



**CHINA CONSTRUCTION BANK (ASIA)  
CORPORATION LIMITED**

**Regulatory Disclosures**

**For the quarter ended**

**31 March 2020**

**(Unaudited)**

# CHINA CONSTRUCTION BANK (ASIA) CORPORATION LIMITED

## Regulatory Disclosures

As at 31 March 2020

(Expressed in thousands of Hong Kong Dollars)

### **KM1: Key Prudential Ratios**

The following table provides an overview of the Bank's Key Prudential ratios which are calculated in accordance with the Banking (Capital) Rules ("BCR") and Banking (Liquidity) Rules ("BLR") issued by HKMA.

		(a)	(b)	(c)	(d)	(e)
		31 Mar 2020	31 Dec 2019	30 Sep 2019	30 Jun 2019	31 Mar 2019
	<b>Regulatory capital (amount)</b>					
1	Common Equity Tier 1 (CET1)	58,460,277	57,152,934	56,496,340	55,430,792	54,758,877
2	Tier 1	74,049,767	68,865,774	64,308,072	63,242,524	62,570,609
3	Total capital	77,478,885	72,003,976	67,275,804	71,952,991	71,126,508
	<b>RWA (amount)</b>					
4	Total RWA	404,456,109	393,410,290	380,713,496	368,331,065	354,070,162
	<b>Risk-based regulatory capital ratios (as a percentage of RWA)</b>					
5	CET1 ratio (%)	14.45%	14.53%	14.84%	15.05%	15.47%
6	Tier 1 ratio (%)	18.31%	17.50%	16.89%	17.17%	17.67%
7	Total capital ratio (%)	19.16%	18.30%	17.67%	19.53%	20.09%
	<b>Additional CET1 buffer requirements (as a percentage of RWA)</b>					
8	Capital conservation buffer requirement (%)	2.50%	2.50%	2.50%	2.50%	2.50%
9	Countercyclical capital buffer requirement (%)	0.81%	1.62%	2.05%	2.05%	2.01%
10	Higher loss absorbency requirements (%) (applicable only to G-SIBs or D-SIBs)	0.00%	0.00%	0.00%	0.00%	0.00%
11	Total AI-specific CET1 buffer requirements (%)	3.31%	4.12%	4.55%	4.55%	4.51%
12	CET1 available after meeting the AI's minimum capital requirements (%)	9.95%	10.03%	9.67%	10.55%	10.97%
	<b>Basel III leverage ratio</b>					
13	Total leverage ratio (LR) exposure measure	538,711,165	513,835,939	499,895,825	504,505,990	487,183,239
14	LR (%)	13.75%	13.40%	12.86%	12.54%	12.84%
	<b>Liquidity Coverage Ratio (LCR) / Liquidity Maintenance Ratio (LMR)</b>					
	Applicable to category 1 institution only:					
15	Total high quality liquid assets (HQLA)	62,644,510	56,545,013	57,051,355	51,223,991	57,458,273
16	Total net cash outflows	41,746,929	25,224,795	24,982,553	22,860,574	19,913,020
17	LCR (%)	150.83%	231.93%	232.36%	228.56%	289.62%
	Applicable to category 2 institution only:					
17a	LMR (%)	N/A	N/A	N/A	N/A	N/A
	<b>Net Stable Funding Ratio (NSFR) / Core Funding Ratio (CFR)</b>					
	Applicable to category 1 institution only:					
18	Total available stable funding	356,343,666	344,929,412	328,853,754	334,802,692	325,064,763
19	Total required stable funding	270,766,415	264,995,159	243,927,277	254,915,939	232,013,984
20	NSFR (%)	131.61%	130.16%	134.82%	131.34%	140.11%
	Applicable to category 2A institution only:					
20a	CFR (%)	N/A	N/A	N/A	N/A	N/A

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### OV1: Overview of RWA

The following table provides an overview of the capital requirements in terms of detailed breakdown of RWAs for credit risk, market risk and operational risk. Minimum capital requirement means the amount of capital required to be held for that risk based on its risk-weighted amount multiplied by 8%.

