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**Citicorp International Limited**

**Regulatory Disclosures**

**For the Period ended  
June 30, 2022**

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## **Introduction**

### **Purpose and Basis of preparation**

The information contained in this document is for Citicorp International Limited (“the Company”), and is prepared in accordance with the Banking (Disclosure) Rules (“BDR”) and disclosure templates issued by the Hong Kong Monetary Authority (“HKMA”).

These regulatory disclosures are governed by the Company’s disclosure policy, which has been approved by the Board. The disclosure policy sets out the governance, control and assurance requirements for publication of the document.

The information in this document is not audited and does not constitute statutory accounts.

### **The Regulatory Disclosures**

The Company's Regulatory Disclosures at 30 June 2022 comprises information required under the framework of the Basel Committee on Banking Supervision ('BCBS'). The disclosures are made in accordance with the latest BDR issued by the HKMA.

According to the BDR, disclosure of comparative information is not required unless otherwise specified in the standard disclosure templates.

**Template KM1: Key prudential ratios**

The following table provides an overview of the key prudential ratios of Citicorp International Limited ("the Company").

| In thousands of Hong Kong dollar           |   | (a)              | (b)               | (c)                  | (d)                   | (e)              |
|--|---|------------------|-------------------|----------------------|-----------------------|------------------|
|  |   | At June 30, 2022 | At March 31, 2022 | At December 31, 2021 | At September 30, 2021 | At June 30, 2021 |
| <b>Regulatory Capital</b>                  |   |                  |                   |                      |                       |                  |
| 1  | Common Equity Tier 1 (CET1)   | 7,546,244        | 7,032,142         | 6,771,167            | 8,587,841             | 8,088,375        |
| 2  | Tier 1  | 7,546,244        | 7,032,142         | 6,771,167            | 8,587,841             | 8,088,375        |
| 3  | Total capital   | 7,546,244        | 7,032,142         | 6,771,167            | 8,587,841             | 8,088,375        |
| <b>RWA</b>                                 |   |                  |                   |                      |                       |                  |
| 4  | Total RWA   | 10,276,047       | 10,079,284        | 10,210,339           | 10,597,684            | 10,428,943       |
| <b>Capital Adequacy Ratios</b>             |   |                  |                   |                      |                       |                  |
| 5  | CET1 ratio (%)  | 73.44%           | 69.77%            | 66.32%               | 81.04%                | 77.56%           |
| 6  | Tier 1 ratio (%)  | 73.44%           | 69.77%            | 66.32%               | 81.04%                | 77.56%           |
| 7  | Total capital ratio (%)   | 73.44%           | 69.77%            | 66.32%               | 81.04%                | 77.56%           |
| <b>Additional CET1 buffer requirements</b> |   |                  |                   |                      |                       |                  |
| 8  | Capital conservation buffer requirement (%)                                 | 2.500%           | 2.500%            | 2.500%               | 2.500%                | 2.500%           |
| 9  | Countercyclical capital buffer requirement (%)                              | 0.554%           | 0.742%            | 0.908%               | 0.937%                | 0.590%           |
| 10   | Higher loss absorbency requirements (%) (applicable only to GSIBs or DSIBs) | 0.000%           | 0.000%            | 0.000%               | 0.000%                | 0.000%           |
| 11   | Total AI specific CET1 buffer requirements (%)                              | 3.054%           | 3.242%            | 3.408%               | 3.437%                | 3.090%           |
| 12   | CET1 available after meeting the AI's minimum capital requirements (%)      | 65.44%           | 61.77%            | 58.32%               | 73.04%                | 69.56%           |
| <b>Basel III leverage ratio</b>            |   |                  |                   |                      |                       |                  |
| 13   | Total leverage ratio (LR) exposure measure                                  | 8,516,682        | 7,811,512         | 7,796,727            | 9,542,252             | 9,166,613        |
| 14   | LR (%)  | 88.61%           | 90.02%            | 86.85%               | 90.00%                | 88.24%           |
| <b>Liquidity Maintenance Ratio (LMR)</b>   |   |                  |                   |                      |                       |                  |
| 17a  | LMR (%)   | 160.00%          | 160.00%           | 160.00%              | 160.00%               | 160.00%          |

### Template OV1: Overview of Risk-Weighted Assets

The following table provides an overview of capital requirements in terms of a detailed breakdowns of RWAs for various risks.

