

**BANK OF CHINA INTERNATIONAL LIMITED
(A RESTRICTED LICENCE BANK WHOLLY-OWNED BY BANK OF CHINA LIMITED)**

**中銀國際有限公司
(中國銀行股份有限公司全資附屬之有限牌照銀行)**

REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2021

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1 Key prudential ratios (unaudited)

		30/09/2021	30/06/2021	31/03/2021	31/12/2020	30/09/2020
	Regulatory capital (amount)	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
1	Common Equity Tier 1 (CET1)	1,686,800	1,672,780	1,665,767	1,613,292	1,638,932
2	Tier 1	1,686,800	1,672,780	1,665,767	1,613,292	1,638,932
3	Total capital	1,727,711	1,713,742	1,708,957	1,658,222	1,686,121
	RWA (amount)	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
4	Total RWA	3,896,490	3,877,272	4,033,373	4,151,964	4,302,600
	Risk-based regulatory capital ratios (as a percentage of RWA)					
5	CET1 ratio (%)	43.29%	43.14%	41.30%	38.86%	38.09%
6	Tier 1 ratio (%)	43.29%	43.14%	41.30%	38.86%	38.09%
7	Total capital ratio (%)	44.34%	44.20%	42.37%	39.94%	39.19%
	Additional CET1 buffer requirements (as a percentage of RWA)					
8	Capital conservation buffer requirement (%)	2.500%	2.500%	2.500%	2.500%	2.500%
9	Countercyclical capital buffer requirement (%) ¹	0.476%	0.549%	0.540%	0.555%	0.570%
10	Higher loss absorbency requirements (%) (applicable only to G-SIBs or D-SIBs)	N/A	N/A	N/A	N/A	N/A
11	Total AI-specific CET1 buffer requirements (%)	2.976%	3.049%	3.040%	3.055%	3.070%
12	CET1 available after meeting the AI's minimum capital requirements (%)	36.34%	36.20%	34.37%	31.94%	31.19%
	Basel III leverage ratio					
13	Total leverage ratio (LR) exposure measure (HK\$'000)	8,523,434	8,996,051	9,036,748	9,295,138	9,647,196
14	LR (%)	19.79%	18.59%	18.43%	17.36%	16.99%

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1 Key prudential ratios (unaudited) (continued)

		30/09/2021	30/06/2021	31/03/2021	31/12/2020	30/09/2020
	Liquidity Coverage Ratio (LCR) / Liquidity Maintenance Ratio (LMR)					
	Applicable to category 1 institution only:					
15	Total high quality liquid assets (HQLA)	N/A	N/A	N/A	N/A	N/A
16	Total net cash outflows	N/A	N/A	N/A	N/A	N/A
17	LCR (%)	N/A	N/A	N/A	N/A	N/A
	Applicable to category 2 institution only:					
17a	LMR (%)	53.51%	53.49%	48.89%	49.69%	51.41%
	Net Stable Funding Ratio (NSFR) / Core Funding Ratio (CFR)					
	Applicable to category 1 institution only:					
18	Total available stable funding	N/A	N/A	N/A	N/A	N/A
19	Total required stable funding	N/A	N/A	N/A	N/A	N/A
20	NSFR (%)	N/A	N/A	N/A	N/A	N/A
	Applicable to category 2A institution only:					
20a	CFR (%)	N/A	N/A	N/A	N/A	N/A

In accordance with the Banking (Capital) Rules effective from 1 January 2007, the Company adopts the standardised approach, standardised approach, basic indicator approach and solo basis to calculate its credit risk, market risk, operational risk and capital adequacy ratio respectively.

¹ The applicable jurisdictional countercyclical capital buffer (CCyB) ratio for Hong Kong used in the calculation of CCyB buffer requirement was 1.0% for 2020 Q3 to 2021 Q3.

