



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

Regulatory Disclosure Statement

For the six months ended

30 June 2019

(Unaudited)

CHINA CONSTRUCTION BANK (ASIA) CORPORATION LIMITED
Regulatory Disclosures Statement (Unaudited)
As at 30 June 2019

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Introduction

The Information contained in this document is for China Construction Bank (Asia) Corporation Limited (“the Bank”) and its subsidiaries (“the Group”), and is prepared in accordance with the Banking (Disclosure) Rules (“BDR”) and disclosure templates issued by the Hong Kong Monetary Authority (“HKMA”).

These banking disclosures are governed by the Group’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. While the regulatory disclosure statement is not required to be externally audited, the document has been subject to independent review in accordance with the Group’s policies on disclosure and its financial reporting and governance processes.

The numbers in this document are expressed in thousands of Hong Kong Dollars, unless otherwise stated.

Basis of preparation

Except where indicated otherwise, the financial information contained in this Regulatory Disclosure Statement has prepared on a combined basis. The basis of consolidation for regulatory purposes is different from that for accounting purposes. Information regarding subsidiaries that are not included in the consolidation for regulatory purposes is set out in the “Basis of consolidation” section in this document.

The capital adequacy ratios (“CAR”) were compiled in accordance with the Banking (Capital) Rules (“BCR”) issued by the HKMA. In calculating the risk weighted assets, the Group adopted the Standardised (Credit Risk) Approach and the Standardised (Market Risk) Approach for credit risk and market risk respectively. For operational risk, the capital requirement is calculated using the Basic Indicator Approach.

Basis of consolidation

The basis of consolidation for regulatory purposes is different from that for accounting purposes. Subsidiaries included in the consolidation for regulatory purposes are specified in a notice from the HKMA in accordance with Section 3C(1) of the BCR.

The CAR as at 30 June 2019 were computed on a consolidated basis, including the Bank and its subsidiaries, CCB Hong Kong Property Management Company Limited and all of its subsidiaries (“CCBP Group”) and CCB (Asia) Insurance Broker Limited.

The main difference between the consolidation basis for accounting and regulatory purposes is that the former includes the Bank and all its subsidiaries, an associate and a joint venture whereas the latter excludes CCB Securities Limited (“CCBS”), CCB Nominee Limited (“CCBN”) and CCB (Asia) Trustee Company Limited (“CCBT”) which conduct non-banking related business. In accordance with the thresholds as determined in Part 3 of the BCR, the Bank’s shareholdings in CCBS, CCBN and CCBT were included in the total risk weighted assets of the Group.

The following entities are within the Group’s accounting scope of consolidation but are excluded from its regulatory scope of consolidation as at 30 June 2019.

Name of company	Principal activities	Total assets	Total equity
CCB Securities Limited	Securities brokerage business	920,372	616,027
CCB Nominee Limited	Custodian and nominee services	39,780	39,109
CCB (Asia) Trustee Company Limited	Trustee and custodian business	96,035	47,687

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KM1: Key Prudential Ratios

The following table provides an overview of the Bank's key prudential ratios which were calculated in accordance with the Banking (Capital) Rules and Banking (Liquidity) Rules, issued by the HKMA.

		(a)	(b)	(c)	(d)	(e)
		30 Jun 2019	31 Mar 2019	31 Dec 2018	30 Sep 2018	30 Jun 2018
	Regulatory capital (amount)					
1	Common Equity Tier 1 (CET1)	55,430,792	54,758,877	53,465,029	52,227,241	51,147,720
2	Tier 1	63,242,524	62,570,609	61,276,761	60,038,973	58,959,452
3	Total capital	71,952,991	71,126,508	69,796,041	68,946,141	67,652,577
	RWA (amount)					
4	Total RWA	368,331,065	354,070,162	353,506,502	348,069,340	364,363,519
	Risk-based regulatory capital ratios (as a percentage of RWA)					
5	CET1 ratio (%)	15.05%	15.47%	15.12%	15.00%	14.04%
6	Tier 1 ratio (%)	17.17%	17.67%	17.33%	17.25%	16.18%
7	Total capital ratio (%)	19.53%	20.09%	19.74%	19.81%	18.57%
	Additional CET1 buffer requirements (as a percentage of RWA)					
8	Capital conservation buffer requirement (%)	2.50%	2.50%	1.88%	1.88%	1.88%
9	Countercyclical capital buffer requirement (%)	2.05%	2.01%	1.48%	1.45%	1.44%
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 (%)	4.55%	4.51%	3.35%	3.33%	3.32%
12	CET1 available after meeting the AI's minimum capital requirements (%)	10.55%	10.97%	10.62%	10.50%	9.54%
	Basel III leverage ratio					
13	Total leverage ratio (LR) exposure measure	504,505,990	487,183,239	508,292,231	482,973,669	538,023,838
14	LR (%)	12.54%	12.84%	12.06%	12.43%	10.96%
	Liquidity Coverage Ratio (LCR) / Liquidity Maintenance Ratio (LMR)					
	Applicable to category 1 institution only:					
15	Total high quality liquid assets (HQLA)	51,223,991	57,458,273	56,073,903	58,108,720	59,510,325
16	Total net cash outflows	22,860,574	19,913,020	20,764,442	25,649,355	35,487,008
17	LCR (%)	228.56%	289.62%	276.50%	231.83%	168.95%
	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	334,802,692	325,064,763	328,991,557	327,223,092	324,187,296
19	Total required stable funding	254,915,939	232,013,984	235,626,132	239,241,739	253,184,082
20	NSFR (%)	131.34%	140.11%	139.62%	136.78%	128.04%
	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 30 June 2019	As at 31 March 2019	As at 30 June 2019
1	Credit risk for non-securitization exposures	324,825,395	310,950,768	25,986,032
2	Of which STC approach	324,825,395	310,950,768	25,986,032
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	1,526,641	1,621,453	122,131
7	Of which SA-CCR	N/A	N/A	N/A
7a	Of which CEM	1,523,376	1,595,632	121,870
8	Of which IMM(CCR) approach	-	-	-
9	Of which others	3,265	25,821	261
10	CVA risk	615,563	635,063	49,245
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	26,095,163	25,862,700	2,087,613
21	Of which STM approach	26,095,163	25,862,700	2,087,613
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	13,967,275	13,699,150	1,117,382
24a	Sovereign concentration risk	N/A	N/A	N/A
25	Amounts below the thresholds for deduction (subject to 250% RW)	1,301,028	1,301,028	104,082
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	Total	368,331,065	354,070,162	29,466,485

