

# ZIONS BANCORPORATION

A COLLECTION OF GREAT BANKS

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## **Zions Bancorporation, National Association**

Basel III Regulatory Capital Disclosures

**September 30, 2023**

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## FORWARD-LOOKING INFORMATION

These regulatory capital disclosures include “forward-looking statements” as that term is defined in the Private Securities Litigation Reform Act of 1995. These statements are based on management’s current expectations and assumptions regarding future events or determinations, all of which are subject to known and unknown risks, uncertainties, and other factors that may cause our actual results, performance or achievements, industry trends, and results or regulatory outcomes to differ materially from those expressed or implied. Forward-looking statements include, among others:

- Statements with respect to the beliefs, plans, objectives, goals, targets, commitments, designs, guidelines, expectations, anticipations, and future financial condition, results of operations and performance of Zions Bancorporation, National Association and its subsidiaries (collectively “Zions Bancorporation, N.A.,” “the Bank,” “we,” “our,” “us”); and
- Statements preceded or followed by, or that include the words “may,” “might,” “can,” “continue,” “could,” “should,” “would,” “believe,” “anticipate,” “estimate,” “forecasts,” “expect,” “intend,” “target,” “commit,” “design,” “plan,” “projects,” “will,” and the negative thereof and similar words and expressions.

Forward-looking statements are not guarantees, nor should they be relied upon as representing management’s views as of any subsequent date. Actual results and outcomes may differ materially from those presented. Although the following list is not comprehensive, important factors that may cause material differences include:

- The quality and composition of our loan and securities portfolios and the quality and composition of our deposits;
- Changes and uncertainties in applicable laws, and fiscal, monetary, regulatory, trade, and tax policies, and actions taken by governments, agencies, central banks, and similar organizations, including increases in bank fees, insurance assessments, capital standards, and other regulatory requirements;
- Protracted congressional negotiations and political stalemates regarding government funding and other issues that increase the possibility of government shutdowns or other economic disruptions;
- Changes in general industry, political and economic conditions, including continued elevated inflation, economic slowdown or recession, or other economic challenges; changes in interest and reference rates which could adversely affect our revenue and expenses, the value of assets and obligations, and the availability and cost of capital and liquidity; deterioration in economic conditions that may result in increased loan and leases losses;
- Securities and capital markets behavior, including volatility and changes in market liquidity and our ability to raise capital;
- The impact of bank failures or adverse developments at other banks on general investor sentiment regarding the stability and liquidity of banks;
- The possibility that our recorded goodwill could become impaired, which may have an adverse impact on our earnings and capital;
- Competitive pressures and other factors that may affect aspects of our business, such as pricing and demand for our products and services, our ability to recruit and retain talent, and the impact of digital commerce, artificial intelligence, and other innovations affecting the banking industry;
- Our ability to complete projects and initiatives and execute on our strategic plans, manage our risks, control compensation and other expenses, and achieve our business objectives;
- Our ability to provide adequate oversight of our suppliers or prevent inadequate performance by third parties upon whom we rely for the delivery of various products and services;
- Our ability to develop and maintain technology, information security systems and controls designed to guard against fraud, cybersecurity, and privacy risks;
- Adverse media and other expressions of negative public opinion whether directed at us, other banks, the banking industry, or otherwise that may adversely affect our reputation and that of the banking industry generally;

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- The effects of pandemics and other health emergencies that may affect our business, employees, customers, and communities;
- The effects of wars and geopolitical conflicts, such as the ongoing conflict between Russia and Ukraine and the escalating events in the Middle East, and other local, national, or international disasters, crises, or conflicts that may occur in the future;
- Natural disasters that may impact our and our customer's operations and business; and
- Governmental and social responses to environmental, social, and governance issues, including those with respect to climate change.

We caution against the undue reliance on forward-looking statements, which reflect our views only as of the date they are made. Except to the extent required by law, we specifically disclaim any obligation to update any factors or to publicly announce the revisions to any forward-looking statements to reflect future events or developments.

## **BACKGROUND**

The Federal Reserve Board (“FRB”), the Federal Deposit Insurance Corporation (“FDIC”), and the Office of the Comptroller of the Currency (“OCC”) have published rules (“Basel III capital rules”) establishing a comprehensive capital framework for U.S. banking organizations. The Basel III capital rules define the components of capital and address other issues affecting the numerator in banking institutions’ regulatory capital ratios and also address risk weights and other issues affecting the denominator in financial institutions’ regulatory capital ratios. The Basel III capital rules, among other things, (1) introduced a new capital measure called Common Equity Tier 1 (“CET1”), (2) specified that Tier 1 capital consists of CET1 and “Additional Tier 1 capital” instruments meeting specified requirements, (3) applied most deductions and adjustments to regulatory capital measures to CET1 and not to the other components of capital, thus potentially requiring higher levels of CET1 in order to meet minimum ratios, and (4) expanded the scope of the deductions and adjustments from capital, as compared with prior regulations.

Basel III also required additional regulatory capital disclosures, commonly referred to as “Pillar 3” disclosures. These disclosures require us to present prescribed regulatory information on a quarterly basis regarding our capital structure adequacy and risk-weighted assets, and should be read in conjunction with our most recent Form 10-K, Form 10-Q, and our Call Report. Our Regulatory Capital Disclosures Matrix in the Appendix specifies where all disclosures required by the Basel III capital rules are located in the aforementioned documents. These Basel III regulatory capital disclosures have not been audited by our external auditors.

## **OVERVIEW**

We are a bank headquartered in Salt Lake City, Utah, and we provide a wide range of banking products and related services, primarily in the states of Arizona, California, Colorado, Idaho, Nevada, New Mexico, Oregon, Texas, Utah, Washington, and Wyoming. We conduct our operations primarily through seven separately managed bank divisions, which we refer to as “affiliates,” or “affiliate banks,” each with its own local branding and management team. We emphasize local authority, responsibility, pricing, and customization of certain products that are designed to maximize customer satisfaction and strengthen community relations. Our affiliate banks are supported by an enterprise operating segment (referred to as the “Other” segment) that provides governance and risk management, allocates capital, establishes strategic objectives, and includes centralized technology, back-office functions, and certain lines of business not operated through our affiliate banks.

Our Annual Report filed with the OCC on forms designated under the Securities Act contains management’s discussion of our overall corporate risk profile and related management strategies, including capital management. The basis of consolidation used for regulatory reporting is consistent with that used under U.S. Generally Accepted Accounting Principles (“GAAP”).

## CAPITAL STRUCTURE

Under the Basel III capital rules, the minimum capital ratio requirements are as follows:

- 4.5% CET1 to risk-weighted assets;
- 6.0% Tier 1 capital (i.e., CET1 plus Additional Tier 1) to risk-weighted assets;
- 8.0% Total capital (i.e., Tier 1 plus Tier 2) to risk-weighted assets; and
- 4.0% Tier 1 capital to average consolidated assets (i.e., the “Tier 1 leverage ratio”).

At September 30, 2023, we exceeded all capital adequacy requirements under the Basel III capital rules, which include certain risk-based capital and leverage ratio requirements prescribed by the OCC. The Basel III capital rules define the components of capital and other factors, such as risk weights, affecting banking institutions’ regulatory capital ratios.

Schedule 1 presents a reconciliation of total shareholders’ equity to Basel III CET1 capital, Tier 1 capital, Tier 2 capital, and total capital. As a non-advanced approach Bank, we have elected to opt out of the requirement to include most components of AOCI in regulatory capital. Therefore, changes in AOCI do not impact our regulatory capital ratios.