| In thousands of Hong Kong dollar |  | (a)                    | (b)                     | (c)                          |
|----------------------------------|--|------------------------|-------------------------|------------------------------|
|                                  |  | RWA                    |                         | Minimum capital requirements |
|                                  |  | As at<br>June 30, 2022 | As at<br>March 31, 2022 | As at<br>June 30, 2022       |
| 1                                | Credit risk for non-securitization exposures | 1,716,247              | 1,582,384               | 137,300                      |
| 2                                | Of which STC approach                        | 1,716,247              | 1,582,384               | 137,300                      |
| 24                               | Operational risk                             | 8,559,800              | 8,496,900               | 684,784                      |
| <b>27</b>                        | <b>Total</b>                                 | <b>10,276,047</b>      | <b>10,079,284</b>       | <b>822,084</b>               |

The Company has adopted the “standardized approach” and the “basic indicator approach” for the calculation of the risk-weighted assets for credit risk and operational risk respectively.

The Company does not have any credit-related derivatives and exposures to CCPs as at reporting date.

**Template CCI: Composition of regulatory capital**

|   | In thousands of Hong Kong dollar | Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation |
|---|----------------------------------|--|
| <b>CET1 capital: instruments and reserves</b> |                                  |  |
| 1   | 187,556                          | (2)  |
| 2   | 7,321,912                        | (3)  |
| 3   | 58,306                           | (4)  |
| 4   | Not applicable                   | Not applicable   |
| 5   | -                                |  |
| 6   | 7,567,774                        |  |
| <b>CET1 capital: regulatory deductions</b>    |                                  |  |
| 7   | -                                |  |
| 8   | -                                |  |
| 9   | -                                |  |
| 10  | 21,530                           | (1)  |
| 11  | -                                |  |
| 12  | -                                |  |
| 13  | -                                |  |
| 14  | -                                |  |
| 15  | -                                |  |
| 16  | -                                |  |
| 17  | -                                |  |
| 18  | -                                |  |
| 19  | -                                |  |
| 20  | Not applicable                   | Not applicable   |
| 21  | Not applicable                   | Not applicable   |
| 22  | Not applicable                   | Not applicable   |
| 23  | Not applicable                   | Not applicable   |
| 24  | Not applicable                   | Not applicable   |
| 25  | Not applicable                   | Not applicable   |
| 26  | -                                |  |
| 26a   | -                                |  |
| 26b   | -                                |  |
| 26c   | -                                |  |
| 26d   | -                                |  |
| 26e   | -                                |  |
| 26f   | -                                |  |
| 27  | -                                |  |
| 28  | 21,530                           |  |
| 29  | 7,546,244                        |  |
| <b>AT1 capital: instruments</b>               |                                  |  |
| 30  | -                                |  |
| 31  | -                                |  |
| 32  | -                                |  |
| 33  | -                                |  |
| 34  | -                                |  |
| 35  | -                                |  |
| 36  | -                                |  |

Template CCI: Composition of regulatory capital (continued)

