

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 2023

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1 Key prudential ratios (unaudited)

		30/09/2023	30/06/2023	31/03/2023	31/12/2022	30/09/2022
	Regulatory capital (amount)	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
1	Common Equity Tier 1 (CET1)	1,772,308	1,767,269	1,767,559	1,763,757	1,770,852
2	Tier 1	1,772,308	1,767,269	1,767,559	1,763,757	1,770,852
3	Total capital	1,796,715	1,791,026	1,789,105	1,788,109	1,795,318
	RWA (amount)	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
4	Total RWA	2,645,734	2,478,918	2,320,703	2,553,756	2,556,538
	Risk-based regulatory capital ratios (as a percentage of RWA)					
5	CET1 ratio (%)	66.99%	71.29%	76.16%	69.07%	69.27%
6	Tier 1 ratio (%)	66.99%	71.29%	76.16%	69.07%	69.27%
7	Total capital ratio (%)	67.91%	72.25%	77.09%	70.02%	70.22%
	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	0.491%	0.533%	0.538%	0.496%	0.523%
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 (%)	2.991%	3.033%	3.038%	2.996%	3.023%
12	CET1 available after meeting the AI's minimum capital requirements (%)	56.66%	61.00%	65.84%	58.77%	58.97%
	Basel III leverage ratio					
13	Total leverage ratio (LR) exposure measure (HK\$'000)	7,121,687	6,691,136	6,300,659	7,217,747	7,082,599
14	LR (%)	24.89%	26.41%	28.05%	24.43%	25.00%

1 Key prudential ratios (unaudited) (continued)

		30/09/2023	30/06/2023	31/03/2023	31/12/2022	30/09/2022
	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 (%)	135.93%	87.76%	70.20%	62.17%	59.03%
	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 2022 Q1 to 2023 Q3.

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2 Overview of RWA (unaudited)

	(HK\$'000)	RWA		Minimum capital requirements
		As at 30 September 2023	As at 30 June 2023	As at 30 September 2023
1	Credit risk for non-securitization exposures	2,051,589	1,889,310	230,804
2	Of which STC approach	2,051,589	1,889,310	230,804
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	21,844	11,274	2,457
7	Of which SA-CCR approach	21,844	11,274	2,457
7a	Of which CEM	-	-	-
8	Of which IMM(CCR) approach	-	-	-
9	Of which others	-	-	-
10	CVA risk	4,325	2,313	487
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	39,188	31,550	4,409
21	Of which STM approach	39,188	31,550	4,409
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	528,788	546,300	59,489
24a	Sovereign concentration risk	-	-	-
25	Amounts below the thresholds for deduction (subject to 250% RW)	-	-	-
26	Capital floor adjustment	-	-	-
26a	Deduction to RWA	-	1,829	-
26b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	-	1,829	-
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	2,645,734	2,478,918	297,645

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 2023	As at 30 June 2023
On-balance sheet exposures			
1	On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	6,412,277	5,985,821
2	Less: Asset amounts deducted in determining Tier 1 capital	(23,382)	(25,262)
3	Total on-balance sheet exposures (excluding derivative contracts and SFTs)	6,388,895	5,960,559
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)	1,768	1,968
5	Add-on amounts for PFE associated with all derivative contracts	23,594	19,157
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	25,362	21,125
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	709,734	711,056
18	Less: Adjustments for conversion to credit equivalent amounts	-	-
19	Off-balance sheet items	709,734	711,056
Capital and total exposures			
20	Tier 1 capital	1,772,308	1,767,269
20a	Total exposures before adjustments for specific and collective provisions	7,123,991	6,692,740
20b	Adjustments for specific and collective provisions	(2,304)	(1,604)
21	Total exposures after adjustments for specific and collective provisions	7,121,687	6,691,136
Leverage ratio			
22	Leverage ratio	24.89%	26.41%

During the third quarter of 2023, the leverage ratio exposure measure increased, resulting in decrease in leverage ratio from 26.41% to 24.89%. The increase in exposure measure was mainly attributable by the increase in due from banks and debt instruments.