

Basel - Pillar 3 disclosures

as at June 30, 2026

SMSB Segmentation Category

The Bank is currently categorized as Category II SMSB in accordance with OSFI guidance - *Small and Medium-Sized Deposit-Taking Institutions (SMSBs) Capital and Liquidity Requirements - Guideline*.

OSFI's Financial Data website

Additional information is available at OSFI's Financial Data website:
<https://www.osfi-bsif.gc.ca/en/data-forms/open-government-osfi-financial-data>

Disclosure Requirements & Disclaimer

This document comprises the Pillar 3 disclosures for SBI Canada Bank and is unaudited. These disclosures have been provided solely to meet the OSFI requirements issued in the OSFI guidance - *Pillar 3 Disclosure Guideline for Small and Medium-Sized Deposit-Taking Institutions (SMSBs)*.

Frequency of Reporting

OSFI expects SMSBs to adhere to its Guidelines for frequency and format of Pillar III reporting. Accordingly, while the Bank's applicable disclosure are provided quarterly, the full qualitative disclosures are included as a part of the Annual Pillar 3 disclosures at year-end.

1. Modified CC1: Composition of capital

(in thousands of Canadian dollars, except for %)

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	123,718
2	Retained earnings	70,350
3	Accumulated other comprehensive income (and other reserves)	(105)
4	<i>Directly issued capital subject to phase out from CET1 (only applicable to Federal Credit Unions)</i>	N/A
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	N/A
6	Common Equity Tier 1 capital before regulatory adjustments	193,963
Common Equity Tier 1 capital: regulatory adjustments		
28	Total regulatory adjustments to Common Equity Tier 1	(20)
29	Common Equity Tier 1 capital (CET1)	193,943
Additional Tier 1 capital: instruments		
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	N/A
31	of which: classified as equity under applicable accounting standards	N/A
32	of which: classified as liabilities under applicable accounting standards	N/A
33	<i>Directly issued capital instruments subject to phase out from Additional Tier 1 (applicable only to Federal Credit Unions)</i>	N/A
34	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)	N/A
35	<i>of which: instruments issued by subsidiaries subject to phase out (applicable only to Federal Credit Unions)</i>	N/A
36	Additional Tier 1 capital before regulatory adjustments	N/A
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)	193,943
Tier 2 capital: instruments and provisions		
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	20,000
47	<i>Directly issued capital instruments subject to phase out from Tier 2 (applicable only to Federal Credit Unions)</i>	N/A
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	N/A
49	<i>of which: instruments issued by subsidiaries subject to phase out (applicable only to Federal Credit Unions)</i>	N/A
50	Collective allowances	11,479
51	Tier 2 capital before regulatory adjustments	31,479
Tier 2 capital: regulatory adjustments		
57	Total regulatory adjustments to Tier 2 capital	-
58	Tier 2 capital (T2)	31,479
59	Total capital (TC = T1 + T2)	225,422
60	Total risk-weighted assets	1,195,234
Capital ratios		
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)	16.23%
62	Tier 1 (as a percentage of risk-weighted assets)	16.23%
63	Total capital (as a percentage of risk-weighted assets)	18.86%
OSFI target		
69	Common Equity Tier 1 target ratio	7.00%
70	Tier 1 capital target ratio	8.50%
71	Total capital target ratio	10.50%
Capital instruments subject to phase-out arrangements (For Federal Credit Unions only)		
80	Current cap on CET1 instruments subject to phase-out arrangements	N/A
81	Amount excluded from CET1 capital due to cap (excess over cap after redemptions and maturities)	N/A
82	Current cap on AT1 instruments subject to phase-out arrangements	N/A
83	Amount excluded from AT1 capital due to cap (excess over cap after redemptions and maturities)	N/A
84	Current cap on Tier 2 instruments subject to phase-out arrangements	N/A
85	Amount excluded from Tier 2 capital due to cap (excess over cap after redemptions and maturities)	N/A

Basel - Pillar 3 disclosures (contd.)

as at June 30, 2026

2. LR2: Leverage ratio

(in thousands of Canadian dollars, except for %)

On-balance sheet exposures		Jun 30, 2026	Mar 31, 2026
1	On-balance sheet items (excluding derivatives, SFTs and grandfathered securitization exposures but including collateral)	1,449,914	1,446,050
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 Tier 1 capital)	(20)	(20)
5	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 to 4)	1,449,894	1,446,030
Derivative exposures			
6	Replacement cost associated with all derivative transactions	994	975
7	Add-on amounts for potential future exposure associated with all derivative transactions	4,761	5,142
8	(Exempted central counterparty-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)	5,755	6,117
Securities financing transaction exposures			
12	Gross SFT assets recognised for accounting purposes (with no recognition of netting), after adjusting for sale accounting transactions	-	-
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
14	Counterparty credit risk (CCR) exposure for SFTs	-	-
15	Agent 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	144,529	84,225
18	(Adjustments for conversion to credit equivalent amounts)	(84,144)	(48,416)
19	Off-balance sheet items (sum of lines 17 and 18)	60,385	35,809
Capital and total Exposures			
20	Tier 1 capital	193,943	192,036
21	Total Exposures (sum of lines 5, 11, 16 and 19)	1,516,034	1,487,956
Leverage ratio			
22	Basel III leverage ratio	12.79%	12.91%

Basel - Pillar 3 disclosures (contd.)

as at June 30, 2026

3. KM1: Key metrics

(in thousands of Canadian dollars, except for %)

Available capital (amounts)		Jun 30, 2026	Mar 31, 2026	DEC 31, 2025	Sep 30, 2025	Jun 30, 2025
1	Common Equity Tier 1 (CET1)	193,943	192,036	191,698	205,475	206,799
2	Tier 1	193,943	192,036	191,698	205,475	206,799
3	Total capital	225,422	223,480	223,024	237,215	233,552
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	1,195,234	1,191,828	1,216,648	1,273,175	1,222,224
4a	Total risk-weighted assets (pre-floor)	1,195,234	1,191,828	1,216,648	1,273,175	1,222,224
Risk-based capital ratios as a percentage of RWA						
5	CET1 ratio (%)	16.23	16.11	15.76	16.14	16.92
5a	CET1 ratio (%) (pre-floor ratio)	16.23	16.11	15.76	16.14	16.92
6	Tier 1 ratio (%)	16.23	16.11	15.76	16.14	16.92
6a	Tier 1 ratio (%) (pre-floor ratio)	16.23	16.11	15.76	16.14	16.92
7	Total Capital ratio (%)	18.86	18.75	18.33	18.63	19.11
7a	Total Capital ratio (%) (pre-floor ratio)	18.86	18.75	18.33	18.63	19.11
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.50	2.50	2.50	2.50	2.50
9	Countercyclical buffer requirement (%)	-	-	-	-	-
10	Bank G-SIB and/or D-SIB additional requirements (%) [Not applicable for SMSBs]	N/A	N/A	N/A	N/A	N/A
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	2.50	2.50	2.50	2.50	2.50
12	CET1 available after meeting the bank's minimum capital requirements (%)	10.23	10.11	9.76	10.14	10.92
Basel III leverage ratio						
13	Total Basel III leverage ratio exposure measure	1,516,034	1,487,956	1,558,834	1,592,703	1,486,624
14	Basel III leverage ratio (row 2 / row 13)	12.79	12.91	12.30	12.90	13.91

* CET1 available to meet buffers is calculated as CET1 ratio less the portion thereof required to meet minimum requirements of CET1 (4.5%), Tier 1 (6.0%) and Total Capital (8.0%) ratios.