SBI Canada Bank

Basel III Pillar 3 Public Disclosure

as at December 31, 2023

SMSB Segmentation Category

The Bank is currently categorized as Category II SMSB in accordance with OSFI’s 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/financial-data/financial-data-banks

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. Regulatory 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	71,540
3	Accumulated other comprehensive income (and other reserves)	(90)
4	*Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)*	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 1capital before regulatory adjustments**	**195,168**
	Common Equity Tier 1 capital: regulatory adjustments	
28	**Total regulatory adjustments to Common Equity Tier 1**	(40)
29	**Common Equity Tier 1 capital (CET1)**	**195,128**
	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	*Directly issued capital instruments subject to phase out from Additional Tier 1*	N/A
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (a	N/A
35	*of which: instruments issued by subsidiaries subject to phase out*	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)**	**195,128**
	Tier 2 capital: instruments and allowances	
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	20,000
47	*Directly issued capital instruments subject to phase out from Tier 2*	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	*of which: instruments issued by subsidiaries subject to phase out*	N/A
50	Collective allowances	9,364
51	**Tier 2 capital before regulatory adjustments**	29,364
	Tier 2 capital: regulatory adjustments	
57	**Total regulatory adjustments to Tier 2 capital**	-
58	**Tier 2 capital (T2)**	**29,364**
59	**Total capital (TC = T1 + T2)**	**224,492**
60	**Total risk weighted assets**	**1,158,498**
60a	**Credit Valuation Adjustment (CVA) Risk-weighted Assets (RWA)**	**N/A**
	Capital ratios	
61	Common Equity Tier 1 (as percentage of risk weighted assets)	16.84%
62	Tier 1 (as a percentage of risk weighted assets)	16.84%
63	Total capital (as percentage of risk weighted assets)	19.38%
	OSFI all-in target	
69	Common Equity Tier 1 capital all-in target ratio	7.00%
70	Tier 1 capital all-in target ratio	8.50%
71	Total capital all-in target ratio	10.50%

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2. Leverage Ratio

(in thousands of Canadian dollars, except for %)

	Item	Leverage Ratio Framework	
	On-balance sheet exposures	Dec 31, 2023	Sep 30, 2023
1	On-balance sheet items (excluding derivatives, SFTs and grandfathered securitization exposures but including collateral)	1,388,795	1,437,845
2	Gross up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework (IFRS)	-	-
3	(Deductions of receivables assets for cash variation margin provided in derivative transactions)	-	-
4	(Asset amounts deducted in determining Basel III “all-in” Tier 1 capital)	(40)	(52)
5	**Total on-balance sheet exposures** (excluding derivatives and SFTs) (sum of lines 1 to 4)	1,388,755	1,437,793
	Derivative exposures		
6	Replacement cost associated with all derivative transactions	6,541	1,078
7	Add-on amounts for potential future exposure associated with all derivative transactions	3,644	5,334
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)**	10,185	6,412
	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	112,672	127,931
18	(Adjustments for conversion to credit equivalent amounts)	(65,833)	(75,147)
19	**Off-balance sheet items (sum of lines 17 and 18)**	46,839	52,785
	Capital and Total Exposures		
20	**Tier 1 capital**	195,128	188,622
21	**Total Exposures (sum of lines 5, 11, 16 and 19)**	1,445,779	1,496,989
	Leverage Ratios		
22	**Basel III leverage ratio**	13.50%	12.60%

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3. Key Metrics Disclosure (KM1)

(in thousands of Canadian dollars, except for %)

	Available capital (Amounts)	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023	Dec 31, 2022
1	Common Equity Tier 1 (CET1)	195,128	188,621	184,686	180,608	177,485
2	Tier 1	195,128	188,621	184,686	180,608	177,485
3	Total Capital	224,492	218,392	213,747	208,610	203,420
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	1,158,498	1,227,121	1,253,338	1,297,423	1,230,428
4a	Total risk-weighted assets (pre-floor)	1,158,498	1,227,121	1,253,338	1,297,423	1,230,428
	Risk-based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 ratio (%)	16.84	15.37	14.74	13.92	14.42
5a	Common Equity Tier 1 ratio (%) (pre-floor ratio)	16.84	15.37	14.74	13.92	14.42
6	Tier 1 ratio (%)	16.84	15.37	14.74	13.92	14.42
6a	Tier 1 ratio (%) (pre-floor ratio)	16.84	15.37	14.74	13.92	14.42
7	Total Capital ratio (%)	19.38	17.80	17.05	16.08	16.53
7a	Total Capital ratio (%) (pre-floor ratio)	19.38	17.80	17.05	16.08	16.53
	Additional CET1 buffers requirements as a percenatge of RWA					
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.50	2.50	2.50	2.50	2.50
9	Countercyclical buffer requirements (%)	-	-	-	-	-
10	Bank GSIB and/or DSIB additional requirements (%)	N/A	N/A	N/A	N/A	N/A
11	Total of bank CET1 specific buffer requirements (%)	2.50	2.50	2.50	2.50	2.50
12	CET1 available to meet buffers after meeting the bank's minimum captal requirements, and, if applicable, TLAC requirements (%)*	10.84	9.37	8.74	7.92	8.42
	Basel III leverage ratio					
13	Total Basel III leverage ratio exposure measure	1,445,779	1,496,989	1,496,451	1,501,778	1,524,004
14	Basel III leverage ratio (%)	13.50	12.60	12.34	12.03	11.65

* 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.