own LGDs and conversion factors, this should be disclosed separately.	Not applicable to SIDAC
454	**Disclosure of the use of the Advanced Measurement Approaches to operational risk**	
454	Description of the use of insurance or other risk transfer mechanisms to mitigate operational risk.	Not applicable to SIDAC
455	**Use of internal market risk models**	
455 (a)	Institutions calculating their capital requirements in accordance with Article 363 shall disclose the following	Not applicable to SIDAC
455 (a) (i)	Characteristics of the market risk models.	Not applicable to SIDAC
455 (a) (ii)	Methodology and description of risks measured through use of model .	Not applicable to SIDAC
455 (a) (iii)	Stress tests applied to the portfolios.	Not applicable to SIDAC
455 (a) (iv)	Methodology for back-testing and validating the models.	Not applicable to SIDAC
455 (b)	Scope of permission for use of the models.	Not applicable to SIDAC
455 (c)	Policies and processes to determine which exposures are to be included in the trading book, and to comply with prudential valuation requirements.	Not applicable to SIDAC
455 (d)	the highest, the lowest and the mean over the reporting period and as per the period end, of:	Not applicable to SIDAC
455 (d) (i)	daily value-at-risk measures	Not applicable to SIDAC
455 (d) (ii)	stressed value-at-risk measures	Not applicable to SIDAC
455 (d) (iii)	incremental default and migration risk and for the specific risk of the correlation trading portfolio	Not applicable to SIDAC
455 (e)	The elements of the own fund calculation.	Not applicable to SIDAC
455 (f)	Weighted average liquidity horizons of portfolios covered by models.	Not applicable to SIDAC
455 (g)	Comparison of end-of-day VaR measures compared with one-day changes in portfolio's value.	Not applicable to SIDAC

Appendix 2 – Excluded Templates

Template	Name	Reason for exclusion
EU LI3	Outline of the differences in the scopes of consolidation (entity by entity)	SIDAC does not prepare consolidated accounts.
EU PV1	Prudent valuation adjustments (PVA)	SIDAC does not use core approach for prudential valuation adjustments.
EU INS1	Insurance participations	Applicable to insurance participations only.
EU INS2	Financial conglomerates information on own funds and capital adequacy ratio	Applicable to financial conglomerates only.
EU CR2a	Changes in the stock of non-performing loans and advances and related net accumulated recoveries	Applicable to certain large institutions only.
EU CR6	IRB approach – Credit risk exposures by exposure class and PD range	SIDAC does not use the IRB approach.
EU CR6-A	Scope of the use of IRB and SA approaches	
EU CR7	IRB approach – Effect on the RWEAs of credit derivatives used as CRM techniques	
EU CR7-A	IRB approach – Disclosure of the extent of the use of CRM techniques	
EU CR8	RWEA flow statements of credit risk exposures under the IRB approach	
EU CR9	IRB approach – Back-testing of PD per exposure class (fixed PD scale)	
EU CR9.1	Back-testing of PD per exposure class (only for PD estimates according to Article 180(1)(f))	
EU CR10	Specialised lending and equity exposures under the simple risk weighted approach	
EU CCR4	IRB approach – CCR exposures by exposure class and PD scale	
EU CQ1	Credit quality of forborne exposures	SIDAC did not have any forborne exposures in the period
EU CQ2	Quality of forbearance	Applicable to certain large institutions only.
EU CQ6	Collateral valuation - loans and advances	Applicable to certain large institutions only.
EU CQ7	Collateral obtained by taking possession and execution processes	There was no activity to report in the period.
EU CQ8	Collateral obtained by taking possession and execution processes – vintage breakdown	Applicable to certain large institutions only.
EU CCR6	Credit derivatives exposures	SIDAC did not hold reportable positions in the period.
EU CCR7	RWEA flow statements of CCR exposures under the IMM	SIDAC does not use the Internal Model Method for CCR.
EU SEC2	Securitisation exposures in the trading book	SIDAC does not hold securitisations in the trading book.
EU SEC3	Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as originator or as sponsor	SIDAC does not originate or sponsor securitisations.
EU SEC5	Exposures securitised by the institution - Exposures in default and specific credit risk adjustments	SIDAC does not securitise exposures.
EU MR2-A	Market risk under the internal Model Approach (IMA)	SIDAC does not use the internal model approach.
EU MR2-B	RWA flow statements of market risk exposures under the IMA	
EU MR3	IMA values for trading portfolios	
EU MR4	Comparison of VaR estimates with gains/losses	

Appendix 3 – Geographical Disclosures

A threshold of 5% of the total gross carrying / nominal amount has been used as the materiality threshold for disclosure of individual jurisdictions in template EU CQ4 in section 4.4 above.