|   |  | In thousands of Hong Kong dollar | Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation |
|---|--|----------------------------------|--|
| <b>AT1 capital: regulatory deductions</b>         |  |                                  |  |
| 37  | Investments in own AT1 capital instruments   | -                                |  |
| 38  | Reciprocal cross-holdings in AT1 capital instruments   | -                                |  |
| 39  | Insignificant LAC investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)   | -                                |  |
| 40  | Significant LAC investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation  | -                                |  |
| 41  | National specific regulatory adjustments applied to AT1 capital  | -                                |  |
| 42  | Regulatory deductions applied to AT1 capital due to insufficient Tier 2 capital to cover deductions  | -                                |  |
| 43  | <b>Total regulatory deductions to AT1 capital</b>  | -                                |  |
| 44  | <b>AT1 capital</b>   | -                                |  |
| 45  | <b>Tier 1 capital (T1 = CET1 + AT1)</b>  | 7,546,244                        |  |
| <b>Tier 2 capital: instruments and provisions</b> |  |                                  |  |
| 46  | Qualifying Tier 2 capital instruments plus any related share premium   | -                                |  |
| 47  | <i>Capital instruments subject to phase out arrangements from Tier 2 capital</i>   | -                                |  |
| 48  | Tier 2 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in Tier 2 capital of the consolidation group)  | -                                |  |
| 49  | <i>of which: capital instruments issued by subsidiaries subject to phase-out arrangements</i>  | -                                |  |
| 50  | Collective impairment allowances and regulatory reserve for general banking risks eligible for inclusion in Tier 2 capital   | -                                |  |
| 51  | <b>Tier 2 capital before regulatory deductions</b>   | -                                |  |
| <b>Tier 2 capital: regulatory deductions</b>      |  |                                  |  |
| 52  | Investments in own Tier 2 capital instruments  | -                                |  |
| 53  | Reciprocal cross-holdings in Tier 2 capital instruments and non-capital LAC liabilities  | -                                |  |
| 54  | Insignificant LAC investments in Tier 2 capital instruments issued by, and non-capital LAC liabilities of, financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold and, where applicable, 5% threshold)   | -                                |  |
| 54a   | Insignificant LAC investments in non-capital LAC liabilities of financial sector entities that are outside the scope of regulatory consolidation (amount formerly designated for the 5% threshold but no longer meets the conditions) (for institutions defined as "section 2 institution" under §2(1) of Schedule 4F to BCR only) | -                                |  |
| 55  | Significant LAC investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation   | -                                |  |
| 55a   | Significant LAC investments in non-capital LAC liabilities of financial sector entities that are outside the scope of regulatory consolidation (net of eligible short positions)   | -                                |  |
| 56  | National specific regulatory adjustments applied to Tier 2 capital   | -                                |  |
| 56a   | Add back of cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties) eligible for inclusion in Tier 2 capital  | -                                |  |
| 56b   | Regulatory deductions applied to Tier 2 capital to cover the required deductions falling within §48(1)(g) of BCR   | -                                |  |
| 57  | <b>Total regulatory deductions to Tier 2 capital</b>   | -                                |  |
| 58  | <b>Tier 2 capital (T2)</b>   | -                                |  |
| 59  | <b>Total capital (TC = T1 + T2)</b>  | 7,546,244                        |  |

Template CCI: Composition of regulatory capital (continued)

|   |   | In thousands of Hong Kong dollar | Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation |
|---|---|----------------------------------|--|
| 60  | <b>Total risk weighted assets</b>   | 10,276,047                       |  |
| <b>Capital ratios (as a percentage of risk weighted assets)</b>           |   |                                  |  |
| 61  | CET1 capital ratio  | 73.44%                           |  |
| 62  | Tier 1 capital ratio  | 73.44%                           |  |
| 63  | Total capital ratio   | 73.44%                           |  |
| 64  | Institution-specific buffer requirement (capital conservation buffer plus countercyclical capital buffer plus higher loss absorbency requirements)                                  | 7.554%                           |  |
| 65  | <i>of which: capital conservation buffer requirement</i>  | 2.500%                           |  |
| 66  | <i>of which: bank specific countercyclical buffer requirement</i>   | 0.554%                           |  |
| 67  | <i>of which: higher loss absorbency requirement</i>   | 0.000%                           |  |
| 68  | CET1 (as a percentage of RWA) available after meeting minimum capital requirements  | 65.44%                           |  |
| <b>National minima (if different from Basel 3 minimum)</b>                |   |                                  |  |
| 69  | National CET1 minimum ratio   | Not applicable                   | Not applicable   |
| 70  | National Tier 1 minimum ratio   | Not applicable                   | Not applicable   |
| 71  | National Total capital minimum ratio  | Not applicable                   | Not applicable   |
| <b>Amounts below the thresholds for deduction (before risk weighting)</b> |   |                                  |  |
| 72  | Insignificant capital investments in CET1, AT1 and Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation            | -                                |  |
| 73  | Significant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation                              | -                                |  |
| 74  | Mortgage servicing rights (net of related tax liability)  | Not applicable                   | Not applicable   |
| 75  | Deferred tax assets arising from temporary differences (net of related tax liability)   | Not applicable                   | Not applicable   |
| <b>Applicable caps on the inclusion of provisions in Tier 2 capital</b>   |   |                                  |  |
| 76  | Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the BSC approach, or the STC approach and SEC-ERBA, SEC-SA and SEC-FBA (prior to application of cap) | -                                |  |
| 77  | Cap on inclusion of provisions in Tier 2 under the BSC approach, or the STC approach, and SEC-ERBA, SEC-SA and SEC-FBA  | -                                |  |
| 78  | Provisions eligible for inclusion in Tier 2 in respect of exposure  | -                                |  |
| 79  | Cap for inclusion of provisions in Tier 2 under the IRB approach and SEC-IRBA   | -                                |  |
| <b>Capital instruments subject to phase-out arrangements</b>              |   |                                  |  |
| 80  | <i>Current cap on CET1 capital instruments subject to phase-out arrangements</i>  | Not applicable                   | Not applicable   |
| 81  | <i>Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)</i>  | Not applicable                   | Not applicable   |
| 82  | <i>Current cap on AT1 capital instruments subject to phase-out arrangements</i>   | -                                |  |
| 83  | <i>Amount excluded from AT1 capital due to cap (excess over cap after redemptions and maturities)</i>   | -                                |  |
| 84  | <i>Current cap on Tier 2 capital instruments subject to phase-out arrangements</i>  | -                                |  |
| 85  | <i>Amount excluded from Tier 2 capital due to cap (excess over cap after redemptions and maturities)</i>  | -                                |  |

