



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

Regulatory Disclosure Statement

30 September 2020
(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 2020	At 30 June 2020	At 31 March 2020	At 31 December 2019	At 30 September 2019	
	(a)	(b)	(c)	(d)	(e)	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Regulatory capital						
1	Common Equity Tier 1 (CET1)	37,309,461	37,595,770	38,063,930	37,430,332	36,488,587
2	Tier 1	45,081,521	45,367,830	45,835,990	45,202,392	44,260,647
3	Total capital	52,308,479	52,120,354	53,146,712	52,476,903	51,711,502
RWA						
4	Total RWA	297,678,424	272,597,282	270,651,826	262,432,341	268,285,972
Risk-based regulatory capital ratios (as a percentage of RWA)						
5	CET1 ratio (%)	12.5%	13.8%	14.1%	14.3%	13.6%
6	Tier 1 ratio (%)	15.1%	16.6%	16.9%	17.2%	16.5%
7	Total capital ratio (%)	17.6%	19.1%	19.6%	20.0%	19.3%
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 (%) (Remark)	0.585%	0.593%	0.584%	1.119%	1.355%
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 (%)	3.085%	3.093%	3.084%	3.619%	3.855%
12	CET1 available after meeting the AI's minimum capital requirements (%)	8.0%	9.3%	9.6%	9.8%	9.1%
Basel III leverage ratio						
13	Total leverage ratio (LR) exposure measure	416,884,329	378,711,875	361,828,522	384,491,342	359,966,028
14	LR (%)	10.8%	12.0%	12.7%	11.8%	12.3%
Liquidity Coverage Ratio (LCR)/Liquidity Maintenance Ratio (LMR)						
Applicable to category 1 institution only:						
15	Total high quality liquid assets (HQLA)	45,423,352	42,386,001	47,011,755	35,466,051	33,068,768
16	Total net cash outflows	18,993,983	19,064,904	17,320,678	15,799,506	15,960,920
17	LCR (%)	240.3%	223.8%	272.2%	225.7%	207.6%
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	247,414,150	236,248,495	231,887,605	240,558,288	234,709,644
19	Total required stable funding	184,589,757	169,098,438	167,498,538	165,902,045	168,209,740
20	NSFR (%)	134.0%	139.7%	138.4%	145.0%	139.5%
Applicable to category 2A institution only:						
20a	CFR (%)	N/A	N/A	N/A	N/A	N/A

N/A - Not-Applicable

Remark:

In accordance with the announcements made by the HKMA, the CCyB ratio for Hong Kong was 2.5% of risk-weighted amounts effective from 1 January 2019, reduced to 2.0% effective from 14 October 2019 and was further reduced to 1.0% effective from 16 March 2020.

Regulatory Disclosure Statements (continued)

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

OV1: Overview of RWA

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

		(a)	(b)	(c)
		RWAs		Minimum capital requirements
		At 30 Sep 2020	At 30 June 2020	At 30 Sep 2020
		HK\$'000	HK\$'000	HK\$'000
1	Credit risk for non-securitization exposures	250,724,328	226,829,304	20,057,946
2	Of which STC approach	250,724,328	226,829,304	20,057,946
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	9,642,452	9,318,660	771,396
7	Of which SA-CCR*	Not applicable	Not applicable	Not applicable
7a	Of which CEM	9,480,539	9,166,050	758,443
8	Of which IMM(CCR) approach	-	-	-
9	Of which others	161,913	152,610	12,953
10	CVA risk	6,421,763	6,218,213	513,741
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	14,538,238	13,771,575	1,163,059
21	Of which STM approach	14,538,238	13,771,575	1,163,059
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	15,228,275	15,283,950	1,218,262
24a	Sovereign concentration risk	-	-	-
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	154,170	101,958	12,334
26b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	52,212	-	4,177
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	101,958	101,958	8,157
27	Total	297,678,424	272,597,282	23,814,273

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.

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 RWA increased mainly due to an increase in credit RWA for non-securitization exposures, which was 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 Sep 2020	At 30 Jun 2020
		HK\$'000	HK\$'000
On-balance sheet exposures			
1	On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	393,253,887	351,642,497
2	Less: Asset amounts deducted in determining Tier 1 capital	(2,849,079)	(2,371,330)
3	Total on-balance sheet exposures (excluding derivative contracts and SFTs)	390,404,808	349,271,167
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)	4,839,845	3,852,486
5	Add-on amounts for PFE associated with all derivative contracts	8,423,279	9,061,296
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	(2,387,957)	(1,848,011)
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	-	-
11	Total exposures arising from derivative contracts	10,875,167	11,065,771
Exposures arising from SFTs			
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	332,032	1,457,604
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	332,032	1,457,604
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	107,063,503	104,624,840
18	Less: Adjustments for conversion to credit equivalent amounts	(91,710,446)	(87,635,581)
19	Off-balance sheet items	15,353,057	16,989,259
Capital and total exposures			
20	Tier 1 capital	45,081,522	45,367,830
20a	Total exposures before adjustments for specific and collective provisions	416,965,064	378,783,801
20b	Adjustments for specific and collective provisions	(80,735)	(72,926)
21	Total exposures after adjustments for specific and collective provisions	416,884,329	378,710,875
Leverage ratio			
22	Leverage ratio	10.81%	11.98%

The decrease in leverage ratio during the period was mainly due to the increase in total on-balance sheet exposures resulting from increased loans and advances to customers for the quarter ended 30 Sept 2020.

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 2020: (78 data points)	
Basis of disclosure: Consolidated		UNWEIGHTED AMOUNT (Average)	WEIGHTED AMOUNT (Average)
		HK\$'000	HK\$'000
A. High Quality Liquid Assets (HQLA)			
1	Total HQLA		45,423,352
B. Cash outflows			
2	Retail deposits and small business funding, of which	142,898,113	10,491,116
3	<i>Stable retail deposits and stable small business funding</i>	10,527,792	526,390
4	<i>Less stable retail deposits and less stable small business funding</i>	66,924,201	6,692,420
4a	<i>Retail term deposits and small business term funding</i>	65,446,120	3,272,306
5	Unsecured wholesale funding (other than small business funding), and debt securities and prescribed instruments issued by the AI, of which:	98,640,724	55,825,039
6	<i>Operational deposits</i>	-	-
7	<i>Unsecured wholesale funding (other than small business funding) not covered in Row 6</i>	98,640,724	55,825,039
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)		1,274
10	Additional requirements, of which	11,710,248	4,090,296
11	<i>Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements</i>	2,797,535	2,793,458
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>	8,912,713	1,296,838
14	Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows	5,235,415	5,235,415
15	Other contingent funding obligations (without contractual or non-contractual)	95,466,035	332,792
16	Total cash outflows		75,975,932
C. Cash Inflows			
17	Secured lending transactions (including securities swap transactions)	445,314	288,020
18	Secured and unsecured loans (other than secured lending transactions covered in row 17) and operational deposits placed at other financial institutions	93,157,971	74,459,033
19	Other cash inflows	4,259,869	4,220,977
20	Total cash inflows	97,863,154	78,968,030
D. Liquidity Coverage Ratio			
21	Total HQLA		45,423,352
22	Total Net Cash Outflows		18,993,983
23	LCR (%)		240.3%

The average liquidity coverage ratio increased to 240.3% for the quarter ended 30 September 2020 from 223.8% for the quarter ended 30 June 2020 was mainly driven by the increase in holding of high quality liquid assets ("HQLA").