Digital Commerce Bank

Climate-Related Financial Disclosure

Fiscal Year Ended December 31, 2025

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Regulatory Framework: OSFI Guideline B-15: Climate Risk Management (March 2023)
Classification: Public

Approved by the Board of Directors: May 12, 2026

This document constitutes DCBank's standalone Climate-Related Financial Disclosure, published as a companion to the Pillar 3 Report. It meets the minimum mandatory disclosure expectations set out in B-15 Annex 2-2, applicable to DCBank as a federally regulated Small and Medium-Sized Deposit-Taking Institution.

About This Disclosure

This Climate-Related Financial Disclosure is prepared by Digital Commerce Bank (DCBank) in accordance with OSFI Guideline B-15 (Climate Risk Management, March 2023) and covers the fiscal year ended December 31, 2025. DCBank is a federally regulated SMSB operating a digital-first business model that provides payment products to clients. Climate risk exposure is considered low and primarily operational and regulatory in nature. This disclosure has been prepared on a proportionate basis, consistent with Section A1 of Guideline B-15, and will continue to evolve as OSFI's expectations develop.

1 Governance

B-15 Element	*Governance (a): Describe the board of directors' oversight of climate-related risks and opportunities.*

1.1 Board and Committee Oversight

DCBank's Board of Directors retains ultimate oversight of climate-related risks and opportunities. The Conduct Review and Risk Policy Committee ("The Risk Committee"), a standing committee of the Board, is the primary governance body responsible for reviewing and overseeing DCBank's exposure to climate-related risks, consistent with its mandate to oversee material enterprise risk exposures. Climate risk is reported to the Risk Committee at least annually through the Annual Climate Risk Report prepared by the Chief Risk Officer / Chief Compliance Officer (CRO/CCO). Material matters are escalated to the full Board.

Given DCBank's size and risk profile, the Board has determined that oversight through the Risk Committee, rather than a dedicated climate committee, is appropriate and consistent with the proportionality principle in B-15 Section A1.

B-15 Element	*Governance (b): Describe management's role in assessing and managing climate-related risks and opportunities.*

1.2 Management Accountability

Senior Management, under the leadership of the Chief Executive Officer, is collectively accountable for the oversight and management of climate-related risks at DCBank. Senior Management reviews the annual climate risk assessment, including GHG emissions data and scenario analysis results, and approves the Bank's climate-related disclosures prior to submission to the Risk Committee.

Climate risk management responsibilities are embedded across relevant functions within Senior Management. This includes integration of climate risk into the ERM framework, coordination of scenario analysis, and preparation of the Annual Climate Risk Report, as well as oversight of the accuracy and integrity of climate-related financial and emissions data, including validation of Scope 1, Scope 2, and material Scope 3 emissions, and support for the Bank's public disclosures.

2 Strategy

B-15 Element	*Strategy (a): Describe the climate-related risks and opportunities the FRFI has identified over the short, medium, and long term.*

2.1 Business Model Overview

DCBank operates a digital-first business model, providing Payment-as-a-Service (PaaS) to clients. This model fundamentally shapes the Bank's climate risk profile. DCBank does not maintain a loan portfolio and has no direct investment exposure to climate-sensitive sectors. As a result, the Bank does not generate material financed emissions and has limited exposure to transition risks typically associated with credit and investment activities.

Accordingly, DCBank's exposure to climate-related risks arises primarily through operational, third-party, regulatory, and reputational channels, including potential disruptions from extreme weather events (physical risk), dependencies on critical service providers, evolving regulatory expectations, and stakeholder perceptions. This risk profile differs materially from that of traditional banking institutions, where climate risk is more directly driven by credit and market exposures.

2.2 Climate-Related Risks Identified

In line with its risk-based approach to climate risk management, DCBank has identified key physical and transition risks and related opportunities across defined time horizons, as summarized in the table below.

