

Appendix A – Calculation of concentration amount loaned exposures

Calculation of exposure (amount loaned) in a security

Schedule 9 - Summary sheet

Dealer A reports the 10 largest issuer amount loaned issuer positions from Schedules 9A and 9B to the Schedule 9 Summary sheet to rank and calculate concentration charges:

Dealer Member's name	A					
Date						
Concentration of securities Summary sheet [excluding securities required to be in <i>segregation</i> or <i>safekeeping</i> (see Sch. 9, note 3)]						
1	2	3	4	5	6	7
Description of issuer or precious metal positions	Final adjusted amount loaned C\$000's	Concentration test identifier (Sch. 9A or Sch. 9B)	Long / Short ("L" or "S")	Concentration threshold (1/3, 1/2, or 2/3)	Schedule 9B, no# of DROs used, if any	Concentration charge C\$000's
RST Inc.	\$ 5,700	9A	S	N/A	N/A	\$ -
XYZ Corp.	\$ 3,986	9B	L	N/A	1	\$ -
						\$ -
						B-28

CONCENTRATION THRESHOLDS (C\$000's):

Pre-concentration RAC = \$15,000

2/3 RAC LEVEL = \$10,000

1/2 RAC LEVEL = \$7,500

The calculated issuer exposures are below the key thresholds for a first or additional exposure.

Notes:

1. The calculated issuer exposures are below the key defined thresholds for a first or additional exposure.
2. Dealer only has exposures in 2 issuers.
3. It is acceptable to mark column 5, "N/A", if there are no exposures over defined thresholds.

Calculation of exposure (amount loaned) in a security

Schedule 9A - General Security Test

Security description	Client positions (C\$ '000)	Net inventory (C\$ '000)	Total (C\$ '000)	Price (\$)	Margin rate	Loan or <market value> (C\$ '000)	Final adjusted amount loaned (C\$ '000)	Reference	
RST Common	100	250	350	10.00	50%	1,750	1,750	1	
	-75		-75			-750	-750	2	
RST-A	175		175	15.00	50%	1,313	1,313	3	
	-50	-100	-150			-2,250	-2,250	4	
RST-B	25	50	75	20.00	50%	750	750	5	
	-60		-60			-1,200	-1,200	6	
RST-C	10	75	85	25.00	50%	1,063	1,063	7	
	-60		-60			-1,500	-1,500	8	
EXPOSURE "GREATER OF" CALCULATION									
A. Combine LONG final adjusted amount loaned (1+3+5+7)							=	\$4,875	
B. Combine SHORT final adjusted amount loaned (2+4+6+8) (absolute value)							=	\$5,700	
GREATER of A and B							=	<u>\$5,700</u>	

CONCENTRATION THRESHOLDS (C\$000's):

Pre-concentration RAC = \$15,000

2/3 RAC LEVEL = \$10,000

1/2 RAC LEVEL = \$7,500

The calculated issuer exposure is below the key thresholds for a first or additional exposure.

Notes:

1. Aggregated on the basis prescribed for in Form 1, Schedule 9, Notes and Instructions, Note 7.
2. Although not shown in the above table, Dealers may reduce exposure according to the adjustments described in Schedule 9, Note 7(iv).
3. Assume issuer exposure is non-related or arm's length marginable securities.
4. The issuer exposure (calculated as the "Greater of") is reported on Schedule 9 Summary sheet.

Calculation of exposure (amount loaned) in a security

Schedule 9B - Debt Security Test

Security description	Client positions (C\$ '000)	Net inventory (C\$ '000)	Total (C\$ '000)	Price (\$)	Margin rate	Loan value (C\$ '000)	Risk-weighting adjustment factor	Final adjusted amount loaned (C\$ '000)	Reference
XYZ Corp 6.1% 20NOV32		5,500	5,500	100.90	10%	4,995	50%	2,497	1
	-1,000		-1,000			-908		-454	2
XYZ Corp 7.2% 10JUL32	1,750		1,750	103.83	10%	1,635	50%	818	3
	-1,500		-1,500			-1,402		-701	4
XYZ Corp 2.82% 05DEC31	1,500		1,500	82.84	10%	1,118	60%	671	5
	-1,000		-1,000			-746		-447	6
EXPOSURE "GREATER OF" CALCULATION									
A. Combine LONG final adjusted amount loaned (1+3+5)								=	\$3,986
B. Combine SHORT final adjusted amount loaned (2+4+6) (abs value)								=	\$1,602
GREATER of A and B								=	<u>\$3,986</u>

CONCENTRATION THRESHOLDS (C\$000's):

Pre-concentration RAC = \$15,000

2/3 RAC LEVEL = \$10,000

1/2 RAC LEVEL = \$7,500

The calculated issuer exposure is below the key thresholds for a first or additional exposure.

General Notes:

1. Aggregated on the basis prescribed for in Form 1, Schedule 9, Notes and Instructions, Note 7.
2. Although not shown in the above table, Dealers may reduce exposure according to the adjustments described in Schedule 9, Note 7(iv).
3. Assume issuer exposure is non-related or arm's length marginable securities.
4. The issuer exposure (calculated as the "Greater of") is reported on Schedule 9 Summary sheet.

Schedule 9B Notes:

5. Calculate the combined amount loaned on the short position exposure according the long position exposure methodology, as per Schedule 9, Note 7(ii).
6. Although not shown in the above table, Dealers may reduce exposure according to the additional netting allowance described in Schedule 9B, Note 4.
7. Risk-weighting adjustment factor determined according to Schedule 9B, Notes 5 to 7.