



China CITIC Bank International Limited
中信銀行(國際)有限公司

Regulatory Disclosure Statement

30 September 2019
(Unaudited)

**These disclosures are prepared under
the Banking (Disclosure) Rules**

Regulatory Disclosure Statement

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Regulatory Disclosure Statement (continued)

The information contained in this regulatory disclosure statement is for China CITIC Bank International Limited (“the Bank”) and its subsidiaries (together “the Group”), and is prepared in accordance with the Banking (Disclosure) Rules and the disclosure templates issued by the Hong Kong Monetary Authority (“HKMA”).

PART I: KEY PRUDENTIAL RATIOS AND OVERVIEW OF RISK-WEIGHTED ASSET (RWA)

KM1: Key prudential ratios

	At 30 September 2019	At 30 June 2019	At 31 March 2019	At 31 December 2018	At 30 September 2018	
	(a)	(b)	(c)	(d)	(e)	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Regulatory capital						
1	Common Equity Tier 1 (CET1)	36,488,587	35,484,890	34,818,695	33,354,626	32,629,371
2	Tier 1	44,260,647	43,256,950	44,904,222	43,440,153	38,806,386
3	Total capital	51,711,502	50,656,115	55,209,006	50,386,359	45,632,680
RWA						
4	Total RWA	268,285,972	266,263,985	269,432,895	260,769,021	253,726,353
Risk-based regulatory capital ratios (as a percentage of RWA)						
5	CET1 ratio (%)	13.6%	13.3%	12.9%	12.8%	12.9%
6	Tier 1 ratio (%)	16.5%	16.2%	16.7%	16.7%	15.3%
7	Total capital ratio (%)	19.3%	19.0%	20.5%	19.3%	18.0%
Additional CET1 buffer requirements (as a percentage of RWA)						
8	Capital conservation buffer requirement (%)	2.500%	2.500%	2.500%	1.875%	1.875%
9	Countercyclical capital buffer requirement (%)	1.355%	1.393%	1.388%	1.071%	1.075%
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 (%)	3.855%	3.893%	3.888%	2.946%	2.950%
12	CET1 available after meeting the AI's minimum capital requirements (%)	9.1%	8.8%	8.4%	8.3%	8.4%
Basel III leverage ratio						
13	Total leverage ratio (LR) exposure measure	359,966,028	373,673,578	369,372,939	380,471,033	375,475,397
14	LR (%)	12.3%	11.6%	12.2%	11.4%	10.3%
Liquidity Coverage Ratio (LCR)/Liquidity Maintenance Ratio (LMR)						
Applicable to category 1 institution only:						
15	Total high quality liquid assets (HQLA)	33,068,768	34,551,660	37,754,487	45,470,570	37,721,407
16	Total net cash outflows	15,960,920	15,470,046	15,290,956	17,611,354	17,674,562
17	LCR (%)	207.6%	224.0%	249.4%	258.5%	213.5%
Applicable to category 2 institution only:						
17a	LMR (%)	N/A	N/A	N/A	N/A	N/A
Net Stable Funding Ratio (NSFR)/Core Funding Ratio (CFR)						
Applicable to category 1 institution only:						
18	Total available stable funding	234,709,644	240,406,580	241,842,413	241,797,117	233,251,769
19	Total required stable funding	168,209,740	168,044,582	171,357,209	170,883,768	170,595,832
20	NSFR (%)	139.5%	143.1%	141.1%	141.5%	136.7%
Applicable to category 2A institution only:						
20a	CFR (%)	N/A	N/A	N/A	N/A	N/A

N/A - Not-Applicable

Regulatory Disclosure Statements (continued)

PART I: KEY PRUDENTIAL RATIOS AND OVERVIEW OF RISK-WEIGHTED ASSET (RWA)

OV1: Overview of RWAs

The following table provides an overview of the Bank's RWAs by various risk types and the corresponding minimum capital requirements (i.e. 8% of RWAs), as required by the HKMA.

		(a)	(b)	(c)
		RWAs		Minimum capital requirements
		At 30 September 2019	At 30 June 2019	At 30 September 2019
		HK\$'000	HK\$'000	HK\$'000
1	Credit risk for non-securitization exposures	229,704,502	228,440,288	18,376,360
2	Of which STC approach	229,704,502	228,440,288	18,376,360
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	7,661,436	6,330,029	612,915
7	Of which SA-CCR*	Not applicable	Not applicable	Not applicable
7a	Of which CEM	7,594,548	6,270,419	607,564
8	Of which IMM(CCR) approach	-	-	-
9	Of which others	66,888	59,610	5,351
10	CVA risk	3,646,688	3,062,075	291,735
11	Equity positions in banking book under the simple risk-weight method and internal models method	-	-	-
12	Collective investment scheme ("CIS") exposures – LTA*	Not applicable	Not applicable	Not applicable
13	CIS exposures – MBA*	Not applicable	Not applicable	Not applicable
14	CIS exposures – FBA*	Not applicable	Not applicable	Not applicable
14a	CIS exposures – combination of approaches*	Not applicable	Not applicable	Not applicable
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	10,611,488	12,194,638	848,919
21	Of which STM approach	10,611,488	12,194,638	848,919
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)*	Not applicable	Not applicable	Not applicable
24	Operational risk	15,478,438	15,055,013	1,238,275
24a	Sovereign concentration risk**	-	Not Applicable	Not Applicable
25	Amounts below the thresholds for deduction (subject to 250% RW)	1,277,538	1,277,538	102,203
26	Capital floor adjustment	-	-	-
26a	Deduction to RWAs	94,118	95,596	7,529
26b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	7,235	8,713	579
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	86,883	86,883	6,951
27	Total	268,285,972	266,263,985	21,462,878

Remark:

Items marked with an asterisk (*) will be applicable only after their respective policy frameworks take effect. Until then, "Not applicable" is reported in the rows.