Risk Type	Horizon	Risks Identified	Opportunities
Physical	**0–3 yrs**	Extreme weather events may disrupt operations at the Calgary office or critical third-party infrastructure (e.g., data centres, cloud providers), with exposure to wildfire, extreme heat, and air quality impacts.	Digital-first, asset-light model reduces reliance on physical infrastructure, supporting operational resilience relative to institutions with extensive physical branch networks.
Physical	**3–10 yrs**	Increasing frequency and severity of weather-related disruptions in Western Canada may heighten operational risk and third-party dependency risk if geographic concentration is not actively managed.	Integration of climate considerations into vendor selection and resilience planning strengthens operational continuity and third-party risk management.
Physical	**10+ yrs**	Longer-term shifts in physical climate conditions, particularly in Alberta, may increase infrastructure resilience requirements and operating costs (e.g., insurance, facility upgrades).	Low physical footprint and flexible operating model support adaptability to evolving infrastructure and location-related risks.
Transition	**0–3 yrs**	Evolving regulatory expectations, including implementation of B-15, and increasing ESG expectations from clients, network partners, and counterparties.	Adoption of climate risk governance and disclosure supports stakeholder confidence and strengthens DCBank's value proposition to stakeholders with interest in climate risk.
Transition	**3–10 yrs**	Potential for more prescriptive regulatory requirements and increased climate-related due diligence from clients and counterparties.	Continued integration of climate considerations into governance and third-party management enhances transparency and strengthens risk management practices.
Transition	**10+ yrs**	Structural shift toward low-GHG business models across the financial sector, potentially influencing client expectations and competitive positioning.	DCBank's inherently low emission, digital-first model positions it favourably as demand for low-overhead, technology-driven payment services increases.

B-15 Element	*Strategy (b)(i): Describe the impact of climate-related risks and opportunities on the FRFI's businesses, strategy, and financial planning.*

2.3 Impact on Business, Strategy, and Financial Planning

DCBank has assessed the impact of identified climate-related risks and opportunities on its short- and long-term strategy and capital planning, consistent with OSFI Guideline B-15, Chapter 1, Item 2.

Given the relatively low and indirect nature of DCBank's climate risk exposure, no material impacts on capital adequacy or near-term financial plans have been identified to date. However, the following strategic considerations have been incorporated into management planning:

- Business continuity investments are evaluated with climate resilience in mind, including the maintenance of dual-site operations and remote-work capabilities designed to withstand physical disruption events.

- Third-party risk assessments for critical infrastructure providers incorporate climate-related considerations, ensuring that physical risk exposure through the supply chain is identified and managed.

These considerations are expected to evolve as climate risk management practices mature and regulatory expectations continue to develop.

Note on Strategy b(ii) and Strategy (c)

B-15 Annex 2-2 requires disclosure of DCBank's Climate Transition Plan (Strategy b(ii)) and the resilience of DCBank's strategy under climate scenarios (Strategy c). The implementation date for both elements is designated 'TBD' in B-15 and will be determined by OSFI at a later date. DCBank will incorporate these disclosure elements once OSFI finalizes the applicable expectations and timeline.

3 Risk Management

B-15 Element	*Risk Management (a): Describe the FRFI's processes for identifying and assessing climate-related risks.*

3.1 Risk Identification and Assessment

Climate-related risks are identified through DCBank's ERM framework and Risk Appetite Framework, which classify climate risk as a sub-category of operational risk.

Risk identification is informed by a combination of: (i) an annual climate risk assessment performed by the CRO/CCO; (ii) third-party risk management and business continuity processes, which incorporate climate-related considerations into the assessment of critical providers and operational resilience; and (iii) annual qualitative scenario analysis across defined climate scenarios and time horizons.

Where data limitations exist, qualitative judgment is applied, consistent with the proportional approach set out in OSFI Guideline B-15.