### *Schedule 1*

#### RISK-BASED CAPITAL COMPONENTS AND ASSETS

<i>(In millions)</i>	<b>September 30, 2023</b>
<b>Total shareholders’ equity</b>	<b>\$ 5,315</b>
CECL adjustment	—
Less: Preferred stock	440
<b>Common shareholders’ equity</b>	<b>4,875</b>
Less: Goodwill	1,027
Less: Other intangible assets	33
Less: Accumulated other comprehensive income	(3,008)
Other CET1 capital adjustments	(20)
<b>CET1 capital</b>	<b>6,803</b>
Preferred stock	440
Less: Other Tier 1 adjustments	1
<b>Tier 1 capital</b>	<b>7,242</b>
Long-term debt and other instruments qualifying as Tier 2 capital	519
Qualifying allowance for credit losses	738
Other	1
<b>Tier 2 capital</b>	<b>1,258</b>
<b>Total risk-based capital</b>	<b>\$ 8,500</b>
<b>Total risk-weighted assets</b>	<b>\$ 66,615</b>

We do not have any insurance subsidiaries included in total capital. We utilize stress testing as an important mechanism to inform our decisions on the appropriate level of capital, based upon actual and hypothetically stressed economic conditions. The timing and amount of capital actions are subject to various factors, including our financial performance, business needs, prevailing and anticipated economic conditions, the results of our internal stress testing, and our capital levels relative to the regulatory requirements, as well as our Board of Directors (“Board”) and OCC approval.

#### Recent Proposals

On July 27, 2023, bank regulators issued a proposal to implement the Basel Committee on Banking Supervision’s finalization of the post-crisis bank regulatory capital reforms. The proposal, commonly referred to as Basel III “Endgame,” would significantly revise the capital requirements applicable to large banking organizations, defined as those with total assets of \$100 billion or more. The proposal provides for a July 1, 2025 effective date, subject to

a three-year phase-in period for certain aspects of the proposal. For more information regarding this proposal and its potential impact, see the “Capital Management” section of Management’s Discussion and Analysis of our September 30, 2023 Form 10-Q.

On August 29, 2023, bank regulators issued a proposal that would expand a long-term debt requirement to all banks with total assets of \$100 billion or more. The proposed rule would require these banks to have a minimum outstanding amount of eligible long-term debt that is the greater of (i) 6% of total risk-weighted assets; (ii) 2.5% of total leverage exposure, and (iii) 3.5% of average total assets. In the event we were to increase our total assets to \$100 billion or more, we would have a three-year implementation period to issue debt and meet the other requirements under the proposal. At September 30, 2023, if enacted as proposed, the estimated amount of incremental debt we would be required to issue would be approximately \$3.5 billion over the three year phase-in period.

## **CAPITAL ADEQUACY**

The Board is responsible for approving the policies associated with capital management. The Board has delegated responsibility of managing our capital risk to the Capital Management Committee (“CMC”), which is chaired by the Chief Financial Officer, consists of members of management, and whose primary responsibility is to recommend and administer the approved capital policies that govern our capital management. Other major CMC responsibilities include:

- Setting overall capital targets within the Board-approved Capital Policy, monitoring performance compared with our Capital Policy limits, and recommending changes to capital including dividends, common stock issuances and repurchases, subordinated debt, and changes in major strategies to maintain ourselves at well-capitalized levels;
- Maintaining an adequate capital cushion to withstand adverse stress events while continuing to meet the borrowing needs of our customers, and to provide reasonable assurance of continued access to wholesale funding, consistent with fiduciary responsibilities to depositors and bondholders; and
- Reviewing our agency ratings.

Based on our internal stress testing and other assessments of capital adequacy, we believe we hold capital sufficiently in excess of internal and regulatory requirements for well-capitalized banks. For more information regarding our capital management, see the “Capital Management” section of Management’s Discussion and Analysis of our 2022 Form 10-K. Schedule 2 presents our risk-weighted assets by risk type.

*Schedule 2*
**BASEL III RISK-WEIGHTED ASSETS BY RISK TYPE**

<i>(In millions)</i>	<b>September 30, 2023</b>
<b>On-balance sheet assets</b>	
Exposures to sovereign entities	\$ 3,439
Exposures to depository institutions, foreign banks, and credit unions	74
Exposures to public sector entities	2,757
Corporate exposures	39,602
Residential mortgage exposures	7,023
Statutory multifamily mortgages and pre-sold construction loans	110
High volatility commercial real estate (HVCRE) loans	33
Past due loans	252
Other assets	3,356
Equity exposures	245
<b>Off-balance sheet exposures</b>	
Financial standby letters of credit	474
Performance standby letters of credit	67
Commercial and similar letters of credit with an original maturity of one year or less	2
Unused commitments with an original maturity of one year or less	281
Unused commitments with an original maturity exceeding one year	8,568
All other off-balance sheet liabilities	332
<b>Total risk-weighted assets before excess allowance</b>	<b>66,615</b>
Less: Excess allowance for loan and lease losses	—
<b>Total risk-weighted assets</b>	<b>\$ 66,615</b>

**CAPITAL CONSERVATION BUFFER**

The Basel III capital rules require us to maintain certain minimum capital ratios. We are also required to maintain an additional 2.5% “capital conservation buffer,” which is designed to absorb losses during periods of economic stress, composed entirely of CET1, and in excess of the minimum risk-based capital ratios. The following schedule presents minimum capital ratio and capital conservation buffer requirements, compared with our capital ratios at September 30, 2023.

*Schedule 3*
**MINIMUM CAPITAL RATIO AND CAPITAL CONSERVATION BUFFER REQUIREMENTS**

	<b>September 30, 2023</b>			
	<b>Minimum capital requirement</b>	<b>Capital conservation buffer</b>	<b>Minimum capital ratio requirement with capital conservation buffer</b>	<b>Current capital ratio</b>
CET1 to risk-weighted assets	4.5 %	2.5 %	7.0 %	10.2 %
Tier 1 capital (i.e., CET1 plus additional Tier 1 capital) to risk-weighted assets	6.0	2.5	8.5	10.9
Total capital (i.e., Tier 1 capital plus Tier 2 capital) to risk-weighted assets	8.0	2.5	10.5	12.8
Tier 1 capital to average consolidated assets (known as the “Tier 1 leverage ratio”)	4.0	N/A	4.0	8.3

Financial institutions with a ratio of CET1 to risk-weighted assets above the minimum, but below the capital conservation buffer, face constraints on dividends, equity repurchases, and compensation based on the amount of the shortfall. The severity of the constraint depends on the amount of the shortfall and the institution’s “eligible retained income,” which is defined as four quarters of trailing net income, net of distributions and associated tax effects not already reflected in net income.

## CREDIT RISK: GENERAL DISCLOSURES

Risk management is an integral part of our operations and is a key determinant of our overall performance. We employ various strategies to reduce the risks to which our operations are exposed, including credit risk, interest rate and market risk, liquidity risk, strategic and business risk, operational risk, technology risk, cybersecurity risk, capital/financial reporting risk, legal/compliance risk (including regulatory risk), and reputational risk. These risks are overseen by various management committees including the Enterprise Risk Management Committee. For a more comprehensive discussion of these risks, see “Risk Factors” section in our 2022 Form 10-K.

### Credit Risk Management

Credit risk is the possibility of loss from the failure of a borrower, guarantor, or another obligor to fully perform under the terms of a credit-related contract. Credit risk arises primarily from our lending activities, as well as from off-balance sheet credit instruments. For a more comprehensive discussion of our credit risk management, see “Credit Risk Management” section in our 2022 Form 10-K.