During the quarter ended 30 June 2019, total RWAs increased by HKD14,261 million mainly due to increase in RWA for non-securitization credit exposures.

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CC1: Composition of regulatory capital

The following table sets out the detailed composition of the regulatory capital:

		(a)	(b)
		Amount	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
CET1 capital: instruments and reserves			
1	Directly issued qualifying CET1 capital instruments plus any related share premium	28,827,843	6
2	Retained earnings	25,881,795	8
3	Disclosed reserves	1,754,765	9+10+11+12+13
4	<i>Directly issued capital subject to phase-out arrangements from CET1 (only applicable to non-joint stock companies)</i>	Not applicable	Not applicable
5	Minority interests arising from CET1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in CET1 capital of the consolidation group)	-	
6	CET1 capital before regulatory deductions	56,464,403	
CET1 capital: regulatory deductions			
7	Valuation adjustments	-	
8	Goodwill (net of associated deferred tax liabilities)	-	
9	Other intangible assets (net of associated deferred tax liabilities)	-	
10	Deferred tax assets (net of associated deferred tax liabilities)	329,569	4
11	Cash flow hedge reserve	-	
12	Excess of total EL amount over total eligible provisions under the IRB approach	-	
13	Credit-enhancing interest-only strip, and any gain-on-sale and other increase in the CET1 capital arising from securitization transactions	-	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-	
15	Defined benefit pension fund net assets (net of associated deferred tax liabilities)	-	
16	Investments in own CET1 capital instruments (if not already netted off paid-in capital on reported balance sheet)	-	
17	Reciprocal cross-holdings in CET1 capital instruments	-	
18	Insignificant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	
19	Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	
20	Mortgage servicing rights (net of associated deferred tax liabilities)	Not applicable	Not applicable
21	Deferred tax assets arising from temporary differences (net of associated deferred tax liabilities)	Not applicable	Not applicable
22	Amount exceeding the 15% threshold	Not applicable	Not applicable
23	of which: significant investments in the ordinary share of financial sector entities	Not applicable	Not applicable
24	of which: mortgage servicing rights	Not applicable	Not applicable
25	of which: deferred tax assets arising from temporary differences	Not applicable	Not applicable
26	National specific regulatory adjustments applied to CET1 capital	704,042	
26a	Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)	-	

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CC1: Composition of regulatory capital (Continued)

		(a)	(b)
		Amount	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
26b	Regulatory reserve for general banking risks	704,042	10
26c	Securitization exposures specified in a notice given by the MA	-	
26d	Cumulative losses below depreciated cost arising from the institution's holdings of land and buildings	-	
26e	Capital shortfall of regulated non-bank subsidiaries	-	
26f	Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base)	-	
27	Regulatory deductions applied to CET1 capital due to insufficient AT1 capital and Tier 2 capital to cover deductions	-	
28	Total regulatory deductions to CET1 capital	1,033,611	
29	CET1 capital	55,430,792	
	AT1 capital: instruments		
30	Qualifying AT1 capital instruments plus any related share premium	7,811,732	7
31	of which: classified as equity under applicable accounting standards	7,811,732	
32	of which: classified as liabilities under applicable accounting standards	-	
33	<i>Capital instruments subject to phase-out arrangements from AT1 capital</i>	-	
34	AT1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in AT1 capital of the consolidation group)	-	
35	<i>of which: AT1 capital instruments issued by subsidiaries subject to phase-out arrangements</i>	-	
36	AT1 capital before regulatory deductions	7,811,732	
	AT1 capital: regulatory deductions		
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	Total regulatory deductions to AT1 capital	-	
44	AT1 capital	7,811,732	
45	Tier 1 capital (T1 = CET1 + AT1)	63,242,524	
	Tier 2 capital: instruments and provisions		
46	Qualifying Tier 2 capital instruments plus any related share premium	5,830,005	5
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>	-	