B-15 Element	*Risk Management (b): Describe the FRFI's processes for managing climate-related risks.*

3.2 Risk Management Processes

Climate-related risks are managed through DCBank's integrated operational frameworks, including the ERM framework, business continuity planning (BCP), and third-party risk management (TPRM), which incorporate climate-related considerations into operational resilience and vendor oversight.

Relevant Key Risk Indicators (KRIs) are monitored and reported to the Risk Committee at least annually, including: BCP activation frequency related to climate risk; vendor ESG assessment coverage; total GHG emissions (tCO_2e); and B-15 compliance status. Capital adequacy is assessed through the Internal Capital Adequacy Assessment Process (ICAAP), with consideration given to climate-related risk drivers, though these are currently considered immaterial.

B-15 Element	*Risk Management (c): Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the FRFI's overall risk management.*

3.3 Integration into Overall Risk Management

Climate risk is integrated through the three-lines-of-defence model: first line identifies and manages applicable climate risks in day-to-day activities; second line provides independent oversight and challenge; third line (internal audit) provides independent assurance. Climate risk is reflected in the RAF and ICAAP, though not material, and follows the same escalation pathway as all other material risks.

4 Metrics and Targets

B-15 Element	*Metrics (a): Disclose the metrics used by the FRFI to assess climate-related risks and opportunities in line with its strategy and risk management process.*

4.1 Climate Risk Metrics

Given DCBank's non-lending, digital-first business model and relatively low direct exposure to climate-related risks, the Bank's climate risk metrics are primarily qualitative and operational in nature. Quantitative measurement is currently focused on total GHG emissions. This approach reflects a proportionate application of OSFI Guideline B-15 for SMSBs. The following metrics are used:

Metric	Description	Risk Category
BCP Activation Frequency	Number of BCP activations or near-miss events related to climate or weather disruption	Physical / Operational
Third-Party Climate Risk Assessments	Number of relevant critical third-party providers assessed for climate risk criteria during annual review cycle.	Physical / Third-Party
Total GHG Emissions (tCO_2e)	Absolute Scope 1, 2, and in-scope Scope 3 emissions for the period	Transition / Regulatory
B-15 Compliance Status	Progress against mandatory Annex 2-2 disclosure element implementation dates	Regulatory / Reputational
Regulatory Developments Monitor	Tracking material OSFI, federal, and industry climate-related regulatory changes	Transition / Regulatory

DCBank does not currently use quantitative climate metrics related to credit, market, or insurance risk, as these exposures are not material given the Bank's business model. As climate risk management practices continue to evolve, additional metrics will be assessed, developed, and disclosed, as appropriate.

B-15 Element	*Metrics (b)(i): Disclose Scope 1 and Scope 2 GHG emissions (absolute basis) and the reporting standard used.*