The following schedules present major types of credit exposures. Schedule 4 presents our total credit risk exposure at September 30, 2023 and our average credit risk exposure during the third quarter of 2023, together with a remaining contractual maturity distribution according to credit risk exposure categories.

#### Schedule 4

### TOTAL CREDIT RISK EXPOSURE

(In millions)	Carrying value		September 30, 2023			
	September 30, 2023	3Q 2023 average <sup>1</sup>	Remaining contractual maturity			Total
			One year or less	One year through five years	Over five years	
Investment securities with government/agency guarantees	\$ 21,087	\$ 21,332	\$ 326	\$ 540	\$ 20,221	\$ 21,087
Investment securities without government/agency guarantees	1,550	1,576	125	469	956	1,550
Derivative receivables <sup>2</sup>	622	555	8	165	449	622
Securities financing transactions	1,426	1,140	1,426	—	—	1,426
Loans and leases, net <sup>3</sup>	56,893	56,905	7,386	21,051	28,456	56,893
Unfunded lending commitments	30,442	30,483	8,797	12,358	9,287	30,442
<b>Total</b>	<b>\$ 112,020</b>	<b>\$ 111,991</b>	<b>\$ 18,068</b>	<b>\$ 34,583</b>	<b>\$ 59,369</b>	<b>\$ 112,020</b>

<sup>1</sup> Calculated on a simple average of the beginning and ending quarterly balances.

<sup>2</sup> Does not include \$290 million of derivative receivables that are cleared through the Chicago Mercantile Exchange (“CME”) and LCH.Clearnet (“LCH”) with our Futures Commission Merchant.

<sup>3</sup> Net of unamortized purchase premiums, discounts, and deferred loan fees and costs.

### Credit Disclosures by Geography and Industry

Schedules 5 and 6 provide our total credit exposures by geography and industry, respectively. Geographies are presented following the manner in which we manage our credit exposure. For commercial and consumer loans, geographies are based on the location of the primary borrower. For commercial real estate loans, geographies are based on the location of the primary collateral.

Schedule 5 presents geographic distribution by major types of credit exposure. The credit exposure includes loans and leases, net of unamortized purchase premiums, discounts, and deferred loan fees and costs, and includes contractual commitments to extend credit and letters of credit.



Schedule 5

**CREDIT EXPOSURE BY GEOGRAPHY**

<i>(Amounts in millions)</i>	September 30, 2023			
	Loans and leases	Unfunded lending commitments	Total	Percentage of total
<b>Commercial</b>				
Arizona	\$ 2,112	\$ 808	\$ 2,920	6.4 %
California	6,207	3,023	9,230	20.1
Colorado	2,021	657	2,678	5.8
Nevada	1,234	497	1,731	3.8
Texas	6,871	5,342	12,213	26.5
Utah/Idaho	6,156	3,190	9,346	20.3
Washington/Oregon	1,446	685	2,131	4.6
Other	4,161	1,609	5,770	12.5
Total commercial	<u>30,208</u>	<u>15,811</u>	<u>46,019</u>	<u>100.0 %</u>
<b>Commercial real estate</b>				
Arizona	\$ 1,696	\$ 509	\$ 2,205	12.9 %
California	3,824	792	4,616	27.1
Colorado	668	301	969	5.7
Nevada	1,031	340	1,371	8.1
Texas	2,252	1,010	3,262	19.1
Utah/Idaho	2,262	516	2,778	16.3
Washington/Oregon	947	337	1,284	7.5
Other	460	105	565	3.3
Total commercial real estate	<u>13,140</u>	<u>3,910</u>	<u>17,050</u>	<u>100.0 %</u>
<b>Consumer</b>				
Arizona	\$ 1,175	\$ 1,343	\$ 2,518	10.4 %
California	2,617	1,885	4,502	18.5
Colorado	1,261	1,179	2,440	10.1
Nevada	1,195	939	2,134	8.8
Texas	3,663	1,407	5,070	20.9
Utah/Idaho	3,093	3,593	6,686	27.5
Washington/Oregon	202	127	329	1.4
Other	339	248	587	2.4
Total consumer	<u>13,545</u>	<u>10,721</u>	<u>24,266</u>	<u>100.0 %</u>
Total	<u>\$ 56,893</u>	<u>\$ 30,442</u>	<u>\$ 87,335</u>	

Schedule 6 presents industry distribution by major types of credit exposure. The credit exposure includes loans and leases, net of unamortized purchase premiums, discounts, and deferred loan fees and costs, and includes contractual commitments to extend credit and letters of credit.

*Schedule 6*
**CREDIT EXPOSURE BY INDUSTRY**

	September 30, 2023			
	Loans and leases	Unfunded lending commitments	Total	Percentage of total
<i>(Amounts in millions)</i>				
<b>Commercial</b> <sup>1</sup>				
Real estate, rental and leasing	\$ 3,007	\$ 1,722	\$ 4,729	10.3 %
Retail trade	2,829	989	3,818	8.3
Finance and insurance	2,739	2,434	5,173	11.2
Healthcare and social assistance	2,518	670	3,188	6.9
Public Administration	2,217	67	2,284	5.0
Manufacturing	2,193	1,292	3,485	7.6
Wholesale trade	1,891	1,391	3,282	7.2
Utilities <sup>2</sup>	1,550	280	1,830	3.9
Transportation and warehousing	1,480	1,054	2,534	5.5
Educational services	1,297	146	1,443	3.1
Construction	1,253	1,401	2,654	5.8
Hospitality and food services	1,198	252	1,450	3.1
Mining, quarrying, and oil and gas extraction	1,162	977	2,139	4.7
Other Services (except Public Administration)	1,061	469	1,530	3.3
Professional, scientific, and technical services	1,005	705	1,710	3.7
Other <sup>3</sup>	2,808	1,962	4,770	10.4
Total commercial	<u>30,208</u>	<u>15,811</u>	<u>46,019</u>	<u>100.0 %</u>
<b>Commercial real estate</b>				
Commercial property				
Multi-family	\$ 3,563	\$ 1,734	\$ 5,297	31.1 %
Industrial	2,905	690	3,595	21.1
Office	2,100	225	2,325	13.6
Retail	1,467	137	1,604	9.4
Hospitality	696	50	746	4.4
Land	221	51	272	1.6
Other	1,696	177	1,873	11.0
Residential property				
Single family	258	390	648	3.8
Land	76	16	92	0.5
Condo/Townhome	31	39	70	0.4
Other	127	401	528	3.1
Total commercial real estate	<u>13,140</u>	<u>3,910</u>	<u>17,050</u>	<u>100.0 %</u>
<b>Consumer</b>				
Home equity credit line	\$ 3,313	\$ 7,285	\$ 10,598	43.7 %
1-4 family residential	8,116	—	8,116	33.4
Construction and other consumer real estate	1,510	1,295	2,805	11.6
Bankcard and other revolving plans	475	2,141	2,616	10.8
Other	131	—	131	0.5
Total consumer	<u>13,545</u>	<u>10,721</u>	<u>24,266</u>	<u>100.0 %</u>
Total	<u>\$ 56,893</u>	<u>\$ 30,442</u>	<u>\$ 87,335</u>	

<sup>1</sup> Industry groups are determined by North American Industry Classification System ("NAICS") codes.

<sup>2</sup> Includes primarily utilities, power, and renewable energy.

<sup>3</sup> No other industry group exceeds 3.1%.

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Our investment securities portfolio includes agency guaranteed mortgage-backed securities, municipal securities, Small Business Administration (“SBA”) loan-backed securities, agency securities, and other securities. The most important feature management relies on when assessing credit risk for SBA loan-backed securities, agency guaranteed mortgage-backed securities, and agency securities is the guarantee of the federal government or its agencies.