As such the immaterial jurisdictions which are reported in the 'Other countries' rows are as follows:

Australia, Bahamas, Belgium, Bermuda, Canada, Cayman Islands, Finland, Guernsey, Ireland, Italy, New Zealand, Norway, Singapore, Spain, Sweden, Switzerland and United Kingdom.

Also included in 'Other countries' are exposure to supranational organisations, as per EBA guidance.

Appendix 4 – Main features of the Company's capital instruments

The table below shows the main features of the Company's capital instruments issued.

Table 46 – EU CCA: Main features of regulatory own funds instruments and eligible liabilities instruments (Article 437 (b) & (c))

		Instruments used in meeting own funds and eligible liabilities requirements				
1	Issuer	Scotiabank (Ireland) DAC	Scotiabank (Ireland) DAC	Scotiabank (Ireland) DAC	Scotiabank (Ireland) DAC	Scotiabank (Ireland) DAC
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	N/A	N/A	N/A	N/A	N/A
EU-2a	Public or private placement	Private	Private	Private	Private	Private
3	Governing law(s) of the instrument	Irish law	Irish law	Irish law	Irish law	Irish law
3a	Contractual recognition of write down and conversion powers of resolution authorities	N/A	N/A	N/A	N/A	N/A
	Regulatory treatment					
4	Current treatment taking into account, where applicable, transitional CRR rules	Common Equity Tier 1	Common Equity Tier 1	Common Equity Tier 1	Common Equity Tier 1	Common Equity Tier 1
5	Post-transitional CRR rules	Common Equity Tier 1	Common Equity Tier 1	Common Equity Tier 1	Common Equity Tier 1	Common Equity Tier 1
6	Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	Solo	Solo	Solo	Solo	Solo
7	Instrument type (types to be specified by each jurisdiction)	Ordinary shares	Ordinary shares	Ordinary shares	Ordinary Shares	Ordinary Shares
8	Amount recognised in regulatory capital or eligible liabilities (US$'000 as of most recent reporting date)	5,000	15,000	20,000	40,000	-
9	Nominal amount of instrument	4,999,864	15,000,000	20,000,000	40,000,000	100
EU-9a	Issue price	US$ 1.00	US$ 1.00	US$ 1.00	US$ 1.00	EUR 1.25
EU-9b	Redemption price	N/A	N/A	N/A	N/A	N/A
10	Accounting classification	Shareholders' equity	Shareholders' equity	Shareholders' equity	Shareholders' equity	Shareholders' equity
11	Original date of issuance	31 Aug 1989	06 Jul 1990	07 Jul 1992	20 Oct 2022	31 Aug 1989 (99 shares) 6 April 2016 (1 share)
12	Perpetual or dated	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual
13	Original maturity date	No maturity	No maturity	No maturity	No maturity	No maturity
14	Issuer call subject to prior supervisory approval	N/A	N/A	N/A	N/A	N/A
15	Optional call date, contingent call dates and redemption amount	N/A	N/A	N/A	N/A	N/A
16	Subsequent call dates, if applicable	N/A	N/A	N/A	N/A	N/A
	Coupons / dividends					
17	Fixed or floating dividend/coupon	N/A	N/A	N/A	N/A	N/A
18	Coupon rate and any related index	N/A	N/A	N/A	N/A	N/A
19	Existence of a dividend stopper	No	No	No	No	No
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary
21	Existence of step up or other incentive to redeem	N/A	N/A	N/A	N/A	N/A
22	Noncumulative or cumulative	N/A	N/A	N/A	N/A	N/A

23	Convertible or non-convertible	N/A	N/A	N/A	N/A	N/A
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A	N/A	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A
30	Write-down features	N/A	N/A	N/A	N/A	N/A
31	If write-down, write-down trigger(s)	N/A	N/A	N/A	N/A	N/A
32	If write-down, full or partial	N/A	N/A	N/A	N/A	N/A
33	If write-down, permanent or temporary	N/A	N/A	N/A	N/A	N/A
34	If temporary write-down, description of write-up mechanism	N/A	N/A	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)	N/A	N/A	N/A	N/A	N/A
EU-34b	Ranking of the instrument in normal insolvency proceedings	1	1	1	1	1
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	1	1	1	1	1
36	Non-compliant transitioned features	N/A	N/A	N/A	N/A	N/A
37	If yes, specify non-compliant features	N/A	N/A	N/A	N/A	N/A
37a	Link to the full term and conditions of the instrument (signposting)	N/A	N/A	N/A	N/A	N/A