Notes to the Template

| Row No.   | Description   | Hong Kong basis | Basel III basis |
|---|---|-----------------|-----------------|
|   | <b>Deferred tax assets net of deferred tax liabilities</b>  | 21,530          | 21,530          |
| 10  | <p><u>Explanation</u></p> <p>As set out in paragraphs 69 and 87 of the Basel III text issued by the Basel Committee (December 2010), DTAs that rely on future profitability of the bank to be realized are to be deducted, whereas DTAs which relate to temporary differences may be given limited recognition in CET1 capital (and hence be excluded from deduction from CET1 capital up to the specified threshold). In Hong Kong, an AI is required to deduct all DTAs in full, irrespective of their origin, from CET1 capital. Therefore, the amount to be deducted as reported in row 10 may be greater than that required under Basel III.</p> <p>The amount reported under the column "Basel III basis" in this box represents the amount reported in row 10 (i.e. the amount reported under the "Hong Kong basis") adjusted by reducing the amount of DTAs to be deducted which relate to temporary differences to the extent not in excess of the 10% threshold set for DTAs arising from temporary differences and the aggregate 15% threshold set for MSRs, DTAs arising from temporary differences and significant investments in CET1 capital instruments issued by financial sector entities (excluding those that are loans, facilities and other credit exposures to connected companies) under Basel III.</p> |                 |                 |
| Remarks:  |   |                 |                 |
| The amount of the 10% threshold mentioned above is calculated based on the amount of CET1 capital determined in accordance with the deduction methods set out in BCR Schedule 4F. The 15% threshold is referring to paragraph 88 of the Basel III text issued by the Basel Committee (December 2010) and has no effect to the Hong Kong regime. |   |                 |                 |



Template CC2: Reconciliation of regulatory capital to balance sheet

|   | Balance sheet as in published financial statements | Under regulatory scope of consolidation | Cross reference to Definition of Capital Components |
|---|--|---|---|
| In thousands of Hong Kong dollar                              | As at June 30, 2022                                | As at June 30, 2022                     |   |
| <b>Assets</b>   |  |   |   |
| Cash and balances with banks and other financial institutions | 8,496,521  | 8,496,521                               |   |
| Fixed assets  | 596  | 596                                     |   |
| Deferred tax assets   | 21,530   | 21,530                                  | (1)   |
| Other assets  | 19,565   | 19,565                                  |   |
| <b>Total Assets</b>   | <b>8,538,212</b>                                   | <b>8,538,212</b>                        |   |
| <b>Liabilities</b>  |  |   |   |
| Deposits and balances of banks                                | 316,197  | 316,197                                 |   |
| Current taxation  | 93,538   | 93,538                                  |   |
| Other liabilities   | 560,703  | 560,703                                 |   |
| <b>Total Liabilities</b>                                      | <b>970,438</b>                                     | <b>970,438</b>                          |   |
| <b>Shareholders' Equity</b>                                   |  |   |   |
| Share capital   | 187,556  | 187,556                                 | (2)   |
| Reserves  | 7,380,218  | 7,380,218                               |   |
| <i>of which: retained profits</i>                             |  | 7,321,912                               | (3)   |
| <i>capital reserves</i>                                       |  | 58,306                                  | (4)   |
| <b>Total Shareholders' Equity</b>                             | <b>7,567,774</b>                                   | <b>7,567,774</b>                        |   |
| <b>Total Liabilities and Shareholders' Equity</b>             | <b>8,538,212</b>                                   | <b>8,538,212</b>                        |   |