We evaluate the credit risk of the securities portfolio using a variety of factors. Refer to Note 5 in our 2022 Form 10-K for further information regarding these factors. Geography is typically not one of the primary factors we consider in managing our derivatives, securities financings, or investment securities portfolio, with the exception of municipal securities.

Schedule 7 presents the amortized cost and relative percentage of our total held-to-maturity (“HTM”) and available-for-sale (“AFS”) municipal securities by major region of the United States.

*Schedule 7*

**MUNICIPAL SECURITIES BY GEOGRAPHY**

<i>(Amounts in millions)</i>	<b>September 30, 2023</b>	
	<b>Amortized cost</b>	<b>Percentage of total</b>
Northeast	\$ 23	1 %
Midwest	499	28
South	627	35
West	641	36
Total HTM and AFS municipal securities	<u>\$ 1,790</u>	<u>100 %</u>

**Allowance for Credit Losses, Past Due Loans, and Nonaccrual Loans**

The allowance for credit losses (“ACL”) is the combination of both the allowance for loan and lease losses (“ALLL”) and the reserve for unfunded lending commitments (“RULC”). The ACL represents our estimate of current expected credit losses related to the loan and lease portfolio and unfunded lending commitments as of the balance sheet date. To determine the adequacy of the allowance, we segment our loan and lease portfolio based on loan type.

Refer to the “Allowance for Credit Losses” and “Critical Accounting Policies and Significant Estimates” sections of Management’s Discussion and Analysis and Note 6 in our 2022 Form 10-K for more information on the evaluation of the ACL.

Schedule 8 presents the loans past due (accruing and nonaccruing) and nonaccrual loans by industry distribution and major type of credit exposure.

## Schedule 8

**PAST DUE AND NONACCRUAL LOANS BY INDUSTRY**

	September 30, 2023							
	Past due loans				Nonaccrual loans			
	Accruing loans		Nonaccruing loans		Amortized cost basis		Total amortized cost basis	Related allowance
	30-89 days past due	90+ days past due	30-89 days past due	90+ days past due	with no allowance	with allowance		
<i>(In millions)</i>								
<b>Commercial</b> <sup>1</sup>								
Real estate, rental and leasing	\$ 8	\$ —	\$ —	\$ 1	\$ —	\$ 2	2	\$ 1
Retail trade	1	—	1	1	—	3	3	—
Finance and insurance	2	—	—	—	—	—	—	—
Healthcare and social assistance	10	—	—	1	11	2	13	—
Public Administration	—	—	—	—	—	—	—	—
Manufacturing	3	—	6	3	6	12	18	6
Wholesale trade	4	11	1	2	2	6	8	—
Utilities <sup>2</sup>	—	—	—	—	—	10	10	5
Transportation and warehousing	—	—	—	1	—	1	1	—
Educational services	—	—	—	—	—	—	—	—
Construction	2	1	1	3	1	8	9	2
Hospitality and food services	—	2	—	—	—	1	1	—
Mining, quarrying, and oil and gas extraction	—	—	—	—	—	—	—	—
Other Services (except Public Administration)	1	—	—	1	1	1	2	—
Professional, scientific, and technical services	1	—	—	—	4	2	6	—
Other	17	—	—	—	2	11	13	3
<b>Total commercial</b>	<b>49</b>	<b>14</b>	<b>9</b>	<b>13</b>	<b>27</b>	<b>59</b>	<b>86</b>	<b>17</b>
<b>Commercial real estate</b>								
<b>Commercial property</b>								
Multi-family	1	—	—	—	1	—	1	—
Office	—	1	27	—	48	—	48	1
Retail	13	—	—	1	—	1	1	—
Industrial	1	—	—	—	—	—	—	—
Hospitality	—	—	—	—	1	9	10	2
<b>Residential property</b>								
Single family	4	—	—	2	2	—	2	—
Other	1	—	—	—	—	—	—	—
<b>Total commercial real estate</b>	<b>20</b>	<b>1</b>	<b>27</b>	<b>3</b>	<b>52</b>	<b>10</b>	<b>62</b>	<b>3</b>
<b>Consumer</b>								
Home equity credit line	5	—	2	6	1	14	15	7
1-4 family residential	9	—	2	20	5	31	36	6
Construction and other consumer real estate	—	—	—	—	—	—	—	—
Bankcard and other revolving plans	2	1	—	—	—	—	—	—
Other	1	—	—	—	—	—	—	—
<b>Total consumer</b>	<b>17</b>	<b>1</b>	<b>4</b>	<b>26</b>	<b>6</b>	<b>45</b>	<b>51</b>	<b>13</b>
<b>Total</b>	<b>\$ 86</b>	<b>\$ 16</b>	<b>\$ 40</b>	<b>\$ 42</b>	<b>\$ 85</b>	<b>\$ 114</b>	<b>\$ 199</b>	<b>\$ 33</b>

<sup>1</sup> Industry groups are determined by North American Industry Classification System (NAICS) codes.

<sup>2</sup> Includes primarily utilities, power, and renewable energy.

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In addition to industry, we use the geography of the borrower’s business, or property location in the case of real estate secured loans, among other key risk characteristics, to determine estimates about the likelihood of default and the severity of loss in the event of default. Schedule 9 presents geographic detail on past due and nonaccrual loans.

*Schedule 9*

**PAST DUE AND NONACCRUAL LOANS BY GEOGRAPHY**

<i>(In millions)</i>	September 30, 2023							
	Past due loans				Nonaccrual loans			
	Accruing loans		Nonaccruing loans		Amortized cost basis		Total amortized cost basis	Related allowance
	30-89 days past due	90+ days past due	30-89 days past due	90+ days past due	with no allowance	with allowance		
<b>Commercial</b>								
Arizona	\$ 1	\$ —	\$ 1	\$ —	\$ 1	\$ 3	\$ 4	\$ —
California	27	2	—	4	13	15	28	6
Colorado	10	—	1	1	—	2	2	—
Nevada	4	—	6	1	10	2	12	1
Texas	3	—	—	3	—	15	15	4
Utah/Idaho	2	12	—	1	3	16	19	6
Washington/Oregon	1	—	1	3	—	4	4	—
Other	1	—	—	—	—	2	2	—
Total commercial	49	14	9	13	27	59	86	17
<b>Commercial real estate</b>								
Arizona	1	—	—	—	—	—	—	—
California	13	—	27	1	49	1	50	1
Colorado	1	—	—	—	—	—	—	—
Nevada	—	—	—	—	—	—	—	—
Texas	5	—	—	2	2	9	11	2
Utah/Idaho	—	—	—	—	1	—	1	—
Washington/Oregon	—	1	—	—	—	—	—	—
Other	—	—	—	—	—	—	—	—
Total commercial real estate	20	1	27	3	52	10	62	3
<b>Consumer</b>								
Arizona	2	—	—	1	—	3	3	1
California	2	—	1	9	2	12	14	5
Colorado	2	—	1	2	1	5	6	1
Nevada	2	—	—	3	—	4	4	1
Texas	4	—	1	7	—	14	14	3
Utah/Idaho	4	1	1	4	2	7	9	2
Washington/Oregon	—	—	—	—	—	—	—	—
Other	1	—	—	—	1	—	1	—
Total consumer	17	1	4	26	6	45	51	13
Total	\$ 86	\$ 16	\$ 40	\$ 42	\$ 85	\$ 114	\$ 199	\$ 33

**COUNTERPARTY CREDIT RISK-RELATED EXPOSURES**

Exposure to credit risk arises from the possibility of nonperformance by counterparties primarily of over-the-counter (“OTC”) derivatives, but can also arise from repurchase agreements, securities lending and borrowing, and other similar products and activities. These counterparties primarily consist of financial institutions that are well established and well capitalized. The amount of counterparty exposure depends on underlying market factors (e.g., interest rates and foreign exchange rates), which can be volatile and uncertain in nature. We manage this credit risk through credit approvals, limits, pledges of collateral, and other monitoring procedures.