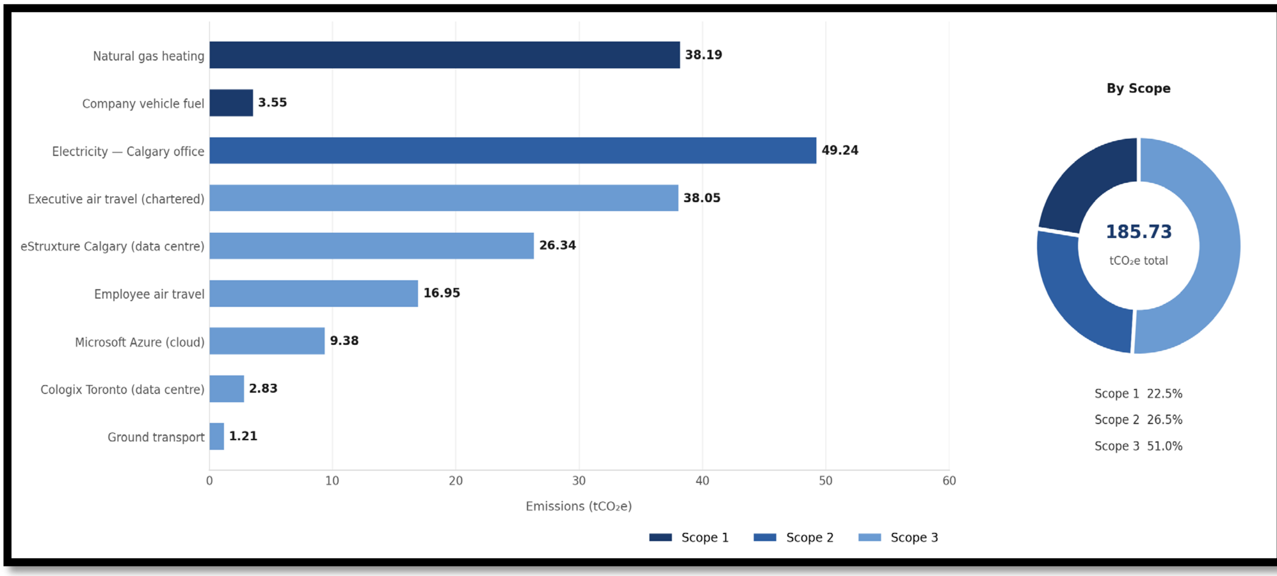
4.2 GHG Emissions - Fiscal Year 2025

This is DCBank's inaugural GHG emissions disclosure. Emissions are calculated using the GHG Protocol Corporate Accounting and Reporting Standard (Scopes 1 and 2) and the GHG Protocol Corporate Value Chain Standard (Scope 3), applying ECCC 2024 and DEFRA 2024 emission factors.

> ***Total FY2025 GHG emissions:*** *185.73 tCO_2e - reflecting DCBank's asset-light, non-lending business model. Scope 3 business travel is the largest driver (56.21 tCO_2e, 30% of total), followed by Scope 2 electricity (49.24 tCO_2e, 27%).*

Scope	Emission Source	Activity Data	tCO_2e
Scope 1	Natural gas heating - Office	767.6 GJ	38.19
Scope 1	Company vehicle fuel	1,538 L est.	3.55
	Subtotal - Scope 1		***41.74***
Scope 2	Electricity - Calgary office	92,906 kWh	49.24
	Subtotal - Scope 2		**49.24**
Scope 3	Executive air travel	14,920 L attr	38.05
Scope 3	Calgary data centre	49,690 kWh est.	26.34
Scope 3	Employee air travel	$120,216 GL (Spend-based)	16.95
Scope 3	Cloud computing	$20,849 (Spend-based)	9.38
Scope 3	Toronto data centre	70,690 kWh est.	2.83
Scope 3	Ground transport	$13,403 GL (spend-based)	1.21
Scope 3	Financed emissions	Excluded - non-lending model; no real-economy investments; PCAF rationale documented	0.00
	Subtotal - Scope 3		**94.75**
TOTAL - FY2025			**185.73**

Figure 1 | GHG Emissions by Source and Scope Breakdown - FY2025



Methodology Notes

Reporting Standard: GHG Protocol Corporate Accounting and Reporting Standard (Scopes 1 & 2); GHG Protocol Corporate Value Chain Standard (Scope 3); PCAF Global GHG Accounting and Reporting Standard (financed emissions).

Scope 1: Natural gas heating at the Calgary office calculated using actual invoice volumes; emission factor: 49.75 kg CO_2e/GJ (ECCC National Inventory Report 2024). Company vehicle fuel estimated from actual expenditure; emission factor: 2.31 kg CO_2e/L (ECCC 2024).

Scope 2: Location-based method. Calgary office electricity calculated using actual invoice volumes. Alberta grid emission factor: 0.53 kg CO_2e/kWh (ECCC 2024).

Scope 3: Business Travel - Employee air travel estimated using a spend-based emission factor of 0.141 kg CO_2e/CAD (DEFRA 2024, converted to CAD). Employee ground transport estimated using a spend-based emission factor of 0.09 kg CO_2e/CAD (DEFRA 2024, converted to CAD). Executive air travel: hours-based methodology applied; emission factor: 2.55 kg CO_2e/L (ECCC 2024).