**Table CCA: Main features of the Capital Instruments Issued**

|    |   |                                |                                |                                |
|----|---|--------------------------------|--------------------------------|--------------------------------|
| 1  | Issuer  | Citicorp International Limited | Citicorp International Limited | Citicorp International Limited |
| 2  | Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)                              | NA                             | NA                             | NA                             |
| 3  | Governing law(s) of the instrument  | Hong Kong                      | Hong Kong                      | Hong Kong                      |
|    | <i>Regulatory treatment</i>   |                                |                                |                                |
| 4  | Transitional Basel III rules <sup>#</sup>   | NA                             | NA                             | NA                             |
| 5  | Post-transitional Basel III rules <sup>†</sup>  | Common Equity Tier 1           | Common Equity Tier 1           | Common Equity Tier 1           |
| 6  | Eligible at solo*/group/group & solo  | Solo                           | Solo                           | Solo                           |
| 7  | Instrument type (types to be specified by each jurisdiction)  | Ordinary shares                | Ordinary shares                | Ordinary shares                |
| 8  | Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)               | HKD 2                          | HKD 998                        | HKD 187,555,200                |
| 9  | Par value of instrument   | NA                             | NA                             | NA                             |
| 10 | Accounting classification   | Shareholders' equity           | Shareholders' equity           | Shareholders' equity           |
| 11 | Original date of issuance   | 26 October 1970                | 31 October 1970                | 28 May 2007                    |
| 12 | Perpetual or dated  | Perpetual                      | Perpetual                      | Perpetual                      |
| 13 | Original maturity date  | no maturity                    | no maturity                    | no maturity                    |
| 14 | Issuer call subject to prior supervisory approval   | No                             | No                             | No                             |
| 15 | Optional call date, contingent call dates and redemption amount   | NA                             | NA                             | NA                             |
| 16 | Subsequent call dates, if applicable  | NA                             | NA                             | NA                             |
|    | <i>Coupons / dividends</i>  |                                |                                |                                |
| 17 | Fixed or floating dividend/coupon   | Floating                       | Floating                       | Floating                       |
| 18 | Coupon rate and any related index   | NA                             | NA                             | NA                             |
| 19 | Existence of a dividend stopper   | No                             | No                             | No                             |
| 20 | Fully discretionary, partially discretionary or mandatory   | Fully discretionary            | Fully discretionary            | Fully discretionary            |
| 21 | Existence of step up or other incentive to redeem   | No                             | No                             | No                             |
| 22 | Noncumulative or cumulative   | Noncumulative                  | Noncumulative                  | Noncumulative                  |
| 23 | Convertible or non-convertible  | Non-convertible                | Non-convertible                | Non-convertible                |
| 24 | If convertible, conversion trigger (s)  | NA                             | NA                             | NA                             |
| 25 | If convertible, fully or partially  | NA                             | NA                             | NA                             |
| 26 | If convertible, conversion rate   | NA                             | NA                             | NA                             |
| 27 | If convertible, mandatory or optional conversion  | NA                             | NA                             | NA                             |
| 28 | If convertible, specify instrument type convertible into  | NA                             | NA                             | NA                             |
| 29 | If convertible, specify issuer of instrument it converts into   | NA                             | NA                             | NA                             |
| 30 | Write-down feature  | No                             | No                             | No                             |
| 31 | If write-down, write-down trigger(s)  | NA                             | NA                             | NA                             |
| 32 | If write-down, full or partial  | NA                             | NA                             | NA                             |
| 33 | If write-down, permanent or temporary   | NA                             | NA                             | NA                             |
| 34 | If temporary write-down, description of write-up mechanism  | NA                             | NA                             | NA                             |
| 35 | Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument) | NA                             | NA                             | NA                             |
| 36 | Non-compliant transitioned features   | No                             | No                             | No                             |
| 37 | If yes, specify non-compliant features  | NA                             | NA                             | NA                             |

**Footnote:**

<sup>#</sup> Regulatory treatment of capital instruments subject to transitional arrangements provided for in Schedule 4H of the Banking (Capital) Rules

<sup>†</sup> Regulatory treatment of capital instruments not subject to transitional arrangements provided for in Schedule 4H of the Banking (Capital) Rules

\* Include solo-consolidated

**Template CCyB1: Geographical distribution of credit exposures used in countercyclical capital buffer (“CCyB”)**

The following table provides an overview of the geographical distribution of private sector credit exposures relevant for the calculation of the Company’s CCyB ratio at June 30, 2022.

