



中国工商银行 (加拿大)

INDUSTRIAL AND COMMERCIAL BANK OF CHINA (CANADA)

INDUSTRIAL AND COMMERCIAL BANK OF CHINA (CANADA)

BASEL III PILLAR 3 DISCLOSURES

AS AT SEPTEMBER 30, 2023

Table of Contents

Notes to Users.....	2
Composition of Capital.....	3
Leverage Ratio.....	5

Notes to Users

This document addresses the Basel III Pillar 3 disclosure requirements for Industrial and Commercial Bank of China (Canada) (the “Bank”) in accordance with *OSFI’s Pillar 3 Disclosure Guideline for Small and Medium-Sized Deposit-Taking Institutions (SMSBs) Capital and Liquidity Requirements* (the “Guideline”) <https://www.osfi-bsif.gc.ca/Eng/fi-if/rg-ro/gdn-ort/adv-prv/Pages/plr3-smsb.aspx>

The following disclosures do not constitute any form of financial statements and must not be relied upon in making any investment or judgment on the Bank or its parent bank and shareholder bank.

Segmentation Category

The Bank is currently categorized as Category 2 SMSB in accordance with *OSFI’s Small and Medium-Sized Deposit-Taking Institutions (SMSBs) Capital and Liquidity Requirements*, section entitled “Segmentation of SMSBs”

<https://www.osfi-bsif.gc.ca/Eng/fi-if/rg-ro/gdn-ort/gl-ld/Pages/SMSB.aspx#ToC3.0>.

Financial Data Website

For the Bank’s Financial Data, refer to OSFI’s Financial Data for Banks website <https://www.osfi-bsif.gc.ca/Eng/wt-ow/Pages/fd-df.aspx>

Frequency of Reporting

OSFI expects SMSBs to adhere to the Guideline for frequency and format of reporting. Accordingly, the Bank’s relevant quantitative disclosure are provided quarterly, and the general qualitative information of credit risk and operational risk are provided annually, at year-end.

Composition of Capital

Composition of regulatory capital -Modified CC1

Q3 2023 as at Sept 30, 2023

	Item	Amounts (CAD in '000 except ratios)
	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	208,000
2	Retained earnings	227,337
3	Accumulated other comprehensive income (and other reserves)	(667)
4	<i>Directly issued capital subject to phase out from CET1 (only applicable to Federal Credit Unions)</i>	-
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-
6	Common Equity Tier 1 capital before regulatory adjustments	434,670
	Common Equity Tier 1 capital: regulatory adjustments	
28	Total regulatory adjustments to Common Equity Tier 1	(24)
29	Common Equity Tier 1 capital (CET1)	434,646
	Additional Tier 1 capital: instruments	
36	Additional Tier 1 capital before regulatory adjustments	-
	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)	434,646
	Tier 2 capital: instruments and provisions	
50	Collective allowances	31,933
51	Tier 2 capital before regulatory adjustments	31,933

	Tier 2 capital: regulatory adjustments	
57	Total regulatory adjustments to Tier 2 capital	-
58	Tier 2 capital (T2)	31,933
59	Total capital (TC = T1 + T2)	466,579
60	Total risk-weighted assets	2,657,495
	Capital ratios	
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)	16.36%
62	Tier 1 (as a percentage of risk-weighted assets)	16.36%
63	Total capital (as a percentage of risk-weighted assets)	17.56%
	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%

Leverage Ratio

Leverage Ratio -LR2

	Item	Amounts (CAD in '000 except ratios)	
		Sept 30,2023	Jun 30,2023
On-balance sheet exposures			
1	On-balance sheet items (excluding derivatives, SFTs and grandfathered securitization exposures but including collateral)	2,762,682	2,931,358
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)	(5,729)	(5,589)
4	(Asset amounts deducted in determining Tier 1 capital)	(24)	(31)
5	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 to 4)	2,756,929	2,925,738
Derivative exposures			
6	Replacement cost associated with all derivative transactions	1,787	514
7	Add-on amounts for potential future exposure associated with all derivative transactions	4,281	4,353
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)	6,068	4,867
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	1,357,154	1,300,337
18	(Adjustments for conversion to credit equivalent amounts)	(821,668)	(776,219)
19	Off-balance sheet items (sum of lines 17 and 18)	535,486	524,118
Capital and total exposures			
20	Tier 1 capital	434,646	421,398
21	Total Exposures (sum of lines 5, 11, 16 and 19)	3,298,483	3,454,723
Leverage ratio			
22	Basel III leverage ratio	13.18%	12.20%
Disclosure of mean values			