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CC1: Composition of regulatory capital (Continued)

		(a)	(b)
		Amount	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
50	Collective provisions and regulatory reserve for general banking risks eligible for inclusion in Tier 2 capital	2,880,462	1+10
51	Tier 2 capital before regulatory deductions	8,710,467	
	Tier 2 capital: regulatory deductions		
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 (net of eligible short positions)	-	
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	-	[(3) + (4)] X 45%
57	Total regulatory adjustments to Tier 2 capital	-	
58	Tier 2 capital (T2)	8,710,467	
59	Total regulatory capital (TC = T1 + T2)	71,952,991	
60	Total RWA	368,311,065	
	Capital ratios (as a percentage of RWA)		
61	CET1 capital ratio	15.05%	
62	Tier 1 capital ratio	17.17%	
63	Total capital ratio	19.53%	
64	Institution-specific buffer requirement (capital conservation buffer plus countercyclical capital buffer plus higher loss absorbency requirements)	4.55%	
65	of which: capital conservation buffer requirement	2.50%	
66	of which: bank specific countercyclical capital buffer requirement	2.05%	
67	of which: higher loss absorbency requirement	0.00%	
68	CET1 (as a percentage of RWA) available after meeting minimum capital requirements	10.55%	

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CC1: Composition of regulatory capital (Continued)

		(a)	(b)
		Amount	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
	National minima (if different from Basel 3 minimum)		
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
	Amounts below the thresholds for deduction (before risk weighting)		
72	Insignificant LAC investments in CET1, AT1 and Tier 2 capital instruments issued by, and non-capital LAC liabilities of, financial sector entities that are outside the scope of regulatory consolidation	520,411	2+3
73	Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	-	
74	Mortgage servicing rights (net of associated deferred tax liabilities)	Not applicable	Not applicable
75	Deferred tax assets arising from temporary differences (net of associated deferred tax liabilities)	Not applicable	Not applicable
	Applicable caps on the inclusion of provisions in Tier 2 capital		
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)	2,880,462	1+10
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	4,095,663	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the IRB approach and SEC-IRBA (prior to application of cap)	-	
79	Cap for inclusion of provisions in Tier 2 under the IRB approach and SEC-IRBA	-	
	Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)		
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>	-	

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CC1: Composition of regulatory capital (Continued)

Notes to the Template

	Description	Hong Kong basis	Basel III basis
9	Other intangible assets (net of associated deferred tax liabilities)	-	-
	<u>Explanation</u> As set out in paragraph 87 of the Basel III text issued by the Basel Committee (December 2010), mortgage servicing rights ("MSRs") 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 follow the accounting treatment of including MSRs as part of intangible assets reported in the AI's financial statements and to deduct MSRs in full from CET1 capital. Therefore, the amount to be deducted as reported in row 9 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 9 (i.e. the amount reported under the "Hong Kong basis") adjusted by reducing the amount of MSRs to be deducted to the extent not in excess of the 10% threshold set for MSRs 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 or other credit exposures to connected companies) under Basel III.		
10	Deferred tax assets (net of associated deferred tax liabilities)	329,569	-
	<u>Explanation</u> As set out in paragraphs 69 and 87 of the Basel III text issued by the Basel Committee (December 2010), DTAs 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. 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 or other credit exposures to connected companies) under Basel III.		
18	Insignificant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	-
	<u>Explanation</u> For the purpose of determining the total amount of insignificant LAC investments in CET1 capital instruments issued by financial sector entities, an AI is required to aggregate any amount of loans, facilities or other credit exposures provided by it to any of its connected companies, where the connected company is a financial sector entity, as if such loans, facilities or other credit exposures were direct holdings, indirect holdings or synthetic holdings of the AI in the capital instruments of the financial sector entity, except where the AI demonstrates to the satisfaction of the MA that any such loan was made, any such facility was granted, or any such other credit exposure was incurred, in the ordinary course of the AI's business. Therefore, the amount to be deducted as reported in row 18 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 18 (i.e. the amount reported under the "Hong Kong basis") adjusted by excluding the aggregate amount of loans, facilities or other credit exposures to the AI's connected companies which were subject to deduction under the Hong Kong approach.		