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2 Overview of RWA (unaudited)

(HK\$'000)		RWA		Minimum capital requirements
		As at 30 September 2021	As at 30 June 2021	As at 30 September 2021
1	Credit risk for non-securitization exposures	3,260,499	3,253,683	260,840
2	Of which STC approach	3,260,499	3,253,683	260,840
2a	Of which BSC approach	-	-	-
3	Of which foundation IRB approach	-	-	-
4	Of which supervisory slotting criteria approach	-	-	-
5	Of which advanced IRB approach	-	-	-
6	Counterparty default risk and default fund contributions	12,354	23,258	988
7	Of which SA-CCR approach	12,354	23,258	988
7a	Of which CEM	-	-	-
8	Of which IMM(CCR) approach	-	-	-
9	Of which others	-	-	-
10	CVA risk	3,113	5,275	249
11	Equity positions in banking book under the simple risk-weight method and internal models method	-	-	-
12	Collective investment scheme ("CIS") exposures – LTA*	N/A	N/A	N/A
13	CIS exposures – MBA*	N/A	N/A	N/A
14	CIS exposures – FBA*	N/A	N/A	N/A
14a	CIS exposures – combination of approaches*	N/A	N/A	N/A
15	Settlement risk	-	-	-
16	Securitization exposures in banking book	-	-	-
17	Of which SEC-IRBA	-	-	-
18	Of which SEC-ERBA (including IAA)	-	-	-
19	Of which SEC-SA	-	-	-
19a	Of which SEC-FBA	-	-	-
20	Market risk	56,288	46,275	4,503
21	Of which STM approach	56,288	46,275	4,503
22	Of which IMM approach	-	-	-
23	Capital charge for switch between exposures in trading book and banking book (not applicable before the revised market risk framework takes effect)*	N/A	N/A	N/A
24	Operational risk	572,638	558,438	45,811
24a	Sovereign concentration risk	-	-	-
25	Amounts below the thresholds for deduction (subject to 250% RW)	-	-	-
26	Capital floor adjustment	-	-	-
26a	Deduction to RWA	8,402	9,657	672
26b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	8,402	9,657	672
26c	Of which portion of cumulative fair value gains arising from the revaluation of land and buildings which is not included in Tier 2 Capital	-	-	-
27	Total	3,896,490	3,877,272	311,719

N/A: Not applicable

Items marked with asterisk (*) will be applicable only after their respective policy frameworks take effect. Until then, "N/A" is reported in the rows.

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3 Leverage ratio (unaudited)

		HK\$'000 equivalent	
		As at 30 September 2021	As at 30 June 2021
On-balance sheet exposures			
1	On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	8,552,543	9,010,390
2	Less: Asset amounts deducted in determining Tier 1 capital	(48,878)	(50,510)
3	Total on-balance sheet exposures (excluding derivative contracts and SFTs)	8,503,665	8,959,880
Exposures arising from derivative contracts			
4	Replacement cost associated with all derivative contracts (where applicable net of eligible cash variation margin and/or with bilateral netting)	4,700	12,660
5	Add-on amounts for PFE associated with all derivative contracts	16,776	24,888
6	Gross-up for collateral provided in respect of derivative contracts where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
7	Less: Deductions of receivables assets for cash variation margin provided under derivative contracts	-	-
8	Less: Exempted CCP leg of client-cleared trade exposures	-	-
9	Adjusted effective notional amount of written credit-related derivative contracts	-	-
10	Less: Adjusted effective notional offsets and add-on deductions for written credit-related derivative contracts	-	-
11	Total exposures arising from derivative contracts	21,476	37,548
Exposures arising from SFTs			
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	-	-
13	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	-	-
14	CCR exposure for SFT assets	-	-
15	Agent transaction exposures	-	-
16	Total exposures arising from SFTs	-	-
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	-	-
18	Less: Adjustments for conversion to credit equivalent amounts	-	-
19	Off-balance sheet items	-	-
Capital and total exposures			
20	Tier 1 capital	1,686,800	1,672,780
20a	Total exposures before adjustments for specific and collective provisions	8,525,141	8,997,428
20b	Adjustments for specific and collective provisions	(1,707)	(1,377)
21	Total exposures after adjustments for specific and collective provisions	8,523,434	8,996,051
Leverage ratio			
22	Leverage ratio	19.79%	18.59%

During the third quarter in 2021, the leverage ratio exposure measure decreased by HK\$473 million, resulting in the increase in leverage ratio from 18.59% to 19.79%. The decrease in exposure measure was mainly attributable by the decline in bank exposures and the decrease in customer loans and advances.