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制牌照銀行)

REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2022

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1   Key prudential ratios (unaudited)

		30/09/2022	30/06/2022	31/03/2022	31/12/2021	30/09/2021
	Regulatory capital (amount)	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**
1	Common Equity Tier 1 (CET1)	1,770,852	1,758,138	1,737,969	1,736,650	1,686,800
2	Tier 1	1,770,852	1,758,138	1,737,969	1,736,650	1,686,800
3	Total capital	1,795,318	1,792,105	1,774,718	1,778,901	1,727,711
	RWA (amount)	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**
4	Total RWA	2,556,538	3,351,809	3,571,322	4,011,368	3,896,490
	Risk-based regulatory capital ratios (as a percentage of RWA)					
5	CET1 ratio (%)	69.27%	52.45%	48.66%	43.29%	43.29%
6	Tier 1 ratio (%)	69.27%	52.45%	48.66%	43.29%	43.29%
7	Total capital ratio (%)	70.22%	53.47%	49.69%	44.35%	44.34%
	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]	0.523%	0.532%	0.516%	0.448%	0.476%
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 (%)	3.023%	3.032%	3.016%	2.948%	2.976%
12	CET1 available after meeting the AI's minimum capital requirements (%)	62.22%	45.47%	41.69%	36.35%	36.34%
	Basel III leverage ratio					
13	Total leverage ratio (LR) exposure measure (HK$'000)	7,082,599	9,404,576	8,648,081	9,676,930	8,523,434
14	LR (%)	25.00%	18.69%	20.1%	17.95%	19.79%

1   Key prudential ratios (unaudited) (continued)

		30/09/2022	30/06/2022	31/03/2022	31/12/2021	30/09/2021
	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 (%)	59.03%	51.92%	52.21%	46.32%	53.51%
	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 2021 Q3 to 2022 Q3.

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2   Overview of RWA (unaudited)

	(HK$'000)	RWA		Minimum capital requirements
		As at 30 September 2022	As at 31 December 2021	As at 30 September 2022
1	Credit risk for non-securitization exposures	1,946,940	2,706,277	155,755
2	Of which STC approach	1,946,940	2,706,277	155,755
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	10,360	11,093	829
7	Of which SA-CCR approach	10,360	11,093	829
7a	Of which CEM	-	-	-
8	Of which IMM(CCR) approach	-	-	-
9	Of which others	-	-	-
10	CVA risk	2,500	2,413	200
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	39,850	39,450	3,188
21	Of which STM approach	39,850	39,450	3,188
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	567,525	596,088	45,402
24a	Sovereign concentration risk	-	-	-
25	Amounts below the thresholds for deduction (subject to 250% RW)	-	-	-
26	Capital floor adjustment	-	-	-
26a	Deduction to RWA	10,637	3,512	851
26b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	10,637	3,512	851
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**	**2,556,538**	**3,351,809**	**204,523**
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.

3 Leverage ratio (unaudited)

		HK$'000 equivalent	
		As at 30 September 2022	As at 30 June 2022
On-balance sheet exposures			
1	On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	6,248,309	8,515,692
2	Less: Asset amounts deducted in determining Tier 1 capital	(34,899)	(37,132)
3	**Total on-balance sheet exposures (excluding derivative contracts and SFTs)**	**6,213,410**	**8,478,560**
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)	5,904	2,160
5	Add-on amounts for PFE associated with all derivative contracts	10,529	13,679
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**	**16,433**	**15,839**
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	854,242	911,805
18	Less: Adjustments for conversion to credit equivalent amounts	-	-
19	**Off-balance sheet items**	**854,242**	**911,805**
Capital and total exposures			
20	**Tier 1 capital**	**1,770,852**	**1,758,138**
20a	**Total exposures before adjustments for specific and collective provisions**	**7,084,085**	**9,406,204**
20b	**Adjustments for specific and collective provisions**	**(1,486)**	**(1,628)**
21	**Total exposures after adjustments for specific and collective provisions**	**7,082,599**	**9,404,576**
Leverage ratio			
22	**Leverage ratio**	**25.00%**	**18.69%**

During the third quarter of 2022, the leverage ratio exposure measure decreased by HK$2,322 million, resulting in increase in leverage ratio from 18.69% to 25.00%. The decrease in exposure measure was mainly attributable by the decline in bank exposures and the decrease in customer loans and advances.