Scope 3: Cloud Computing – Estimated using a spend-based methodology. Emission factor: 0.45 kg CO_2e per CAD of Azure spend (vendor spend-based factor applied to annual expenditure sourced from monthly invoices via DCBank's licensed cloud service provider).

Scope 3: Data Centres - Capacity-based methodology applied to both data centre providers, using contracted power capacity from monthly invoices and an industry-standard utilisation factor. Toronto data centre: Ontario grid emission factor 0.04 kg CO_2e/kWh (ECCC 2024). Calgary data centre: Alberta grid emission factor 0.53 kg CO_2e/kWh (ECCC 2024).

Financed Emissions: DCBank operates a non-lending business model and holds no loans or real-economy equity or debt investments. Two minor balance sheet positions were reviewed and excluded on the basis of the PCAF Standard: treasury liquidity instruments held with regulated Canadian counterparties (excluded as non-financing activities), and a mandatory participation equity stake in a payment network operator (excluded on de minimis grounds, less than 0.01 tCO_2e). Both exclusions are documented in the Bank's internal climate records.

B-15 Element	Metrics (b)(ii): Scope 3 GHG emissions disclosure - Implementation date: fiscal year ending December 31, 2026 (due June 30, 2027).

4.3 Scope 3 GHG Emissions - Implementation Status

Full Scope 3 GHG emissions disclosure under B-15 Annex 2-2 Metrics (b)(ii) is mandatory for DCBank effective the fiscal year ending December 31, 2026, with disclosure due by June 30, 2027.Consistent with DCBank's proportionate approach as an inaugural-year SMSB, this FY2025 disclosure voluntarily includes Scope 3 GHG emissions for all categories that are material and applicable to DCBank's business model. Categories covered are business travel, cloud computing and data centre co-location services. Scope 3 categories not applicable to DCBank's business model (including manufacturing, retail, downstream processing, and franchises) are not included. Financed and facilitated emissions are excluded with a documented PCAF rationale, reflecting DCBank's non-lending model.

In FY2026, DCBank will complete a formal materiality assessment across all 15 GHG Protocol Scope 3 categories, improve data quality across covered categories, and prepare a complete Scope 3 inventory consistent with the GHG Protocol Corporate Value Chain Standard and, where applicable, the PCAF Standard.

B-15 Element	Metrics (c): Describe targets used to manage climate-related risks and opportunities and performance against targets. Disclose any public climate commitments.

4.4 Targets and Performance

As this is DCBank's inaugural climate disclosure, targets are focused on establishing a credible baseline, improving data quality, rather than setting near-term quantitative GHG reduction targets. This approach reflects the proportionate expectations for a small and medium-sized bank (SMSB) in the early stages of implementation.

For fiscal 2026, DCBank's focus is on enhancing the quality and completeness of climate-related data (including Scope 3 emissions), strengthening the identification and assessment of physical risks across critical third-party infrastructure, and further maturing its climate scenario analysis methodologies.

4.5 Public Climate Commitments

DCBank has not made public climate commitments through industry-led net-zero alliances (including the Net-Zero Banking Alliance). This reflects the Bank's proportionate approach to climate risk management, given its non-lending, digital-first business model. The appropriateness of making such commitments will be assessed as climate risk management practices mature and as OSFI's expectations regarding Climate Transition Plans continue to evolve.

Caution Regarding Forward-Looking Statements

This disclosure contains forward-looking statements, including descriptions of climate-related risks and opportunities, scenario analyses, and targets. These statements involve assumptions and uncertainties and are not guarantees of future performance or outcomes. Actual results may differ materially from those described. Forward-looking statements reflect management's judgment as of the date of this disclosure and will be updated in future annual disclosures.