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CC1: Composition of regulatory capital (Continued)

Notes to the Template (Continued)

	Description	Hong Kong basis	Basel III basis
19	Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	-
	<u>Explanation</u> For the purpose of determining the total amount of significant LAC investments in CET1 capital instruments issued by financial sector entities, an AI is required to aggregate any amount of loans, facilities or other credit exposures provided by it to any of its connected companies, where the connected company is a financial sector entity, as if such loans, facilities or other credit exposures were direct holdings, indirect holdings or synthetic holdings of the AI in the capital instruments of the financial sector entity, except where the AI demonstrates to the satisfaction of the MA that any such loan was made, any such facility was granted, or any such other credit exposure was incurred, in the ordinary course of the AI's business. Therefore, the amount to be deducted as reported in row 19 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 19 (i.e. the amount reported under the "Hong Kong basis") adjusted by excluding the aggregate amount of loans, facilities or other credit exposures to the AI's connected companies which were subject to deduction under the Hong Kong approach.		
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)	-	-
	<u>Explanation</u> The effect of treating loans, facilities or other credit exposures to connected companies which are financial sector entities as CET1 capital instruments for the purpose of considering deductions to be made in calculating the capital base (see note re row 18 to the template above) will mean the headroom within the threshold available for the exemption from capital deduction of other insignificant LAC investments in AT1 capital instruments may be smaller. Therefore, the amount to be deducted as reported in row 39 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 39 (i.e. the amount reported under the "Hong Kong basis") adjusted by excluding the aggregate amount of loans, facilities or other credit exposures to the AI's connected companies which were subject to deduction under the Hong Kong approach.		
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)	-	-
	<u>Explanation</u> The effect of treating loans, facilities or other credit exposures to connected companies which are financial sector entities as CET1 capital instruments for the purpose of considering deductions to be made in calculating the capital base (see note re row 18 to the template above) will mean the headroom within the threshold available for the exemption from capital deduction of other insignificant LAC investments in Tier 2 capital instruments and noncapital LAC liabilities may be smaller. Therefore, the amount to be deducted as reported in row 54 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 54 (i.e. the amount reported under the "Hong Kong basis") adjusted by excluding the aggregate amount of loans, facilities or other credit exposures to the AI's connected companies which were subject to deduction under the Hong Kong approach.		
Remarks: The amount of the 10% threshold and 5% 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.			

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CC2: Reconciliation of regulatory capital to balance sheet

The table below identifies the differences between the scope of accounting consolidation and the scope of regulatory consolidation, and to show the link between the balance sheet in its published financial statements and the numbers that are used in the composition of regulatory capital disclosure template set out in Template CC1.

	(a) Balance sheet as in published financial statements	(b) Under regulatory scope of consolidation	(c) Reference
ASSETS			
Cash and balances with bank and central banks	49,070,766	49,070,766	
Gross cash and balances with banks and central banks	49,071,547	49,071,547	
Collective provision	(781)	(781)	1
Placements with banks	36,789,053	36,789,053	
Gross placement with banks	36,793,580	36,793,580	
Collective provision	(4,527)	(4,527)	1
Advances to banks	1,921,965	1,921,965	
Financial assets held under resale agreements	1,562,203	1,562,203	
Gross financial assets held under resale agreements	1,562,545	1,562,545	
Collective provision	(342)	(342)	1
Financial assets measured at fair value through profit or loss	4,545,197	4,264,164	
Advances to customers and trade bills	266,842,056	266,842,056	
Gross advances to customers and trade bills	268,928,026	268,928,026	
Collective provision	(1,867,165)	(1,867,165)	1
Specific provision	(218,805)	(218,805)	
Financial assets measured at fair value through other comprehensive income	82,098,235	82,098,235	
Financial assets measured at amortized costs	19,313,851	19,313,851	
Gross financial assets at measured amortized costs	19,346,096	19,346,096	
Collective provision	(32,245)	(32,245)	1
Derivative financial instruments	1,890,971	1,890,971	
Investment in subsidiaries	-	516,000	
Financial sector entities	-	510,000	2
Commercial entities	-	6,000	
Interest in a joint venture	1,885,533	1,885,533	
Interest in an associate	45,673	10,411	3
Deferred tax assets	329,569	329,569	4
Fixed assets	2,621,647	2,618,653	
Right-of-use assets	2,256,776	2,256,776	
Other assets	8,293,410	8,438,566	
Gross other assets	8,299,943	8,445,099	
Collective provision	(6,370)	(6,370)	1
Specific provision	(163)	(163)	
TOTAL ASSETS	479,466,905	479,808,772	

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CC2: Reconciliation of regulatory capital to balance sheet (Continued)

	(a) Balance sheet as in published financial statements	(b) Under regulatory scope of consolidation	(c) Reference
LIABILITIES			
Deposits and balances of banks	24,557,900	24,557,900	
Deposits from customers	361,066,856	361,506,793	
Financial liabilities designated at fair value through profit or loss	246,296	246,296	
Other debt securities issued	12,081,530	12,081,530	
Derivative financial instruments	1,122,972	1,122,972	
Lease Liabilities	1,801,342	1,801,342	
Current tax payable	636,712	634,326	
Deferred tax liabilities	21,508	21,508	
Other liabilities	7,602,966	7,729,965	
Other liabilities	7,337,976	7,464,975	
Collective provision	264,990	264,990	1
Subordinated debt	5,830,005	5,830,005	5
TOTAL LIABILITIES	414,968,087	415,532,637	
EQUITY			
Share capital	28,827,843	28,827,843	6
Other equity instruments	7,811,732	7,811,732	7
Reserves	27,859,243	27,636,560	
Retained earnings		25,881,795	8
General reserve		750,956	9
Regulatory reserve		704,042	10
Other capital reserve		15,913	11
Securities revaluation reserve		221,592	12
Merger reserve		62,262	13
TOTAL EQUITY	64,498,818	64,276,135	
TOTAL EQUITY & LIABILITIES	479,466,905	479,808,772	

Notes:

Collective provisions are equivalent to the amount of expected credit loss ("ECL") provided under *Stage 1: 12 month ECL* and *Stage 2: Lifetime ECL but not credit impaired* for financial accounting purposes.

