

SBI Canada Bank
Basel III Pillar 3 Public Disclosure

as at: December 31, 2015

1. Regulatory Capital

(in thousands of Canadian dollars, except for %)

| Modified Capital Disclosure Template | | All-in |
|--|--|----------------|
| 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 | 6,569 |
| 3 | Accumulated other comprehensive income (and other reserves) | 156 |
| 4 | <i>Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)</i> | NA |
| 5 | Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1) | NA |
| 6 | Common Equity Tier 1 capital before regulatory adjustments | 130,443 |
| Common Equity Tier 1 capital: regulatory adjustments | | |
| 28 | Total regulatory adjustments to Common Equity Tier 1 | (573) |
| 29 | Common Equity Tier 1 capital (CET1) | 129,870 |
| Additional Tier 1 capital: instruments | | |
| 30 | Directly issued qualifying Additional Tier 1 instruments plus related stock surplus | NA |
| 31 | of which: classified as equity under applicable accounting standards | NA |
| 32 | of which: classified as liabilities under applicable accounting standards | NA |
| 33 | <i>Directly issued capital instruments subject to phase out from Additional Tier 1</i> | NA |
| 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) | NA |
| 35 | <i>of which: instruments issued by subsidiaries subject to phase out</i> | NA |
| 36 | Additional Tier 1 capital before regulatory adjustments | NA |
| 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) | 129,870 |
| Tier 2 capital: instruments and allowances | | |
| 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</i> | NA |
| 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) | NA |
| 49 | <i>of which: instruments issued by subsidiaries subject to phase out</i> | NA |
| 50 | Collective allowances | NA |
| 51 | Tier 2 capital before regulatory adjustments | 20,000 |
| Tier 2 capital: regulatory adjustments | | |
| 57 | Total regulatory adjustments to Tier 2 capital | - |
| 58 | Tier 2 capital (T2) | 20,000 |
| 59 | Total capital (TC = T1 + T2) | 149,870 |
| 60 | Total risk weighted assets | 780,268 |
| 60a | Common Equity Tier 1 (CET1) Capital RWA | NA |
| 60b | Tier 1 Capital RWA | NA |
| 60c | Total Capital RWA | NA |
| Capital ratios | | |
| 61 | Common Equity Tier 1 (as percentage of risk weighted assets) | 16.64% |
| 62 | Tier 1 (as a percentage of risk weighted assets) | 16.64% |
| 63 | Total capital (as percentage of risk weighted assets) | 19.21% |
| OSFI all-in target | | |
| 69 | Common Equity Tier 1 capital all-in target ratio | 7.0% |
| 70 | Tier 1 capital all-in target ratio | 8.5% |
| 71 | Total capital all-in target ratio | 10.5% |
| Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2013 and 1 Jan 2022) | | |
| 80 | Current cap on CET1 instruments subject to phase out arrangements | NA |
| 81 | Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities) | NA |
| 82 | Current cap on AT1 instruments subject to phase out arrangements | NA |
| 83 | Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities) | NA |
| 84 | Current cap on T2 instruments subject to phase out arrangements | NA |
| 85 | Amount excluded from T2 due to cap (excess over cap after redemptions and maturities) | NA |

2. Leverage Ratio

(in thousands of Canadian dollars, except for %)

| | Item | Leverage Ratio Framework |
|--|--|--------------------------|
| On-balance sheet exposures | | |
| 1 | On-balance sheet items (excluding derivatives, SFTs and grandfathered securitization exposures but including collateral) | 808,252 |
| 2 | (Asset amounts deducted in determining Basel III "all-in" Tier 1 capital) | (573) |
| 3 | Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2) | 807,679 |
| Derivative exposures | | |
| 4 | Replacement cost associated with all derivative transactions (i.e. net of eligible cash variation margin) | 5,398 |
| 5 | Add-on amounts for PFE associated with all derivative transactions | 1,814 |
| 6 | Gross up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework | - |
| 7 | (Deductions of receivables assets for cash variation margin provided in derivative transactions) | - |
| 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 4 to 10) | 7,212 |
| 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 | 103,146 |
| 18 | (Adjustments for conversion to credit equivalent amounts) | (53,638) |
| 19 | Off-balance sheet items (sum of lines 17 and 18) | 49,508 |
| Capital and Total Exposures | | |
| 20 | Tier 1 capital | 129,870 |
| 21 | Total Exposures (sum of lines 3, 11, 16 and 19) | 864,399 |
| Leverage Ratios | | |
| 22 | Basel III leverage ratio | 15.02% |