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As a result of the Dodd-Frank Act, all newly eligible derivatives entered into are cleared through a central clearinghouse. No significant losses on derivative instruments have occurred as a result of counterparty nonperformance. Nevertheless, the related credit risk is considered and measured when and where appropriate.

### **Collateral**

We manage the credit risk of our derivative positions by diversifying our positions among various counterparties, entering into master netting arrangements where possible with counterparties, and requiring collateral. Credit exposures are monitored daily for counterparties with an established Credit Support Annex (“CSA”), to assure that collateral levels are appropriately sized to cover risk. For more information regarding our credit risk management of derivatives, see Note 7 in our 2022 Form 10-K.

Our derivative contracts require us to pledge collateral for derivatives that are in a net liability position at a given date. Certain derivative contracts contain credit-risk-related contingent features that include the requirement to maintain a minimum debt credit rating. We may be required to pledge additional collateral if a credit-risk-related feature were triggered, such as a downgrade of our credit rating. However, in past situations, not all counterparties have demanded that additional collateral be pledged when provided for under their contracts. For information regarding the amount of collateral that we may be required to pledge under certain events, see Note 7 in our 2022 Form 10-K.

Eligible collateral types are documented by a CSA to the International Swaps and Derivatives Association (“ISDA”) Master Agreement and are controlled under our general credit policies. A valuation haircut policy reflects the fact that collateral may fall in value between the date the collateral is called and the date of liquidation or enforcement. Generally, all of our collateral held as credit risk mitigation under a CSA is cash.

Schedule 10 presents the fair value of our contracts, collateral held for risk mitigation, and net credit exposure.

#### *Schedule 10*

### **GROSS POSITIVE FAIR VALUE OF CONTRACTS, COLLATERAL HELD, AND NET CREDIT EXPOSURE**

<i>(In millions)</i>	<u>September 30, 2023</u>
Derivatives:	
Gross positive fair value <sup>1</sup>	\$ 622
Netting benefit	—
Net derivatives credit exposure	<u>\$ 622</u>
Securities financing transactions:	
Gross positive fair value	\$ 1,426
Less: Collateral held for risk mitigation	1,559
Excess collateral	<u>133</u>
Net securities financing transactions exposure	<u>\$ —</u>

<sup>1</sup> The derivatives gross positive fair value does not include \$290 million of derivative receivables that are cleared through the CME and LCH with our Futures Commission Merchant.

### **CREDIT RISK MITIGATION**

#### **Credit Risk Framework**

Our strategy for credit risk management includes well-defined, centralized credit policies, uniform underwriting criteria, and ongoing risk monitoring and review processes for all commercial and consumer credit exposures. Our strategy also emphasizes diversification on an industry, geographic and customer level, regular credit examinations, and management reviews of loans exhibiting deterioration of credit quality. Our credit risk management strategy, including our loan risk-grading systems, is subject to an independent review function to ensure that controls are operating as designed.

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Credit risk associated with guarantors and derivative counterparties and their creditworthiness are presented in Note 7 in our 2022 Form 10-K. Credit risk associated with securities is discussed in Note 5 in our 2022 Form 10-K. See also the Appendix for the location of other off-balance sheet credit risk disclosures.

For information regarding credit risk associated with our loan portfolio, commitments, and guarantors, see “Risk Management” in Management’s Discussion and Analysis in our 2022 Form 10-K.

### Credit Risk Exposures

The following schedules provide information regarding our credit risk exposures that are covered by eligible financial collateral, guarantees, or credit derivatives. Schedule 11 does not include any derivative receivables because substantially all of the derivative receivables are from loan customers whose credit risk is aggregated and managed with their loans. Because the collateral applies to both the swap and the loan, and is not eligible financial collateral, these derivatives are not included among those exposures with credit mitigation from collateral.

#### Schedule 11

##### CREDIT EXPOSURE COVERED BY ELIGIBLE FINANCIAL COLLATERAL

(In millions)	Collateral type(s)	September 30, 2023	
		Exposure covered by eligible collateral	Exposure after collateral
Securities financing transactions	U.S. Treasuries and Agencies	\$ 1,426	\$ —
Loans and leases, net <sup>1</sup>	Cash, U.S. Treasuries	192	—
Unfunded lending commitments	Cash, U.S. Treasuries	83	—
Total		<u>\$ 1,701</u>	<u>\$ —</u>

<sup>1</sup>Net of unamortized purchase premiums, discounts, and deferred loan fees and costs.

Schedule 12 presents our credit exposure covered by guarantees and/or credit derivatives, together with the risk-weighted asset amount associated with that exposure.

#### Schedule 12

##### CREDIT EXPOSURE COVERED BY GUARANTEES OR CREDIT DERIVATIVES

(In millions)	September 30, 2023	
	Exposure covered by guarantees/credit derivatives	Risk-weighted assets
Investment securities <sup>1</sup>	\$ 21,087	\$ 2,881
Securities financing transactions	1,426	—
Loans and leases, net <sup>2</sup>	579	116
Unfunded lending commitments	54	4
Total	<u>\$ 23,146</u>	<u>\$ 3,001</u>

<sup>1</sup>Exposures are covered by the guarantee of the U.S. federal government or its agencies.

<sup>2</sup>Amount includes loans held for sale.

### SECURITIZATION

Our securitization-related activity has generally been limited to investing in securitized products created by third parties, as we do not currently originate or sponsor securitizations. In determining what exposures constitute securitization exposures, we used the definition as provided in Basel III. Our current securitization exposure is not significant. See Note 5 in our 2022 Form 10-K for more information regarding the securities that we hold.

## EQUITY SECURITIES NOT SUBJECT TO THE MARKET RISK RULE

At September 30, 2023, we had total equity exposure of approximately \$410 million that is not subject to the Market Risk Rule. Our equity exposure includes shares of the FRB, Federal Home Loan Bank (“FHLB”), and Federal Agricultural Mortgage Corporation (“Farmer Mac”), which are held to conduct certain forms of business. Other equity exposures held include Small Business Investment Company (“SBIC”) and private equity investment funds, separate account bank-owned life insurance (“BOLI”), and other investments. Equity exposures are reflected in “Other noninterest-bearing investments” and “Other assets” in the Consolidated Financial Statements in our 2022 Form 10-K.

### Accounting and Valuation of Equity Investments

Investments in companies in which we have significant influence over operating and financing decisions, but do not own a majority of the voting equity interests, are accounted for in accordance with the equity method of accounting, which requires us to recognize our proportionate share of the entity’s net earnings. Investments in companies in which we do not have significant influence over operating and financing decisions, and do not own a majority of voting equity interests, are accounted for either at fair value or cost plus observable price changes in orderly transactions from an identical or similar investment of the same issuer (subject to impairment).

At September 30, 2023, we had approximately \$185 million of exposure to SBIC investments and approximately \$34 million in non-SBIC investments. The majority of these investments are carried at fair value. During the third quarter of 2023, we had a total of \$2 million of mark-to-market adjustments related to our SBIC investments and net realized gains related to sales, liquidations, or distributions of other equity securities.

Schedule 13 presents the carrying value and fair value of equity investment securities not subject to the Market Risk Rule, including any gains/losses, all categorized by type and nature of investment.