Specific provisions are equivalent to the amount of ECL provided under *Stage 3: lifetime ECL and credit impaired* for financial accounting purposes.

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CCA: Main features of regulatory capital instruments

		CET1 capital HKD ordinary shares	CET1 capital RMB ordinary shares	Tier 2 Subordinated debts	AT1 Perpetual capital instruments
1	Issuer	China Construction Bank (Asia) Corporation Limited	China Construction Bank (Asia) Corporation Limited	China Construction Bank (Asia) Corporation Limited	China Construction Bank (Asia) Corporation Limited
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	Not applicable	Not applicable	XS1100009874	XS1743529767
3	Governing law(s) of the instrument	Hong Kong	Hong Kong	Hong Kong	Hong Kong
	<i>Regulatory treatment</i>				
4	Transitional Basel III rules [#]	Common Equity Tier 1	Common Equity Tier 1	Tier 2	Additional Tier 1
5	Post-transitional Basel III rules ⁺	Common Equity Tier 1	Common Equity Tier 1	Tier 2	Additional Tier 1
6	Eligible at solo*/group/group & solo	Solo and Group	Solo and Group	Solo and Group	Solo and Group
7	Instrument type (types to be specified by each jurisdiction)	Ordinary shares	Ordinary shares	Tier 2 notes	Additional Tier 1 capital instruments
8	Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)	HKD6,511 million	HKD22,317 million	HKD 5,830 million	HKD7,812 million
9	Par value of instrument	HKD40 each	RMB40 each	USD750 million	USD1 billion
10	Accounting classification	Shareholders' equity	Shareholders' equity	Liability - fair value option	Shareholders' equity
11	Original date of issuance	Since incorporation	15-Aug-2013	20-Aug-2014	29-Dec-2017
12	Perpetual or dated	Perpetual	Perpetual	Dated	Perpetual
13	Original maturity date	No maturity	No maturity	20-Aug-2024	No maturity
14	Issuer call subject to prior supervisory approval	Not applicable	Not applicable	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	Not applicable	Not applicable	20-Aug-2019. Redemption in whole at 100% with accrued interest	29-Dec-2022. Redemption in whole at 100%
16	Subsequent call dates, if applicable	Not applicable	Not applicable	Not applicable	Any distribution payment date thereafter
	<i>Coupons / dividends</i>				
17	Fixed or floating dividend/coupon	Not applicable	Not applicable	Fixed	Fixed
18	Coupon rate and any related index	Not applicable	Not applicable	4.25% p.a.	Year 1-5: 4.70% per annum payable semiannually in arrear; Year 5 onwards: resettable on year 5 and every 5 years thereafter at then prevailing 5-year US Treasury yield plus a fixed initial spread
19	Existence of a dividend stopper	Not applicable	Not applicable	No	Yes
20	Fully discretionary, partially discretionary or mandatory	Not applicable	Not applicable	Mandatory	Fully discretionary
21	Existence of step up or other incentive to redeem	Not applicable	Not applicable	No	No
22	Noncumulative or cumulative	Not applicable	Not applicable	Not applicable	Noncumulative

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CCA: Main features of regulatory capital instruments (Continued)

		CET1 capital HKD ordinary shares	CET1 capital RMB ordinary shares	Tier 2 Subordinated debts	AT1 Perpetual capital instruments
23	Convertible or non-convertible	Not applicable	Not applicable	Non-convertible	Non-convertible
24	If convertible, conversion trigger (s)	Not applicable	Not applicable	Not applicable	Not applicable
25	If convertible, fully or partially	Not applicable	Not applicable	Not applicable	Not applicable
26	If convertible, conversion rate	Not applicable	Not applicable	Not applicable	Not applicable
27	If convertible, mandatory or optional conversion	Not applicable	Not applicable	Not applicable	Not applicable
28	If convertible, specify instrument type convertible into	Not applicable	Not applicable	Not applicable	Not applicable
29	If convertible, specify issuer of instrument it converts into	Not applicable	Not applicable	Not applicable	Not applicable
30	Write-down feature	Not applicable	Not applicable	Yes	Yes
31	If write-down, write-down trigger(s)	Not applicable	Not applicable	Upon the occurrence of a Non-Viability Event	Upon the occurrence of a Non-Viability Event
32	If write-down, full or partial	Not applicable	Not applicable	Partially	Full
33	If write-down, permanent or temporary	Not applicable	Not applicable	Permanent	Permanent
34	If temporary write-down, description of write-up mechanism	Not applicable	Not applicable	Not applicable	Not applicable
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Not applicable	Not applicable	Immediately subordinated to unsecured senior notes / indebtedness	Subordinated to depositors, general creditors and other subordinated creditor, but senior to holders of ordinary shares.
36	Non-compliant transitioned features	Not applicable	Not applicable	Not applicable	Not applicable
37	If yes, specify non-compliant features	Not applicable	Not applicable	Not applicable	Not applicable