Items marked with an asterisk (**) will be applied first as of 30 September 2019. Until then, "Not applicable" is reported in the rows.

The Bank has adopted the "standardised approach" for calculating the risk-weighted amount for credit risk and market risk and the "basic indicator approach" for calculating operational risk.

Total RWAs increased mainly due to an increase in credit RWAs for non-securitization exposures, which was also driven mainly by an increase in loans and advances to customers.

Regulatory Disclosure Statements (continued)

PART II: LEVERAGE RATIO

LR2: Leverage ratio

		(a)	(b)
		At 30 September 2019	At 30 June 2019
		HK\$'000	HK\$'000
On-balance sheet exposures			
1	On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	339,914,526	343,930,036
2	Less: Asset amounts deducted in determining Tier 1 capital	(2,142,893)	(2,080,618)
3	Total on-balance sheet exposures (excluding derivative contracts and SFTs)	337,771,633	341,849,418
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)	1,683,090	2,115,433
5	Add-on amounts for PFE associated with all derivative contracts	7,836,638	7,185,784
6	Gross-up for derivatives collateral provided 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 derivative contracts	-	-
10	Less: Adjusted effective notional offsets and add-on deductions for written credit derivative contracts	(1,406,352)	-
11	Total exposures arising from derivative contracts	8,113,376	9,301,217
Exposures arising from SFTs			
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	279,116	-
13	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	-	-
14	CCR exposure for SFT assets	-	-
15	Agent transactions exposures	-	-
16	Total exposures arising from SFTs	279,116	-
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	91,852,736	99,623,681
18	Less: Adjustments for conversion to credit equivalent amounts	(78,005,668)	(77,057,027)
19	Off-balance sheet items	13,847,068	22,566,654
Capital and total exposures			
20	Tier 1 capital	44,260,647	43,256,950
20a	Total exposures before adjustments for specific and collective provisions	360,011,193	373,717,289
20b	Adjustments for specific and collective provisions	(45,165)	(43,711)
21	Total exposures after adjustments for specific and collective provisions	359,966,028	373,673,578
Leverage ratio			
22	Leverage ratio	12.30%	11.58%

The increase in leverage ratio during the period is mainly due to the increase in Tier 1 capital for the quarter ended 30 September 2019.

Regulatory Disclosure Statements (continued)

PART III: LIQUIDITY

LIQ1: Liquidity Coverage Ratio ("LCR") - for category 1 institution

Number of data points used in calculating the average value of the LCR and related components set out in this template		For the quarter ended 30 September 2019: (77 data points)	
		UNWEIGHTED AMOUNT (Average)	WEIGHTED AMOUNT (Average)
Basis of disclosure: Consolidated		HK\$'000	HK\$'000
A. High Quality Liquid Assets (HQLA)			
1	Total HQLA		33,068,768
B. Cash outflows			
2	Retail deposits and small business funding, of which	151,064,056	10,177,620
3	<i>Stable retail deposits and stable small business funding</i>	10,206,868	510,344
4	<i>Less stable retail deposits and less stable small business funding</i>	52,488,332	5,248,833
4a	<i>Retail term deposits and small business term funding</i>	88,368,856	4,418,443
5	Unsecured wholesale funding (other than small business funding), and debt securities and prescribed instruments issued by the AI, of which:	84,406,884	44,484,167
6	<i>Operational deposits</i>	-	-
7	<i>Unsecured wholesale funding (other than small business funding) not covered in Row 6</i>	84,406,884	44,484,167
8	<i>Debt securities and prescribed instruments issued by the AI and redeemable within the LCR period</i>	-	-
9	Secured funding transactions (including securities swap transactions)		1,709
10	Additional requirements, of which	8,312,869	3,606,731
11	<i>Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements</i>	2,840,507	2,837,775
12	<i>Cash outflows arising from obligations under structured financing transactions and repayment of funding obtained from such transactions</i>	-	-
13	<i>Potential drawdown of undrawn committed facilities (including committed credit facilities and committed liquidity facilities)</i>	5,472,362	768,956
14	Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows	5,225,781	5,225,781
15	Other contingent funding obligations (without contractual or non-contractual)	82,086,325	347,675
16	Total cash outflows		63,843,683
C. Cash Inflows			
17	Secured lending transactions (including securities swap transactions)	78,261	59,306
18	Secured and unsecured loans (other than secured lending transactions covered in row 17) and operational deposits placed at other financial institutions	90,540,524	69,824,408
19	Other cash inflows	3,982,256	3,964,115
20	Total cash inflows	94,601,041	73,847,829
D. Liquidity Coverage Ratio			
21	Total HQLA		33,068,768
22	Total Net Cash Outflows		15,960,920
23	LCR (%)		207.6%