#### Schedule 13

### EQUITY SECURITIES NOT SUBJECT TO THE MARKET RISK RULE

(In millions)	September 30, 2023		
	Nonpublic	Public	Total
Carrying value	\$ 388	\$ 22	\$ 410
Latent revaluations gains/(losses) <sup>1</sup>	—	18	18
Fair value	\$ 388	\$ 40	\$ 428
Unrealized gains (losses) included in risk-based capital	\$ —	\$ —	\$ —

<sup>1</sup> Represents unrealized gains (losses) on our equity investment in Farmer Mac stock, which is publicly traded and not marked-to-market because it is accounted for under the equity method. The unrealized gains (losses) are not recognized in the balance sheet nor through earnings.

Schedule 14 presents capital requirements of equity securities by risk-weighted groupings.

#### Schedule 14

### CAPITAL REQUIREMENTS OF EQUITY SECURITIES

(In millions)	September 30, 2023	
	Exposure	Risk-weighted assets
0%	\$ 65	\$ —
20%	94	19
100%	219	219
Full look-through approach	32	7
Total capital requirements for equity securities	\$ 410	\$ 245



**APPENDIX – BASEL III REGULATORY CAPITAL DISCLOSURES MATRIX**

Table	Disclosure Requirement	Disclosure Location	Disclosure Page(s)
<b>§63 Disclosures by the bank holding company described in §61</b>			
<b>§63(b)</b>	(1) Common equity Tier 1 capital, additional Tier 1 capital, Tier 2 capital, Tier 1 and total capital ratios, including the regulatory capital elements and all the regulatory adjustments and deductions needed to calculate the numerator of such ratios; (2) Total risk-weighted assets, including the different regulatory adjustments and deductions needed to calculate total risk-weighted assets; (3) Regulatory capital ratios during any transition periods, including a description of all the regulatory capital elements and all regulatory adjustments and deductions needed to calculate the numerator and denominator of each capital ratio during any transition period; and (4) A reconciliation of regulatory capital elements as they relate to its balance sheet in any audited consolidated financial statements.	<u>Form 10-Q (3Q 2023)</u> MD&A - Capital Management  <u>Call Report</u> Schedule RC-R – Regulatory Capital, Part I  <u>Basel III Regulatory Capital Disclosures</u> Capital Structure – Schedule 1 Capital Adequacy – Schedule 2	pg. 34-36        pg. 3 pg. 4
<b>1. Scope of Application – General Disclosures</b>			
<b>Qualitative: (a)</b>	The name of the top corporate entity in the group to which subpart D of this part applies.	<u>2022 Form 10-K</u> Item 1 – Business (Description)  <u>Basel III Regulatory Capital Disclosures</u> Overview	pg. 4-12    pg. 2
<b>(b)</b>	A brief description of the differences in the basis for consolidating entities for accounting and regulatory purposes, with a description of those entities: (1) That are fully consolidated; (2) That are deconsolidated and deducted from total capital; (3) For which the total capital requirement is deducted; and (4) That are neither consolidated nor deducted (for example, where the investment in the entity is assigned a risk weight in accordance with this subpart).	<u>Basel III Regulatory Capital Disclosures</u> Overview	pg. 2
<b>(c)</b>	Any restrictions, or other major impediments, on transfer of funds or total capital within the group.	<u>Basel III Regulatory Capital Disclosures</u> Overview	pg. 2
<b>Quantitative: (d)</b>	The aggregate amount of surplus capital of insurance subsidiaries included in the total capital of the consolidated group.	<u>Basel III Regulatory Capital Disclosures</u> Overview	pg. 2
<b>(e)</b>	The aggregate amount by which actual total capital is less than the minimum total capital requirement in all subsidiaries, with total capital requirements and the name(s) of the subsidiaries with such deficiencies.	<u>Basel III Regulatory Capital Disclosures</u> Capital Structure	pg. 2
<b>2. Capital Structure</b>			
<b>Qualitative: (a)</b>	Summary information on the terms and conditions of the main features of all regulatory capital instruments.	<u>Form 10-Q (3Q 2023)</u> Note 13 – Long-Term Debt Note 14 – Shareholders’ Equity	pg. 124-125 pg. 125-127
<b>Quantitative: (b)</b>	The amount of common equity Tier 1 capital, with separate disclosure of: (1) Common stock and related surplus; (2) Retained earnings; (3) Common equity minority interest; (4) AOCI; and (5) Regulatory adjustments and deductions made to common equity Tier 1 capital.	<u>Form 10-Q (3Q 2023)</u> Consolidated Balance Sheet MD&A - Capital Management MD&A - Non-GAAP Financial Measures  <u>Call Report</u> Schedule RC-R – Regulatory Capital, Part I  <u>Basel III Regulatory Capital Disclosures</u> Capital Structure – Schedule 1	pg. 39 pg. 34-36 pg. 37-38        pg. 3
<b>(c)</b>	The amount of Tier 1 capital, with separate disclosure of: (1) Additional Tier 1 capital elements, including additional Tier 1 capital instruments and Tier 1 minority interest not included in common equity Tier 1 capital; and (2) Regulatory adjustments and deductions made to Tier 1 capital.	<u>Call Report</u> Schedule RC-R – Regulatory Capital, Part I  <u>Basel III Regulatory Capital Disclosures</u> Capital Structure – Schedule 1	pg. 52-55    pg. 3

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(d)	The amount of total capital, with separate disclosure of: (1) Tier 2 capital elements, including Tier 2 capital instruments and total capital minority interest not included in Tier 1 capital; and (2) Regulatory adjustments and deductions made to total capital.	<p><u>Call Report</u></p> <p>Schedule RC-R – Regulatory Capital, Part I pg. 52-55</p> <p><u>Basel III Regulatory Capital Disclosures</u></p> <p>Capital Structure – Schedule 1 pg. 3</p>
<b>3. Capital Adequacy</b>		
<b>Qualitative:</b> (a)	A summary discussion of the Bank’s approach to assessing the adequacy of its capital to support current and future activities.	<p><u>Form 10-Q (3Q 2023)</u></p> <p>MD&amp;A - Capital Management pg. 34-36</p> <p><u>Basel III Regulatory Capital Disclosures</u></p> <p>Capital Adequacy pg. 3-4</p>
<b>Quantitative:</b> (b)	Risk-weighted assets for: (1) Exposures to sovereign entities; (2) Exposures to certain supranational entities and MDBs; (3) Exposures to depository institutions, foreign banks, and credit unions; (4) Exposures to PSEs; (5) Corporate exposures; (6) Residential mortgage exposures; (7) Statutory multifamily mortgages and pre-sold construction loans; (8) HVCRE loans; (9) Past due loans; (10) Other assets; (11) Cleared transactions; (12) Default fund contributions; (13) Unsettled transactions; (14) Securitization exposures; and (15) Equity exposures.	<p><u>Basel III Regulatory Capital Disclosures</u></p> <p>Capital Adequacy – Schedule 2 pg. 4</p>
(c)	Standardized market risk-weighted assets as calculated under subpart F of this part.	The Company is not covered by subpart F (the market risk rule). N/A
(d)	Common equity Tier 1, Tier 1 and total risk-based capital ratios: (1) For the top consolidated group; and (2) For each depository institution subsidiary.	<p><u>Form 10-Q (3Q 2023)</u></p> <p>MD&amp;A - Capital Management pg. 34-36</p> <p><u>Call Report</u></p> <p>Schedule RC-R – Regulatory Capital, Part I, lines 41-43 pg. 54</p>
(e)	Total standardized risk-weighted assets.	<p><u>Call Report</u></p> <p>Schedule RC-R – Regulatory Capital, Part I and Part II pg. 52-65</p> <p><u>Basel III Regulatory Capital Disclosures</u></p> <p>Capital Adequacy – Schedule 2 pg. 4</p>
<b>4. Capital Conservation Buffer</b>		
<b>Quantitative:</b> (a)	At least quarterly, the Bank must calculate and publicly disclose the capital conservation buffer as described under § __.11.	<p><u>Basel III Regulatory Capital Disclosures</u></p> <p>Capital Conservation Buffer pg. 4</p>
(b)	At least quarterly, the Bank must calculate and publicly disclose the eligible retained income* of the Bank, as described under § __.11.	<p><u>Basel III Regulatory Capital Disclosures</u></p> <p>Capital Conservation Buffer pg. 4</p>
(c)	At least quarterly, the Bank must calculate and publicly disclose any limitations it has on distributions and discretionary bonus payments resulting from the capital conservation buffer framework described under § __.11, including the maximum payout amount for the quarter.	<p><u>Basel III Regulatory Capital Disclosures</u></p> <p>Capital Conservation Buffer pg. 4</p> <p>Capital Conservation Buffer – Schedule 3 pg. 5</p>
<b>General Qualitative Disclosure Requirement</b>		