Footnote:

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

+ Regulatory treatment of capital instruments not subject to transitional arrangements provided for in Schedule 4H of the Banking (Capital) Rules

* Include solo-consolidated

Information relating to the disclosure of the full terms and conditions of the capital instruments issued can be viewed on the website:

http://www.asia.ccb.com/hongkong/aboutus/financial_results/regulatory_disclosures.html

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CCyB1: Geographical distribution of credit exposures used in countercyclical capital buffer

The CCyB is calculated as the weighted average of the applicable CCyB ratios in effect in the jurisdictions in which banks have private sector credit exposures. The Group's CCyB ratio as at 30 June 2019 was 2.05% as the majority of its private sector credit exposures are attributed to Hong Kong whose applicable JCCyB has been updated to 2.50% effective 1 January 2019.

The table below provides an overview of the geographical distribution of private sector credit exposures relevant for the calculation of the Group's CCyB ratio:

		(a)	(c)	(d)	(e)
	Geographical breakdown by Jurisdiction (J)	Applicable JCCyB ratio in effect (%)	RWA used in computation of CCyB ratio	AI-specific CCyB ratio (%)	CCyB amount
1	Hong Kong SAR	2.50	212,720,178		
2	United Kingdom	1.00	423,492		
3	Sum		213,143,670		
4	Total		259,989,514	2.05	7,540,096

Notes:

1. The geographical allocation of private sector credit exposure is determined with reference to the principle set out in the HKMA Return of International Banking Statistics, on the "Ultimate Risk" basis.

2. There is a change in the methodology of calculating the CCyB amount following the implementation of the Banking (Disclosure) (Amendment) Rules 2018 where the disclosure template has been updated. At 30 June 2018, the CCyB amount represents the Group's total RWA multiplied by the Group specific CCyB ratio. Prior to 30 June 2018, the CCyB amount was the Group's total RWA relating to private sector credit exposures multiplied by the Group specific CCyB ratio. The change is presentational only and has no impact on the Group's capital requirements.

3. Effective 1 January 2019, the applicable JCCyB ratio in effect in Hong Kong increased from 1.875% to 2.5%. The private sector credit exposures increased comparing with 31 December 2018, mainly driven by the increase in advances to customers.

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LR1: Summary comparison of accounting assets against leverage ratio exposure measure

Below shows the reconciliation from the total assets in the published financial statements to the LR exposure measure.

	Item	Value under the LR framework
1	Total consolidated assets as per published financial statements	479,466,905
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	480,738
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting standard but excluded from the LR exposure measure	-
4	Adjustments for derivative contracts	2,754,817
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)	23,278,289
6a	Adjustment for specific and collective provisions that are allowed to be excluded from exposure measure	(264,990)
7	Other adjustments	(1,209,769)
8	Leverage ratio exposure measure	504,505,990

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LR2: Leverage ratio

		(a)	(b)
		As at 30 June 2019	As at 31 March 2019
On-balance sheet exposures			
1	On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	477,513,326	456,122,750
2	Less: Asset amounts deducted in determining Tier 1 capital	(329,569)	(288,758)
3	Total on-balance sheet exposures (excluding derivative contracts and SFTs)	477,183,757	455,833,992
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)	2,119,157	2,197,585
5	Add-on amounts for PFE associated with all derivative contracts	2,657,350	2,782,285
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	(266,314)	(130,938)
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	4,510,193	4,848,932
Exposures arising from SFTs			
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	1,929,140	3,024,676
13	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	-	-
14	CCR exposure for SFT assets	-	129,104
15	Agent transaction exposures	-	-
16	Total exposures arising from SFTs	1,929,140	3,153,780
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	90,519,732	97,429,545
18	Less: Adjustments for conversion to credit equivalent amounts	(67,241,443)	(71,889,333)
19	Off-balance sheet items	23,278,289	25,540,212
Capital and total exposures			
20	Tier 1 capital	63,242,524	62,570,609
20a	Total exposures before adjustments for specific and collective provisions	506,901,379	489,376,916
20b	Adjustments for specific and collective provisions	(2,395,389)	(2,193,677)
21	Total exposures after adjustments for specific and collective provisions	504,505,990	487,183,239
Leverage ratio			
22	Leverage ratio	12.54%	12.84%

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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.

The average LCR of the Bank was maintained at a stable level in the first half of 2019.

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 <hr/> 30 June 2019
Level 1 assets	44,904,848
Level 2A assets	1,121,978
Level 2B assets	5,197,165
Total weighted amount of HQLA	<hr/>51,223,991

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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.

