

HomeEquity Bank
Basel III Pillar 3 Disclosures
June 30, 2013

Modified Capital disclosure template

The following summarizes the Bank's interim transitional and all-in capital Basel III Pillar 3 disclosures as at June 30, 2013.

<i>(in thousands of Canadian dollars)</i>		<i>ALL-IN BASIS</i>	<i>TRANSITIONAL BASIS</i>
Common Equity Tier 1 capital: instruments and reserves			
1	Directly issued qualifying common share capital (and equivalent for non-joint stock)	129,262	129,262
2	Retained earnings	(30,140)	(30,140)
3	Accumulated other comprehensive income (and other reserves)		
4	Common share capital issued by subsidiaries and held by third parties (amount		
Common Equity Tier 1 capital: regulatory adjustments			
5	Regulatory adjustments applied to Common Equity Tier 1 under Basel 3	1,050	511
6	Common Equity Tier 1 capital (CET1)	98,072	98,611
Additional Tier 1 capital: instruments			
7	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus		
8	Directly issued capital instruments subject to phase out from Additional Tier 1		
9	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)		
10	<i>of which: instruments issued by subsidiaries subject to phase out</i>		
Additional Tier 1 capital: regulatory adjustments			
11	Regulatory adjustments applied to Additional Tier 1 under Basel 3		
12	Additional Tier 1 capital (AT1)	0	0
13	Tier 1 capital (T1 = CET1 + AT1)	98,072	98,611
Tier 2 capital: instruments and provisions			
14	Directly issued qualifying Tier 2 instruments plus related stock surplus	24,975	24,975
15	Directly issued capital instruments subject to phase out from Tier 2		
16	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34)		
17	<i>of which: instruments issued by subsidiaries subject to phase out</i>		
18	Provisions	4,136	4,136
Tier 2 capital: regulatory adjustments			
19	Regulatory adjustments applied to Tier 2 under Basel 3		
20	Tier 2 capital (T2)	29,111	29,111
21	Total capital (TC = T1 + T2)	127,183	127,722
22	Total risk weighted assets	742,193	742,732
Capital ratios			
26	Common Equity Tier 1 (as a percentage of risk weighted assets)	13.21%	13.28%
27	Tier 1 (as a percentage of risk weighted assets)	13.21%	13.28%
28	Total capital (as a percentage of risk weighted assets)	17.14%	17.20%
National target – All-in Basis			
29	National Common Equity Tier 1 minimum ratio (if different from Basel 3 minimum)		
Capital instruments subject to phase-out arrangements			
30	Current cap on CET1 instruments subject to phase out arrangements		
31	Amount excluded from CET1 due to cap (excess over cap after redemptions and		
32	Current cap on AT1 instruments subject to phase out arrangements		
33	Amount excluded from AT1 due to cap (excess over cap after redemptions and		
34	Current cap on T2 instruments subject to phase out arrangements		
35	Amount excluded from T2 due to cap (excess over cap after redemptions and		