

CTBC Bank Corp. (Canada)

Regulatory Disclosure – Quarter 2 2021 (Unaudited)

Notice to Readers

The information contained in this Supplement has not been audited or independently verified. Accordingly readers are cautioned that this Supplement may not be appropriate for their purposes.

A. Basel III Pillar 3 Public Capital Disclosure

Modified Capital Disclosure		All-in (Thousands)
1	Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus	37,000
2	Retained earnings	40,993
3	Accumulated other comprehensive income (and other reserves)	
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	Nil
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	Nil
6	Common Equity Tier 1 capital before regulatory adjustments	77,993
Common Equity Tier 1 capital: regulatory adjustments		
28	Total regulatory adjustments to Common Equity Tier 1	513
29	Common Equity Tier 1 capital (CET1)	77,480
Additional Tier 1 capital: instruments		
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	Nil
31	of which: classified as equity under applicable accounting standards	Nil
32	of which: classified as liabilities under applicable accounting standards	Nil
33	Directly issued capital instruments subject to phase out from Additional Tier 1	Nil
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)	Nil
35	<i>of which: instruments issued by subsidiaries subject to phase out</i>	Nil
36	Additional Tier 1 capital before regulatory adjustments	
Additional Tier 1 capital: regulatory adjustments		
43	Total regulatory adjustments to Additional Tier 1 capital	Nil
44	Additional Tier 1 capital (AT1)	Nil
45	Tier 1 capital (T1 = CET1 + AT1)	77,480
Tier 2 capital: instruments and allowances		
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	Nil

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Modified Capital Disclosure		All-in
		(Thousands)
47	Directly issued capital instruments subject to phase out from Tier 2	Nil
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)	Nil
49	<i>of which: instruments issued by subsidiaries subject to phase out</i>	Nil
50	Collective allowances	Nil
51	Tier 2 capital before regulatory adjustments	Nil
Tier 2 capital: regulatory adjustments		
57	Total regulatory adjustments to Tier 2 capital	Nil
58	Tier 2 capital (T2)	Nil
59	Total capital (TC = T1 + T2)	77,480
60	Total risk weighted assets	318,539
Capital ratios		
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	24.32%
62	Tier 1 (as a percentage of risk weighted assets)	24.32%
63	Total capital (as a percentage of risk weighted assets)	24.32%
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	Target 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	Nil
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	Nil
82	Current cap on AT1 instruments subject to phase out arrangements	Nil
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	Nil
84	Current cap on T2 instruments subject to phase out arrangements	Nil
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	Nil

B. Basel III Leverage Ratio Disclosure for Non-DSIBs “All-In Basis”

Item		Leverage Ratio Framework (Thousands)
On-balance sheet exposures		
1	On-balance sheet items (excluding derivatives, SFTs and grandfathered securitization exposures but including collateral)	453,294

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Item		Leverage Ratio Framework (Thousands)
2	Gross-up for derivatives collateral provided where deducted from 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 Tier 1 capital)	(513)
5	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 to 4)	452,781
Derivative exposures		
6	Replacement cost associated with all derivative transactions	
7	Add-on amounts for potential future exposure associated with all derivative transactions	
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)	
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	26,029
18	(Adjustments for conversion to credit equivalent amounts)	(13,470)
19	Off-balance sheet items (sum of lines 17 and 18)	12,559
Capital and Total Exposures		
20	Tier 1 capital	77,480
21	Total Exposures (sum of lines 5, 11, 16 and 19)	465,340
Leverage Ratios		

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Item		Leverage Ratio Framework (Thousands)
22	Basel III leverage ratio	16.65%

C. Residential Mortgages Public Disclosure

I. Amount of the total Residential Mortgages and Home Equity Lines of Credit (HELOC)

As at June 30, 2021 (in thousands of Canadian dollars)

Region	Residential Mortgage		HELOC	
	Uninsured	Total	Uninsured	Total
British Columbia	117,796	117,796	5,365	5,365
Ontario	25,482	28,482	10	10
Other Jurisdictions		Nil		Nil
Total	143,278	143,278	5,375	5,375

All Residential Mortgages and HELOCs are uninsured.

II. Residential Mortgage percentages by Amortization Periods

As at June 30, 2021

Amortization Period (Years)	1 ~ 19	20 ~ 25	26 ~ 30	Total
Canada	0%	10%	90%	100%
Other Jurisdictions				Nil
Total	0%	10%	90%	100%

III. Average Loan to Value (LTV) ratio for newly originated and acquired uninsured residential mortgages and HELOCs at the end of each period.

Three months period ending June 30, 2021

Region	Average LTV
British Columbia	57%
Ontario	64%
Other Jurisdictions	Nil
Total	57%

IV. Potential impact on residential mortgages and HELOCs in the event of an economic downturn.

The Bank maintained stringent underwriting standards with conservative LTV ratios. Stress testing has indicated that the Bank should be in a position to absorb reasonable losses in an economic downturn.

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D. Liquidity Principle Disclosure

Asset and Liability Committee (ALCO) is a senior management-level committee that provides consultation to the CEO for making decisions in order to achieve the goals of asset and liability management that includes liquidity management. It actively monitors and controls exposures across business lines and currencies and regularly provides reports to the Board of Directors (BOD). The mandate of ALCO is dictated by the ALCO Policy that provides guidelines on liquidity management during normal and stressed situations with specific action plans and defined metrics of what constitute a normal or stressed scenarios.

Limits are an important tool used in managing liquidity risk to keep exposures within regulatory requirements and risk appetite. Limits are reviewed annually by management and approved by the BOD. Limits status are monitored and reported to the Risk Committee monthly and to the BOD quarterly for review and approval if a breach were to occur.

Liquidity Coverage Ratio (LCR) as at June 30, 2021 is 837%.

Net Cumulative Cash Flow as at June 30, 2021:

Net positive cash flow monthly for the next 12 months.