Number of data points used in calculating the average value of the LCR and related components set out in this template: 71		For the quarter ended 30 June 2019	
		HKD equivalent	
		(a)	(b)
Basis of disclosure: Hong Kong office		Unweighted value (average)	Weighted value (average)
A. HQLA			
1	Total HQLA		51,223,991
B. CASH OUTFLOWS			
2	Retail deposits and small business funding, of which:	227,009,835	15,342,994
3	Stable retail deposits and stable small business funding	3,546,173	106,385
4	Less stable retail deposits and less stable small business funding	81,268,517	8,126,852
4a	Retail term deposits and small business term funding	142,195,145	7,109,757
5	Unsecured wholesale funding (other than small business funding), and debt securities and prescribed instruments issued by the AI, of which:	94,025,167	58,254,769
6	Operational deposits	-	-
7	Unsecured wholesale funding (other than small business funding) not covered in row 6	91,659,444	55,889,046
8	Debt securities and prescribed instruments issued by the AI and redeemable within the LCR period	2,365,723	2,365,723
9	Secured funding transactions (including securities swap transactions)		-
10	Additional requirements, of which:	34,893,730	7,969,763
11	Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements	2,483,395	2,483,395
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)	32,410,335	5,486,368
14	Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows	4,752,454	4,752,454
15	Other contingent funding obligations (whether contractual or non-contractual)	144,449,737	775,796
16	Total Cash Outflows		87,095,776
C. CASH INFLOWS			
17	Secured lending transactions (including securities swap transactions)	1,335,631	-
18	Secured and unsecured loans (other than secured lending transactions covered in row 17) and operational deposits placed at other financial institutions	110,485,007	62,231,596
19	Other cash inflows	74,397,550	6,546,297
20	Total Cash Inflows	186,218,188	68,777,893
D. LIQUIDITY COVERAGE RATIO (ADJUSTED VALUE)			
21	Total HQLA		51,223,991
22	Total Net Cash Outflows		22,860,574
23	LCR (%)		228.56

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LIQ2: Net stable funding ratio – for category 1 institution

For the quarter ended 30 June 2019:

		(a)	(b)	(c)	(d)	(e)
Basis of disclosure: Hong Kong office		Unweighted value by residual maturity				Weighted amount
		No specified term to maturity	<6 months or repayable on demand	6 months to < 12 months	12 months or more	
A. Available stable funding (“ASF”) item						
1	Capital:	66,309,076	-	-	5,830,005	72,139,081
2	<i>Regulatory capital</i>	66,309,076	-	-	5,830,005	72,139,081
2a	<i>Minority interests not covered by row 2</i>	-	-	-	-	-
3	<i>Other capital instruments</i>	-	-	-	-	-
4	Retail deposits and small business funding:	-	208,477,509	20,952,700	-	206,661,314
5	<i>Stable deposits</i>		3,482,518	-	-	3,308,392
6	<i>Less stable deposits</i>		204,994,991	20,952,700	-	203,352,922
7	Wholesale funding:	-	149,323,547	7,487,317	1,528,037	51,953,018
8	<i>Operational deposits</i>		-	-	-	-
9	<i>Other wholesale funding</i>	-	149,323,547	7,487,317	1,528,037	51,953,018
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	Other liabilities:	-	11,699,995	4,465,729	1,816,414	4,049,279
12	<i>Net derivative liabilities</i>	-				
13	<i>All other funding and liabilities not included in the above categories</i>	-	11,699,995	4,465,729	1,816,414	4,049,279
14	Total ASF					334,802,692
B. Required stable funding (“RSF”) item						
15	Total HQLA for NSFR purposes				64,320,344	7,095,649
16	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17	Performing loans and securities:	4,280,040	186,430,106	32,793,135	177,064,429	238,381,517
18	<i>Performing loans to financial institutions secured by Level 1 HQLA</i>	-	1,564,009	-	-	156,401
19	<i>Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions</i>	-	72,929,819	3,453,386	28,396,565	41,062,731
20	<i>Performing loans, other than performing residential mortgage, to non-financial corporate clients, retail and small business customers, sovereigns, the Monetary Authority for the account of the Exchange Fund, central banks and PSEs, of which:</i>	4,280,040	99,678,845	24,560,889	106,799,758	156,537,695
21	<i>With a risk-weight of less than or equal to 35% under the STC approach</i>	-	-	-	-	-
22	<i>Performing residential mortgages, of which:</i>	-	554,779	525,398	17,406,733	11,854,465

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LIQ2: Net stable funding ratio – for category 1 institution (Continued)

For the quarter ended 30 June 2019 (Continued):

		(a)	(b)	(c)	(d)	(e)
Basis of disclosure: Hong Kong office		Unweighted value by residual maturity				Weighted amount
		No specified term to maturity	<6 months or repayable on demand	6 months to < 12 months	12 months or more	
23	<i>With a risk-weight of less than or equal to 35% under the STC approach</i>	-	554,779	525,398	17,406,733	11,854,465
24	<i>Securities that are not in default and do not qualify as HQLA, including exchange-traded equities</i>	-	11,702,654	4,253,462	24,461,373	28,770,225
25	Assets with matching interdependent liabilities	-	-	-	-	-
26	Other assets:	7,666,939	6,520,763	8,223	-	7,960,163
27	<i>Physical traded commodities, including gold</i>	-				-
28	<i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i>	114,253				97,115
29	<i>Net derivative assets</i>	1,005,515				1,005,515
30	<i>Total derivative liabilities before deduction of variation margin posted</i>	1,193,654				N/A*
31	<i>All other assets not included in the above categories</i>	5,353,517	6,520,763	8,223	-	6,857,533
32	Off-balance sheet items				179,097,193	1,478,610
33	Total RSF					254,915,939
34	Net Stable Funding Ratio (%)					131.34%

*The local implementation of add-on RSF charge on derivative liabilities under the NSFR has been deferred.