		(a)	(b)	(c)
		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	362,390,586	350,655,389	28,991,247
2	Of which STC approach	362,390,586	350,655,389	28,991,247
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	1,126,422	1,398,162	90,114
7	Of which SA-CCR	N/A	N/A	N/A
7a	Of which CEM	925,686	1,390,350	74,055
8	Of which IMM(CCR) approach	-	-	-
9	Of which others	200,736	7,812	16,059
10	CVA risk	399,825	551,413	31,986
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	-	-	-
19	Of which SEC-SA	-	-	-
19a	Of which SEC-FBA	-	-	-
20	Market risk	24,152,363	24,684,988	1,932,189
21	Of which STM approach	24,152,363	24,684,988	1,932,189
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	15,111,913	14,845,338	1,208,953
24a	Sovereign concentration risk	-	-	-
25	Amounts below the thresholds for deduction (subject to 250% RW)	1,275,000	1,275,000	102,000
26	Capital floor adjustment	-	-	-
26a	Deduction to RWA	-	-	-
26b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	-	-	-
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>404,456,109</b>	<b>393,410,290</b>	<b>32,356,489</b>

During the quarter ended 31 March 2020, total RWAs increased by HK\$11,046 million was mainly due to increase in RWAs for non-securitization credit exposures.

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## Regulatory Disclosures

As at 31 March 2020

(Expressed in thousands of Hong Kong Dollars)

### LR2: Leverage ratio (“LR”)

		(a)	(b)
		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)	513,215,409	488,061,764
2	Less: Asset amounts deducted in determining Tier 1 capital	(354,046)	(548,379)
3	Total on-balance sheet exposures (excluding derivative contracts and SFTs)	512,861,363	487,513,385
<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)	944,253	1,754,660
5	Add-on amounts for PFE associated with all derivative contracts	1,938,021	2,668,218
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	(105,211)	(76,388)
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	2,777,063	4,346,490
<b>Exposures arising from SFTs</b>			
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	2,187,477	1,116,604
13	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	-	-
14	CCR exposure for SFT assets	401,473	-
15	Agent transaction exposures	-	-
16	Total exposures arising from SFTs	2,588,950	1,116,604
<b>Other off-balance sheet exposures</b>			
17	Off-balance sheet exposure at gross notional amount	94,266,907	92,697,381
18	Less: Adjustments for conversion to credit equivalent amounts	(70,249,822)	(68,847,223)
19	Off-balance sheet items	24,017,085	23,850,158
<b>Capital and total exposures</b>			
20	Tier 1 capital	74,049,767	68,865,774
20a	Total exposures before adjustments for specific and collective provisions	542,244,461	516,826,637
20b	Adjustments for specific and collective provisions	(3,533,296)	(2,990,698)
21	Total exposures after adjustments for specific and collective provisions	538,711,165	513,835,939
<b>Leverage ratio</b>			
22	Leverage ratio	13.75%	13.40%

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### **LIQ1: Liquidity coverage ratio - for category 1 institution**

The average LCR for each quarter is based on the arithmetic mean of its LCR as at the end of each working day for each quarter for the Bank as required by the HKMA for its regulatory purposes. LCR measures the extent of liquid assets covering total net cash outflow due within 30 days arising from on-balance sheet and off-balance sheet exposures including contingent funding obligations.

The average LCR of the Bank was maintained at a healthy level for the quarter ended 31 March 2020.

The Bank's High Quality Liquidity Assets ("HQLA") consists of cash, balances at central banks and high quality marketable securities issued or guaranteed by sovereigns, central banks, mainland policy banks and non-financial corporate debt securities. The Bank's primary sources of funds were retail and corporate customer deposits. The funding base was also supplemented by wholesale funding such as issuance of certificates of deposit, term debts and short-term interbank money market borrowing.