|  | (a)                                  | (c)  | (d)                        | (e)         |
|--|--------------------------------------|--|----------------------------|-------------|
| Geographical breakdown by Jurisdiction (J) | Applicable JCCyB ratio in effect (%) | RWA used in computation of CCyB ratio (in thousands of Hong Kong dollar) | AI-specific CCyB ratio (%) | CCyB amount |
| 1 Hong Kong SAR                            | 1.000%                               | 8,722  |                            |             |
| 2 Sum                                      |                                      | 8,722  |                            |             |
| 3 Total                                    |                                      | 15,708   | 0.554%                     | 87          |

**Template LR1: Summary comparison of accounting assets against leverage ratio (“LR”) exposure measure**

The following table reconciles the total assets in the published financial statements of the Company to the LR exposure measure.

|          |  | (a)  |
|----------|--|--|
| Item     |  | <b>Value under the LR framework<br/>(in thousands of Hong Kong dollar)</b> |
| 1        | Total consolidated assets as per published financial statements  | 8,538,212  |
| 2        | Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation | -  |
| 2a       | Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference   | -  |
| 3        | Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting standard but excluded from the LR exposure measure                           | -  |
| 3a       | Adjustments for eligible cash pooling transactions   | -  |
| 4        | Adjustments for derivative contracts   | -  |
| 5        | Adjustment for SFTs (i.e. repos and similar secured lending)   | -  |
| 6        | Adjustment for off-balance sheet (“OBS”) items (i.e. conversion to credit equivalent amounts of OBS exposures)   | -  |
| 6a       | Adjustment for prudent valuation adjustments and specific and collective provisions that are allowed to be excluded from exposure measure  | (502)  |
| 7        | Other adjustments  | (21,028)   |
| <b>8</b> | <b>Leverage ratio exposure measure</b>   | <b>8,516,682</b>   |

## Template LR2: Leverage ratio (“LR”)

The following table provides a detailed breakdown of the components of the Company's LR denominator.

|  |  | (a)                              | (b)                  |
|--|--|----------------------------------|----------------------|
|  |  | In thousands of Hong Kong dollar |                      |
|  |  | As at June 30, 2022              | As at March 31, 2022 |
| <b>On-balance sheet exposures</b>                  |  |                                  |                      |
| 1  | On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)  | 8,538,714                        | 7,829,240            |
| 2  | Less: Asset amounts deducted in determining Tier 1 capital   | (21,530)                         | (17,226)             |
| 3  | <b>Total on-balance sheet exposures (excluding derivative contracts and SFTs)</b>  | <b>8,517,184</b>                 | <b>7,812,014</b>     |
| <b>Exposures arising from derivative contracts</b> |  |                                  |                      |
| 4  | Replacement cost associated with all derivative contracts (where applicable net of eligible cash variation margin and/or with bilateral netting)                 | -                                | -                    |
| 5  | Add-on amounts for PFE associated with all derivative contracts  | -                                | -                    |
| 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   | <b>Total exposures arising from derivative contracts</b>   | <b>-</b>                         | <b>-</b>             |
| <b>Exposures arising from SFTs</b>                 |  |                                  |                      |
| 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   | <b>Total exposures arising from SFTs</b>   | <b>-</b>                         | <b>-</b>             |
| <b>Other off-balance sheet exposures</b>           |  |                                  |                      |
| 17   | Off-balance sheet exposure at gross notional amount  | -                                | -                    |
| 18   | Less: Adjustments for conversion to credit equivalent amounts  | -                                | -                    |
| 19   | <b>Off-balance sheet items</b>   | <b>-</b>                         | <b>-</b>             |
| <b>Capital and total exposures</b>                 |  |                                  |                      |
| 20   | Tier 1 capital   | 7,546,244                        | 7,032,142            |
| 20a  | Total exposures before adjustments for specific and collective provisions  | 8,517,184                        | 7,812,014            |
| 20b  | Adjustments for specific and collective provisions   | (502)                            | (502)                |
| 21   | Total exposures after adjustments for specific and collective provisions   | 8,516,682                        | 7,811,512            |
| <b>Leverage ratio</b>                              |  |                                  |                      |
| 22   | <b>Leverage ratio</b>  | <b>88.61%</b>                    | <b>90.02%</b>        |

**Template CR1: Credit quality of exposures**

The following table provides an overview of credit quality of on- and off-balance exposures as at June 30, 2022.

