
CANADIAN TIRE BANK

BASEL III PILLAR 3 DISCLOSURES

As at March 31, 2025

(unaudited)



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1. SCOPE OF APPLICATION

Basis of preparation

This document represents the Basel III Pillar 3 disclosures for Canadian Tire Bank (“the Bank”). The Basel III Pillar 3 disclosures included herein are made pursuant to the Pillar 3 Disclosure Guideline for Small and Medium-Sized Deposit Taking Institutions (“SMSBs”) issued by the Office of the Superintendent of Financial Institutions (“OSFI”) in January 2022 and updated in February 2025.

The Basel III capital adequacy framework prescribed by OSFI is applied to the consolidated operations of the Bank, which include the Bank and a structured entity, Glacier Credit Card Trust (“GCCT”). The Bank is a wholly owned subsidiary of CTFS Holdings Limited (“CTFS Holdings”), itself a subsidiary of Canadian Tire Services Limited, formerly Canadian Tire Financial Services Limited, (“CTS”) which owns eighty percent of the common shares of CTFS Holdings. CTS is a wholly owned subsidiary of Canadian Tire Corporation, Limited (“CTC”), the Bank’s ultimate parent, and owner of the remaining twenty percent of the common shares of CTFS Holdings.

The Bank is not considered a Domestic Systemically Important Bank by OSFI. The Bank is a Category II SMSB and the content of the disclosures are tailored to the nature, size, and complexity of the Bank.

The Bank is a federally regulated Schedule I bank that is the marketer and issuer of Triangle branded consumer credit cards including the Triangle Mastercard and Triangle World Elite Mastercard. CTB’s close integration with CTC’s retail banners and Canadian Tire dealers provides an advantage in acquiring new accounts and meeting the needs of CTC’s most loyal customers.

As a deposit taking institution, CTB also offers and markets high-interest savings accounts and guaranteed investment certificates (“GICs”), both within and outside tax-free savings accounts, and offers GICs through third party brokers.

This report is unaudited and is reported in thousands of Canadian Dollars, unless otherwise disclosed.

Full qualitative disclosures are provided annually, at year-end. As a Category II SMSB, the Bank is required to provide annual disclosure for credit risk and operational risk.

Additional information is available from [OSFI’s Financial Data for Banks website](#).

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2. CAPITAL STRUCTURE

OSFI's regulatory capital guidelines under Basel III allow for two tiers of capital: Tier 1 and Tier 2. Tier 1 capital incorporates Common Equity Tier 1 ("CET1") capital which includes common shares, retained earnings and accumulated other comprehensive income, less regulatory adjustments. The Bank currently does not hold any additional Tier 1 capital instruments. Tier 2 capital consists of the eligible portion of general allowances. Total capital is the sum of Tier 1 and Tier 2 capital.

		As at March 31, 2025
Common Equity Tier 1 capital: instruments and reserves		
1	Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus	\$ 431,631
2	Retained earnings	544,557
3	Accumulated other comprehensive income (and other reserves)	28,586
6	Common Equity Tier 1 capital before regulatory adjustments	1,004,774
Common Equity Tier 1 capital: regulatory adjustments		
28	Total regulatory adjustments to Common Equity Tier 1	(33,630)
29	Common Equity Tier 1 capital (CET1)	\$ 971,144
Additional Tier 1 capital: instruments		
36	Additional Tier 1 capital before regulatory adjustments	-
Additional Tier 1 capital: regulatory adjustments		
43	Total regulatory adjustments to additional Tier 1 capital	-
44	Additional Tier 1 capital (AT1)	-
45	Tier 1 capital (T1 = CET1 + AT1)	\$ 971,144
Tier 2 capital: instruments and provisions		
51	Tier 2 capital before regulatory adjustments	70,905
Tier 2 capital: regulatory adjustments		
57	Total regulatory adjustments to Tier 2 capital	-
58	Tier 2 capital (T2)	70,905
59	Total capital (TC = T1 + T2)	\$ 1,042,049
60	Total risk-weighted assets	\$ 6,558,185
Capital ratios		
61	Common Equity Tier 1 (as percentage of risk-weighted assets)	14.8%
62	Tier 1 (as percentage of risk-weighted assets)	14.8%
63	Total capital (as percentage of risk-weighted assets)	15.9%
OSFI target		
69	Common Equity Tier 1 target ratio	7.0%
70	Tier 1 capital target ratio	8.5%
71	Total capital target ratio	10.5%

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3. COUNTERPARTY CREDIT RISK

Credit valuation adjustment (CVA) risk is the risk of losses arising from changing CVA values that result from changes in counterparty credit spreads and market risk factors that drive prices of derivative transactions.