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	For each separate risk area described in tables 5 through 10, the bank holding company must describe its risk management objectives and policies, including: (1) Strategies and processes; (2) The structure and organization of the relevant risk management function; (3) the scope and nature of risk reporting and/or measurement systems; and (4) policies for hedging and/or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges/mitigants.	Form 10-Q (3Q 2023) MD&A – Loan and Lease Portfolio pg. 18 MD&A – Risk Management pg. 20 MD&A – Interest Rate and Market Risk Management pg. 28-31 MD&A – Liquidity Risk Management pg. 31-33 MD&A – Capital Management pg. 34-36 Note 5 – Investments pg. 49-53 Note 6 – Loans and Allowance For Credit Losses pg. 54-69 Note 7 – Derivatives Instruments and Hedging Activities pg. 70-73 Note 10 – Commitments, Guarantees, & Contingent Liabilities pg. 76-78
<b>5. Credit Risk – General Disclosures</b>		
<b>Qualitative:</b> <b>(a)</b>	The general qualitative disclosure requirement with respect to credit risk (excluding counterparty credit risk disclosed in accordance with Table 6) including:  (1) Policy for determining past due or delinquency status; (2) Policy for placing loans on nonaccrual; (3) Policy for returning loans to accrual status; (4) Definition of and policy for identifying impaired loans (for financial accounting purposes). (5) Description of the methodology that the entity uses to estimate its allowance for loan and lease losses, including statistical methods used where applicable; (6) Policy for charging-off uncollectible amounts; and (7) Discussion of the bank’s credit risk management policy	Form 10-Q (3Q 2023) MD&A –Credit Risk Management pg. 21-27 Note 6 – Loans and Allowance For Credit Losses pg. 54-69  <u>Basel III Regulatory Capital Disclosures</u> Credit Risk: General Disclosures pg. 5-10
<b>Quantitative:</b> <b>(b)</b>	Total credit risk exposures and average credit risk exposures, after accounting offsets in accordance with GAAP, without considering the effects of credit risk mitigation techniques (for example, collateral and netting not permitted under GAAP), over the period categorized by major types of credit exposure. For example, the bank could use categories similar to that used for financial statement purposes. Such categories might include, for instance:  (1) Loans, off-balance sheet commitments, and other non-derivative off-balance sheet exposures; (2) Debt securities; and (3) OTC derivatives.	<u>Basel III Regulatory Capital Disclosures</u> Total Credit Risk Exposure – Schedule 4 pg. 6
<b>(c)</b>	Geographic distribution of exposures, categorized in significant areas by major types of credit exposure.	<u>Basel III Regulatory Capital Disclosures</u> Credit Exposure by Geography – Schedule 5 pg. 7 Municipal Securities by Geography – Schedule 7 pg. 9
<b>(d)</b>	Industry or counterparty type distribution of exposures, categorized by major types of credit exposure.	<u>Basel III Regulatory Capital Disclosures</u> Credit Exposure by Industry – Schedule 6 pg. 8
<b>(e)</b>	By major industry or counterparty type:  (1) Amount of impaired loans for which there was a related allowance under GAAP; (2) Amount of impaired loans for which there was no related allowance under GAAP; (3) Amount of loans past due 90 days and on nonaccrual; (4) Amount of loans past due 90 days and still accruing; (5) The balance in the allowance for loan and lease losses at the end of each period, disaggregated on the basis of the bank’s impairment method. To disaggregate the information required on the basis of impairment methodology, an entity shall separately disclose the amounts based on the requirements in GAAP; and (6) Charge-offs during the period.	Form 10-Q (3Q 2023) MD&A – Nonperforming Assets pg. 25 Note 6 – Loans and Allowance For Credit Losses pg. 54-69  <u>Basel III Regulatory Capital Disclosures</u> Past Due and Impaired Loans by Industry – Schedule 8 pg. 10
<b>(f)</b>	Amount of impaired loans and, if available, the amount of past due loans categorized by significant geographic areas including, if practical, the amounts of allowances related to each geographical area, further categorized as required by GAAP.	<u>Basel III Regulatory Capital Disclosures</u> Past Due and Impaired Loans by Geography – Schedule 9 pg. 11
<b>(g)</b>	Reconciliation of changes in the ALLL.	Form 10-Q (3Q 2023) Note 6 – Loans and Allowance For Credit Losses pg. 54-69