| In thousands of Hong Kong dollar |                             | (a)                       | (b)                     | (c)                      | (d)  | (e)   | (f)  | (g)                |
|----------------------------------|-----------------------------|---------------------------|-------------------------|--------------------------|--|---|--|--------------------|
|                                  |                             | Gross carrying amounts of |                         | Allowances / impairments | Of which ECL accounting provisions for credit losses on STC approach exposures |   | Of which ECL accounting provisions for credit losses on IRB approach exposures | Net values (a+b-c) |
|                                  |                             | Defaulted exposures       | Non-defaulted exposures |                          | Allocated in regulatory category of specific provisions                        | Allocated in regulatory category of collective provisions |  |                    |
| 1                                | Loans                       | -                         | -                       | -                        | -  | -   | -  | -                  |
| 2                                | Debt securities             | -                         | -                       | -                        | -  | -   | -  | -                  |
| 3                                | Off-balance sheet exposures | -                         | -                       | -                        | -  | -   | -  | -                  |
| 4                                | <b>Total</b>                | -                         | -                       | -                        | -  | -   | -  | -                  |

As at reporting date, the Company has no outstanding reportable item in this template.

## Template CR2: Changes in defaulted loans and debt securities

The following table provides information on the changes in defaulted loans and debt securities, including any changes in the amount of defaulted exposures, movements between non-defaulted and defaulted exposures, and reductions in the defaulted exposures due to write-offs as at June 30, 2022 and December 31, 2021 respectively.

| In thousands of Hong Kong dollar |  | (a)    |
|----------------------------------|--|--------|
|                                  |  | Amount |
| 1                                | <b>Defaulted loans and debt securities at end of the previous reporting period</b> | -      |
| 2                                | Loans and debt securities that have defaulted since the last reporting period      | -      |
| 3                                | Returned to non-defaulted status   | -      |
| 4                                | Amounts written off  | -      |
| 5                                | Other changes  | -      |
| 6                                | <b>Defaulted loans and debt securities at end of the current reporting period</b>  | -      |

As at reporting date, the Company has no outstanding reportable item in this template.

**Template CR3: Overview of recognized credit risk mitigation**

The following table presents the extent of credit risk exposures covered by different types of recognized CRM as at June 30, 2022.

| In thousands of Hong Kong dollar |                    | (a)                                  | (b1)                    | (b)  | (d)  | (f)   |
|----------------------------------|--------------------|--------------------------------------|-------------------------|--|--|---|
|                                  |                    | Exposures unsecured: carrying amount | Exposures to be secured | Exposures secured by recognized collateral | Exposures secured by recognized guarantees | Exposures secured by recognized credit derivative contracts |
| 1                                | Loans              | -                                    | -                       | -  | -  | -   |
| 2                                | Debt securities    | -                                    | -                       | -  | -  | -   |
| <b>3</b>                         | <b>Total</b>       | -                                    | -                       | -  | -  | -   |
| 4                                | Of which defaulted | -                                    | -                       | -  | -  | -   |

As at reporting date, the Company has no outstanding reportable item in this template.



**Template CR4: Credit risk exposures and effects of recognized credit risk mitigation – for STC approach**

The following table illustrates the effect of any recognized CRM (including recognized collateral under both comprehensive and simple approaches) on the calculation of capital requirements under the STC approach as at June 30, 2022.

| In thousands of Hong Kong dollar |  | (a)                           | (b)                      | (c)                             | (d)                      | (e)                 | (f)         |
|----------------------------------|--|-------------------------------|--------------------------|---------------------------------|--------------------------|---------------------|-------------|
|                                  |  | Exposures pre-CCF and pre-CRM |                          | Exposures post-CCF and post-CRM |                          | RWA and RWA density |             |
| Exposure classes                 |  | On-balance sheet amount       | Off-balance sheet amount | On-balance sheet amount         | Off-balance sheet amount | RWA                 | RWA density |
| 1                                | Sovereign exposures  | -                             | -                        | -                               | -                        | -                   | 0%          |
| 2                                | PSE exposures  | -                             | -                        | -                               | -                        | -                   | 0%          |
| 2a                               | Of which: domestic PSEs  | -                             | -                        | -                               | -                        | -                   | 0%          |
| 2b                               | Of which: foreign PSEs   | -                             | -                        | -                               | -                        | -                   | 0%          |
| 3                                | Multilateral development bank exposures  | -                             | -                        | -                               | -                        | -                   | 0%          |
| 4                                | Bank exposures   | 8,502,166                     | -                        | 8,502,166                       | -                        | 1,700,541           | 20%         |
| 5                                | Securities firm exposures  | 122                           | -                        | 122                             | -                        | 61                  | 50%         |
| 6                                | Corporate exposures  | 10,853                        | -                        | 10,853                          | -                        | 11,619              | 107%        |
| 7                                | CIS exposures  | 196                           | -                        | 196                             | -                        | 177                 | 90%         |
| 8                                | Cash items   | -                             | -                        | -                               | -                        | -                   | 0%          |
| 9                                | Exposures in respect of failed delivery on transactions entered into on a basis other than a delivery-versus-payment basis | -                             | -                        | -                               | -                        | -                   | 0%          |
| 10                               | Regulatory retail exposures  | -                             | -                        | -                               | -                        | -                   | 0%          |
| 11                               | Residential mortgage loans   | -                             | -                        | -                               | -                        | -                   | 0%          |
| 12                               | Other exposures which are not past due exposures   | 3,849                         | -                        | 3,849                           | -                        | 3,849               | 100%        |
| 13                               | Past due exposures   | -                             | -                        | -                               | -                        | -                   | 0%          |
| 14                               | Significant exposures to commercial entities   | -                             | -                        | -                               | -                        | -                   | 0%          |
| 15                               | <b>Total</b>   | <b>8,517,186</b>              | <b>-</b>                 | <b>8,517,186</b>                | <b>-</b>                 | <b>1,716,247</b>    | <b>20%</b>  |