The Bank's customer deposits are mainly denominated in HKD. To meet customers' loan demand, the Bank swaps surplus HKD funding into USD and other foreign currencies. This results in some currency mismatch in the LCR.

The currency mismatch between the HQLA and the net cash outflow in the calculation of LCR is controlled and monitored via individual currency LCR limits. The HQLA mix is further governed by concentration caps and limits in accordance with statutory requirements and internal policy requirements for risk management purposes.

The Bank closely monitors all its exchange traded and over-the-counter derivative exposures arising from customer transactions and their corresponding hedging activities. Collateral may be required to be posted to counterparties depending on the marked-to-market position of the derivative contracts. Nonetheless, such exposures are not material and hence the impact of the relevant cash outflows was minimal to the LCR levels.

The Bank manages its liquidity independently of other members of the CCB Group and has not granted any liquidity facility to any group member. However, CCB Head Office provides strong liquidity support to the Bank which forms an important part of the Bank's funding sources.

The composition of the Bank's HQLA was:

	Weighted amount (average value) at quarter ended March 31, 2020
Level 1 assets	54,938,284
Level 2A assets	609,409
Level 2B assets	7,096,817
<b>Total weighted amount of HQLA</b>	<b>62,644,510</b>

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### LIQ1: Liquidity coverage ratio- for category 1 institution (Continued)

The below template presents the details of LCR, high quality liquid assets (“HQLA”), and a breakdown of cash outflows and inflows.

		Quarter ended 31 March 2020 (74 data points)	
		(a)	(b)
Basis of disclosure: Hong Kong office		Unweighted value (average)	Weighted value (average)
<b>A. HQLA</b>			
1	Total HQLA		<b>62,644,510</b>
<b>B. CASH OUTFLOWS</b>			
2	Retail deposits and small business funding, of which:	<b>234,799,546</b>	<b>16,609,579</b>
3	Stable retail deposits and stable small business funding	3,236,857	97,135
4	Less stable retail deposits and less stable small business funding	98,956,195	9,875,361
4a	Retail term deposits and small business term funding	132,606,494	6,637,083
5	Unsecured wholesale funding (other than small business funding), and debt securities and prescribed instruments issued by the AI, of which:	<b>99,958,909</b>	<b>56,766,641</b>
6	Operational deposits	-	-
7	Unsecured wholesale funding (other than small business funding) not covered in row 6	98,715,059	55,618,168
8	Debt securities and prescribed instruments issued by the AI and redeemable within the LCR period	1,243,850	1,148,473
9	Secured funding transactions (including securities swap transactions)		-
10	Additional requirements, of which:	<b>37,227,760</b>	<b>8,045,616</b>
11	Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements	2,327,916	2,325,276
12	Cash outflows arising from obligations under structured financing transactions and repayment of funding obtained from such transactions	-	-
13	Potential drawdown of undrawn committed facilities (including committed credit facilities and committed liquidity facilities)	34,899,844	5,720,340
14	Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows	2,682,336	2,859,877
15	Other contingent funding obligations (whether contractual or non-contractual)	149,440,429	476,147
16	Total Cash Outflows		<b>84,757,860</b>
<b>C. CASH INFLOWS</b>			
17	Secured lending transactions (including securities swap transactions)	232,936	-
18	Secured and unsecured loans (other than secured lending transactions covered in row 17) and operational deposits placed at other financial institutions	101,051,647	37,507,108
19	Other cash inflows	65,557,651	5,540,764
20	Total Cash Inflows	<b>166,842,234</b>	<b>43,047,872</b>
<b>D. LIQUIDITY COVERAGE RATIO (ADJUSTED VALUE)</b>			
21	Total HQLA		62,644,510
22	Total Net Cash Outflows		41,746,929
23	LCR (%)		150.83%