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(h)	Remaining contractual maturity delineation (for example, one year or less) of the whole portfolio, categorized by major types of credit exposure.	<a href="#">Basel III Regulatory Capital Disclosures</a> Total Credit Risk Exposure – Schedule 4	pg. 6
<b>6. Counterparty Credit Risk-Related – General Disclosure</b>			
<b>Qualitative:</b> (a)	The general qualitative disclosure requirement with respect to OTC derivatives, eligible margin loans, and repo-style transactions, including a discussion of: (1) The methodology used to assign credit limits for counterparty credit exposures; (2) Policies for securing collateral, valuing and managing collateral, and establishing credit reserves; (3) The primary types of collateral taken; and discussion of policies with wrong-way risk exposures (4) The impact of the amount of collateral the Bank would have to provide given a deterioration in the Bank’s own creditworthiness.	<a href="#">Form 10-Q (3Q 2023)</a> Note 4 – Offsetting Assets and Liabilities Note 7 – Derivatives Instruments and Hedging Activities	pg. 49 pg. 70-73
<b>Quantitative:</b> (b)	Gross positive fair value of contracts, collateral held (including type, for example, cash, government securities), and net unsecured credit exposure. A Bank also must disclose the notional value of credit derivative hedges purchased for counterparty credit risk protection and the distribution of current credit exposure by exposure type.	<a href="#">Basel III Regulatory Capital Disclosures</a> Counterparty Credit Risk-Related Exposures – Schedule 10	pg. 12
(c)	Notional amount of purchased and sold credit derivatives, segregated between use for the Bank’s own credit portfolio and in its intermediation activities, including the distribution of the credit derivative products used, categorized further by protection bought and sold within each product group.	The Company does not currently have any purchased or sold credit derivatives.	N/A
<b>7. Credit Risk Mitigation – General Disclosure</b>			
<b>Qualitative:</b> (a)	The general qualitative disclosure requirement with respect to credit risk mitigation, including: (1) Policies and processes for, and indication of the extent to which the bank holding company uses, on-and-off balance sheet netting; (2) Policies and processes for collateral valuation and management; (3) A description of the main types of collateral taken by the Bank; (4) The main types of guarantors/credit derivative counterparties and their creditworthiness; and (5) Information about (market or credit) risk concentrations with respect to credit risk mitigation.	<a href="#">Form 10-Q (3Q 2023)</a> Note 4 – Offsetting Assets and Liabilities Note 7 – Derivatives Instruments and Hedging Activities <a href="#">Basel III Regulatory Capital Disclosures</a> Credit Risk Mitigation	pg. 49 pg. 70-73 pg. 12-13
<b>Quantitative:</b> (b)	For each separately disclosed credit risk portfolio, the total exposure that is covered by eligible financial collateral, and after the application of haircuts.	<a href="#">Basel III Regulatory Capital Disclosures</a> Credit Risk Mitigation – Schedule 11	pg. 13
(c)	For each separately disclosed portfolio, the total exposure that is covered by guarantees/credit derivatives and the risk-weighted asset amount associated with that exposure.	<a href="#">Basel III Regulatory Capital Disclosures</a> Credit Risk Mitigation – Schedule 12	pg. 13
<b>8. Securitization</b>			
<b>Qualitative:</b> (a)	The general qualitative disclosure requirement with respect to a securitization (including synthetic securitizations), including a discussion of: (1) The Bank’s objectives for securitizing assets, including the extent to which these activities transfer credit risk of the underlying exposures away from the Bank to other entities and including the type of risks assumed and retained with resecuritization activity; <sup>1</sup> (2) The nature of the risks (e.g., liquidity risk) inherent in the securitized assets; (3) The roles played by the Bank in the securitization process <sup>2</sup> and an indication of the extent of the Bank’s involvement in each of them; (4) The processes in place to monitor changes in the credit and market risk of securitization exposures including how those processes differ for resecuritization exposures; (5) The Bank’s policy for mitigating the credit risk retained through securitization and resecuritization exposures; and (6) The risk-based capital approaches that the Bank follows for its securitization exposures including the type of securitization exposure to which each approach applies.	N/A	N/A
(b)	A list of: (1) The type of securitization SPEs that the Bank, as sponsor, uses to securitize third-party exposures. The Bank must indicate whether it has exposure to these SPEs, either on- or off- balance sheet; and (2) Affiliated entities: (i) That the Bank manages or advises; and (ii) That invest either in the securitization exposures that the Bank has securitized or in securitization SPEs that the Bank sponsors. <sup>3</sup>	N/A	N/A

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(c)	Summary of the Bank’s accounting policies for securitization activities, including: (1) Whether the transactions are treated as sales or financings; (2) Recognition of gain-on-sale; (3) Methods and key assumptions applied in valuing retained or purchased interests; (4) Changes in methods and key assumptions from the previous period for valuing retained interests and impact of the changes; (5) Treatment of synthetic securitizations; (6) How exposures intended to be securitized are valued and whether they are recorded under subpart D of this part; and (7) Policies for recognizing liabilities on the balance sheet for arrangements that could require the Bank to provide financial support for securitized assets.	N/A	N/A
(d)	An explanation of significant changes to any quantitative information since the last reporting period.	N/A	N/A
<b>Quantitative:</b> (e)	The total outstanding exposures securitized by the Bank in securitizations that meet the operational criteria provided in § __.41 (categorized into traditional and synthetic securitizations), by exposure type, separately for securitizations of third-party exposures for which the bank acts only as sponsor. <sup>4</sup>	N/A	N/A
(f)	For exposures securitized by the Bank in securitizations that meet the operational criteria in § __.41: (1) Amount of securitized assets that are impaired/past due categorized by exposure type; <sup>5</sup> and (2) Losses recognized by the Bank during the current period categorized by exposure type. <sup>6</sup>	N/A	N/A
(g)	The total amount of outstanding exposures intended to be securitized categorized by exposure type.	N/A	N/A
(h)	Aggregate amount of: (1) On-balance sheet securitization exposures retained or purchased categorized by exposure type; and (2) Off-balance sheet securitization exposures categorized by exposure type.	N/A	N/A
(i)	(1) Aggregate amount of securitization exposures retained or purchased and the associated capital requirements for these exposures, categorized between securitization and resecuritization exposures, further categorized into a meaningful number of risk weight bands and by risk-based capital approach (e.g., SSFA); and (2) Exposures that have been deducted entirely from Tier 1 capital, CEIOs deducted from total capital (as described in § __.42(a)(1), and other exposures deducted from total capital should be disclosed separately by exposure type.	N/A	N/A
(j)	Summary of current year’s securitization activity, including the amount of exposures securitized (by exposure type), and recognized gain or loss on sale by exposure type.	N/A	N/A
(k)	Aggregate amount of resecuritization exposures retained or purchased categorized according to: (1) Exposures to which credit risk mitigation is applied and those not applied; and (2) Exposures to guarantors categorized according to guarantor creditworthiness categories or guarantor name.	N/A	N/A
<b>9. Equities Not Subject to Subpart F</b>			
<b>Qualitative:</b> (a)	The general qualitative disclosure requirement with respect to equity risk for equities not subject to subpart F of this part, including: (1) Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons; and (2) Discussion of important policies covering the valuation of and accounting for equity holdings not subject to subpart F of this part. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices.	Form 10-Q (3Q 2023) MD&A – Interest Rate and Market Risk Management pg. 28-31 Note 3 – Fair Value pg. 46-48  <u>Basel III Regulatory Capital Disclosures</u> Equities not Subject to the Market Risk Rule pg. 14	
<b>Quantitative:</b> (b)	Value disclosed on the balance sheet of investments, as well as the fair value of those investments; for securities that are publicly traded, a comparison to publicly-quoted share values where the share price is materially different from fair value.	<u>Basel III Regulatory Capital Disclosures</u> Equities not Subject to the Market Risk Rule – Schedule 13 pg. 13	
(c)	The types and nature of investments, including the amount that is: (1) Publicly traded; and (2) Non publicly traded.	<u>Basel III Regulatory Capital Disclosures</u> Equities not Subject to the Market Risk Rule – Schedule 13 pg. 13	
(d)	The cumulative realized gains (losses) arising from sales and liquidations in the reporting period.	<u>Basel III Regulatory Capital Disclosures</u> Equities not Subject to the Market Risk Rule pg. 14	

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(e)	(1) Total unrealized gains (losses) (2) Total latent revaluation gains (losses). (3) Any amounts of the above included in Tier 1 or Tier 2 capital.	<u>Basel III Regulatory Capital Disclosures</u> Equities not Subject to the Market pg. 13 Risk Rule – Schedule 13
(f)	Capital requirements categorized by appropriate equity groupings, consistent with the Bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory transition regarding regulatory capital requirements.	<u>Basel III Regulatory Capital Disclosures</u> Equities not Subject to the Market pg. 13 Risk Rule – Schedule 14
<b>10. Interest Rate Risk for Non-Trading Activities</b>		
<b>Qualitative:</b> (a)	The general qualitative disclosure requirement, including the nature of interest rate risk for non-trading activities and key assumptions, including assumptions regarding loan prepayments and behavior of non-maturity deposits, and frequency of measurement of interest rate risk for non-trading activities.	<u>Form 10-Q (3Q 2023)</u> MD&A – Interest Rate and Market pg. 28-31 Risk Management
<b>Quantitative:</b> (b)	The increase (decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring interest rate risk for non-trading activities, categorized by currency (as appropriate).	<u>Form 10-Q (3Q 2023)</u> MD&A – Interest Rate and Market pg. 28-31 Risk Management