The Bank uses the reduced version of the basic approach (BA-CVA) to calculate CVA capital requirements. The Bank does not hedge CVA risk.

Credit valuation adjustment risk

As at March 31, 2025		
	a	b
	Components	Capital requirements under BA-CVA
1 Aggregation of systematic components of CVA risk	\$ 10,041,720,633	
2 Aggregation of idiosyncratic components of CVA risk	4,897,014,852	
3 Total		\$2,512

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4. LEVERAGE RATIO

The following summarizes the Bank's leverage ratio.

		As at March 31, 2025	As at December 31, 2024
On-balance sheet exposures			
1	On-balance sheet items (excluding derivatives, SFTs and grandfathered securitization exposures but including collateral)	\$ 4,942,267	\$ 5,042,191
2	Gross-up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework (IFRS)	-	-
3	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	-	-
4	(Asset amounts deducted in determining Basel III Tier 1 capital)	(33,630)	(44,807)
5	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 4)	\$ 4,908,637	\$ 4,997,384
Derivative exposures			
6	Replacement cost associated with all derivative transactions	\$ 61,239	\$ 82,028
7	Add-on amounts for PFE associated with all derivative transactions	49,065	52,032
8	(Exempted CCP-leg of client cleared trade exposures)	-	-
9	Adjusted effective notional amount of written credit derivatives	-	-
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
11	Total derivative exposures (sum of lines 6 to 10)	\$ 110,304	\$ 134,060
Securities financing transaction exposures			
16	Total securities financing transaction exposures (sum of lines 12 to 15)	-	-
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	\$ 13,212,920	\$ 12,749,500
18	(Adjustments for conversion to credit equivalent amounts)	(9,909,690)	(9,562,125)
19	Off-balance sheet items (sum of lines 17 and 18)	\$ 3,303,230	\$ 3,187,376
Capital and total Exposures			
20	Tier 1 capital	\$ 971,144	\$ 997,388
21	Total Exposures (sum of lines 5, 11, 16 and 19)	\$ 8,322,171	\$ 8,318,819
Leverage Ratios			
22	Basel III leverage ratio	11.7%	12.0%

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5. KEY METRICS

		March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	\$ 971,144	\$ 997,388	\$ 996,645	\$ 1,065,643	\$ 984,639
1a	Common Equity Tier 1 with transitional arrangements for ECL provisioning not applied					
2	Tier 1	971,144	997,388	996,645	1,065,643	984,639
2a	Tier 1 with transitional arrangements for ECL provisioning not applied					
3	Total capital	1,042,049	1,069,670	1,068,799	1,137,101	1,053,904
3a	Total capital with transitional arrangements for ECL provisioning not applied (%)					
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	\$ 6,558,185	\$ 6,667,496	\$ 6,659,702	\$ 6,601,725	\$ 6,421,496
4a	Total risk-weighted assets (pre-floor)					
Risk-based capital ratios as a percentage of RWA						
5	CET1 ratio (%)	14.8%	15.0%	15.0%	16.1%	15.3%
5a	Common Equity Tier 1 ratio with transitional arrangements for ECL provisioning not applied					
5b	CET1 ratio (%) (pre-floor ratio)					
6	Tier 1 ratio (%)	14.8%	15.0%	15.0%	16.1%	15.3%
6a	Tier 1 ratio with transitional arrangements for ECL provisioning not applied (%)					
6b	Tier 1 ratio (%) (pre-floor ratio)					
7	Total capital ratio (%)	15.9%	16.0%	16.0%	17.2%	16.4%
7a	Total capital ratio with transitional arrangements for ECL provisioning not applied (%)					
7b	Total capital ratio (%) (pre-floor ratio)					
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.5%	2.5%	2.5%	2.5%	2.5%
9	Countercyclical buffer requirement (%)	N/A	N/A	N/A	N/A	N/A
11	Total of bank CET1 specific buffer requirements (%)	2.5%	2.5%	2.5%	2.5%	2.5%
12	CET1 available after meeting the bank's minimum capital requirements (%)	12.3%	12.5%	12.5%	13.6%	12.8%
Basel III Leverage ratio						
13	Total Basel III leverage ratio exposure measure	\$ 8,322,171	\$ 8,318,819	\$ 8,321,914	\$ 8,153,305	\$ 8,135,106
14	Basel III leverage ratio (row 2 / row 13)	11.7%	12.0%	12.0%	13.1%	12.1%
14a	Basel III leverage ratio (row 2a / row 13) with transitional arrangements for ECL provisioning not applied					