

**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 31 MARCH 2020**

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**1 Key prudential ratios (unaudited)**

		31/03/2020	31/12/2019	30/09/2019	30/06/2019	31/03/2019
	<b>Regulatory capital (amount)</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
1	Common Equity Tier 1 (CET1)	1,584,037	1,560,771	1,548,503	1,567,437	1,550,971
2	Tier 1	1,584,037	1,560,771	1,548,503	1,567,437	1,550,971
3	Total capital	1,633,494	1,609,191	1,634,564	1,608,299	1,595,215
	<b>RWA (amount)</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
4	Total RWA	4,925,539	4,413,402	4,726,797	3,784,450	4,070,520
	<b>Risk-based regulatory capital ratios (as a percentage of RWA)</b>					
5	CET1 ratio (%)	32.16%	35.36%	33.52%	41.42%	38.10%
6	Tier 1 ratio (%)	32.16%	35.36%	33.52%	41.42%	38.10%
7	Total capital ratio (%)	33.16%	36.46%	34.58%	42.50%	39.19%
	<b>Additional CET1 buffer requirements (as a percentage of RWA)</b>					
8	Capital conservation buffer requirement (%)	2.500%	2.500%	2.500%	2.500%	2.500%
9	Countercyclical capital buffer requirement (%) <sup>1</sup>	0.579%	1.136%	1.456%	1.618%	1.596%
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 (%)	3.079%	3.636%	3.956%	4.118%	4.096%
12	CET1 available after meeting the AI's minimum capital requirements (%)	25.16%	28.46%	26.58%	34.50%	31.19%
	<b>Basel III leverage ratio</b>					
13	Total leverage ratio (LR) exposure measure (HK\$'000)	11,021,925	9,659,380	10,079,708	9,710,021	10,573,046
14	LR (%)	14.37%	16.16%	15.72%	16.14%	14.67%

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**1 Key prudential ratios (unaudited) (continued)**

		31/03/2020	31/12/2019	30/09/2019	30/06/2019	31/03/2019
	<b>Liquidity Coverage Ratio (LCR) / Liquidity Maintenance Ratio (LMR)</b>					
	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 (%)	51.20%	48.67%	48.51%	48.30%	49.78%
	<b>Net Stable Funding Ratio (NSFR) / Core Funding Ratio (CFR)</b>					
	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.

<sup>1</sup> The applicable jurisdictional countercyclical capital buffer (CCyB) ratio for Hong Kong used in the calculation of CCyB buffer requirement was 1.0% at 2020 Q1, 2% at 2019 Q4 and 2.5% for 2019 Q1 to 2019 Q3. The reductions were in accordance with the announcements made by the Hong Kong Monetary Authority on 16 March 2020 and 14 October 2019 respectively.

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**2 Overview of RWA (unaudited)**

(HK\$'000)		RWA		Minimum capital requirements
		As at 31 March 2020	As at 31 December 2019	As at 31 March 2020
1	Credit risk for non-securitization exposures	4,371,725	3,853,262	349,738
2	Of which STC approach	4,371,725	3,853,262	349,738
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	18,213	20,320	1,457
7	Of which SA-CCR*	N/A	N/A	N/A
7a	Of which CEM	18,213	20,320	1,457
8	Of which IMM(CCR) approach	-	-	-
9	Of which others	-	-	-
10	CVA risk	4,863	4,450	389
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	43,850	58,713	3,508
21	Of which STM approach	43,850	58,713	3,508
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	486,888	478,763	38,951
24a	Sovereign concentration risk	-	-	-
25	Amounts below the thresholds for deduction (subject to 250% RW)	-	-	-
26	Capital floor adjustment	-	-	-
26a	Deduction to RWA	-	2,106	-
26b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	-	2,106	-
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	<b>Total</b>	<b>4,925,539</b>	<b>4,413,402</b>	<b>394,043</b>

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.

During the first quarter in 2020, total RWAs increased by approximately HK\$512 million, which was mainly due to the increase in RWAs on credit risk for non-securitization exposures attributed by the bank exposures and exposures to individuals.

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**3 Leverage ratio (unaudited)**

		HK\$'000 equivalent	
		As at 31 March 2020	As at 31 December 2019
<b>On-balance sheet exposures</b>			
1	On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	11,037,705	9,678,771
2	Less: Asset amounts deducted in determining Tier 1 capital	(48,873)	(50,441)
3	<b>Total on-balance sheet exposures (excluding derivative contracts and SFTs)</b>	<b>10,988,832</b>	<b>9,628,330</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)	12,201	9,271
5	Add-on amounts for PFE associated with all derivative contracts	22,742	23,135
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	-	-
11	<b>Total exposures arising from derivative contracts</b>	<b>34,943</b>	<b>32,406</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	<b>Tier 1 capital</b>	<b>1,584,037</b>	<b>1,560,771</b>
20a	<b>Total exposures before adjustments for specific and collective provisions</b>	<b>11,023,775</b>	<b>9,660,736</b>
20b	<b>Adjustments for specific and collective provisions</b>	<b>(1,850)</b>	<b>(1,356)</b>
21	<b>Total exposures after adjustments for specific and collective provisions</b>	<b>11,021,925</b>	<b>9,659,380</b>
<b>Leverage ratio</b>			
22	<b>Leverage ratio</b>	<b>14.37%</b>	<b>16.16%</b>

During the first quarter in 2020, the leverage ratio exposure measure increased by HK\$1,363 million, resulting in the decrease in leverage ratio from 16.16% to 14.37%. The increase in exposure measure was mainly attributable by the increase in bank exposures.