**Template CR5: Credit risk exposures by asset classes and by risk weights – for STC approach**

The following table presents a breakdown of credit risk exposures under the STC approach by asset classes and by risk weights as at June 30, 2022.

| In thousands of Hong Kong dollar |  | (a)                 | (b) | (c)              | (d) | (e)        | (f) | (g)           | (h)          | (ha) | (i)    | (j)  |
|----------------------------------|--|---------------------|-----|------------------|-----|------------|-----|---------------|--------------|------|--------|--|
| Exposure Class                   | Risk Weight  | 0%                  | 10% | 20%              | 35% | 50%        | 75% | 100%          | 150%         | 250% | Others | Total credit risk exposures amount (post CCF and post CRM) |
|                                  | 1  | Sovereign exposures | -   | -                | -   | -          | -   | -             | -            | -    | -      | -  |
| 2                                | PSE exposures  | -                   | -   | -                | -   | -          | -   | -             | -            | -    | -      | -  |
| 2a                               | Of which: domestic PSEs  | -                   | -   | -                | -   | -          | -   | -             | -            | -    | -      | -  |
| 2b                               | Of which: foreign PSEs   | -                   | -   | -                | -   | -          | -   | -             | -            | -    | -      | -  |
| 3                                | Multilateral development bank exposures  | -                   | -   | -                | -   | -          | -   | -             | -            | -    | -      | -  |
| 4                                | Bank exposures   | -                   | -   | 8,501,985        | -   | 74         | -   | 107           | -            | -    | -      | 8,502,166  |
| 5                                | Securities firm exposures  | -                   | -   | -                | -   | 122        | -   | -             | -            | -    | -      | 122  |
| 6                                | Corporate exposures  | -                   | -   | 65               | -   | 412        | -   | 8,328         | 2,048        | -    | -      | 10,853   |
| 7                                | CIS exposures  | -                   | -   | -                | -   | 39         | -   | 157           | -            | -    | -      | 196  |
| 8                                | Cash items   | -                   | -   | -                | -   | -          | -   | -             | -            | -    | -      | -  |
| 9                                | Exposures in respect of failed delivery on transactions entered into on a basis other than a delivery-versus-payment basis | -                   | -   | -                | -   | -          | -   | -             | -            | -    | -      | -  |
| 10                               | Regulatory retail exposures  | -                   | -   | -                | -   | -          | -   | -             | -            | -    | -      | -  |
| 11                               | Residential mortgage loans   | -                   | -   | -                | -   | -          | -   | -             | -            | -    | -      | -  |
| 12                               | Other exposures which are not past due exposures   | -                   | -   | -                | -   | -          | -   | 3,849         | -            | -    | -      | 3,849  |
| 13                               | Past due exposures   | -                   | -   | -                | -   | -          | -   | -             | -            | -    | -      | -  |
| 14                               | Significant exposures to commercial entities   | -                   | -   | -                | -   | -          | -   | -             | -            | -    | -      | -  |
| 15                               | <b>Total</b>   | -                   | -   | <b>8,502,050</b> | -   | <b>647</b> | -   | <b>12,441</b> | <b>2,048</b> | -    | -      | <b>8,517,186</b>   |