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LIQ2: Net stable funding ratio – for category 1 institution (Continued)

For the quarter ended 31 March 2019:

		(a)	(b)	(c)	(d)	(e)
Basis of disclosure: Hong Kong office		Unweighted value by residual maturity				Weighted amount
		No specified term to maturity	<6 months or repayable on demand	6 months to < 12 months	12 months or more	
A. Available stable funding (“ASF”) item						
1	Capital:	65,434,412	-	-	5,856,291	71,290,703
2	<i>Regulatory capital</i>	65,434,412	-	-	5,856,291	71,290,703
2a	<i>Minority interests not covered by row 2</i>	-	-	-	-	-
3	<i>Other capital instruments</i>	-	-	-	-	-
4	Retail deposits and small business funding:	-	202,566,892	22,296,757	-	202,564,505
5	<i>Stable deposits</i>	-	3,744,427	-	-	3,557,206
6	<i>Less stable deposits</i>	-	198,822,465	22,296,757	-	199,007,300
7	Wholesale funding:	-	131,599,537	5,017,420	1,535,156	46,555,347
8	<i>Operational deposits</i>	-	-	-	-	-
9	<i>Other wholesale funding</i>	-	131,599,537	5,017,420	1,535,156	46,555,347
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	Other liabilities:	-	14,317,972	5,579,627	1,864,394	4,654,208
12	<i>Net derivative liabilities</i>	-	-	-	-	-
13	<i>All other funding and liabilities not included in the above categories</i>	-	14,317,972	5,579,627	1,864,394	4,654,208
14	Total ASF					325,064,763
B. Required stable funding (“RSF”) item						
15	Total HQLA for NSFR purposes				66,054,593	7,794,444
16	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17	Performing loans and securities:	4,275,502	186,318,601	21,807,819	166,800,254	214,222,756
18	<i>Performing loans to financial institutions secured by Level 1 HQLA</i>	-	1,511,672	-	-	151,167
19	<i>Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions</i>	-	92,494,638	3,602,669	9,270,494	24,946,024
20	<i>Performing loans, other than performing residential mortgage, to non-financial corporate clients, retail and small business customers, sovereigns, the Monetary Authority for the account of the Exchange Fund, central banks and PSEs, of which:</i>	4,275,502	80,087,114	14,480,882	112,957,670	146,932,194
21	<i>With a risk-weight of less than or equal to 35% under the STC approach</i>	-	-	-	-	-
22	<i>Performing residential mortgages, of which:</i>	-	1,576,779	542,769	18,338,139	12,979,564

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LIQ2: Net stable funding ratio – for category 1 institution (Continued)

For the quarter ended 31 March 2019 (Continued):

		(a)	(b)	(c)	(d)	(e)
Basis of disclosure: Hong Kong office		Unweighted value by residual maturity				Weighted amount
		No specified term to maturity	<6 months or repayable on demand	6 months to < 12 months	12 months or more	
23	<i>With a risk-weight of less than or equal to 35% under the STC approach</i>	-	1,576,779	542,769	18,338,139	12,979,564
24	<i>Securities that are not in default and do not qualify as HQLA, including exchange-traded equities</i>	-	10,648,398	3,181,499	26,233,951	29,213,807
25	Assets with matching interdependent liabilities	-	-	-	-	-
26	Other assets:	8,043,325	6,343,635	19,030	-	8,449,921
27	<i>Physical traded commodities, including gold</i>	-				-
28	<i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i>	109,887				93,404
29	<i>Net derivative assets</i>	520,958				502,958
30	<i>Total derivative liabilities before deduction of variation margin posted</i>	1,961,004				N/A*
31	<i>All other assets not included in the above categories</i>	5,451,476	3,343,635	19,030	-	7,835,559
32	Off-balance sheet items				178,293,945	1,546,863
33	Total RSF					232,013,984
34	Net Stable Funding Ratio (%)					140.11%

*The local implementation of add-on RSF charge on derivative liabilities under the NSFR has been deferred.

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CR1: Credit quality of exposures

The table below provides an overview of the credit quality of on- and off-balance sheet exposures as at 30 June 2019:

		(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	275,258	367,751,342	(2,098,153)	218,968	1,879,185	-	365,928,447
2	Debt securities	-	101,926,958	(32,245)	-	32,245	-	101,894,713
3	Off-balance sheet exposures	-	37,950,252	(264,990)	-	264,990	-	37,685,262
4	Total	275,258	507,628,552	(2,395,388)	218,968	2,176,420	-	505,508,422

CR2: Changes in defaulted loans and debt securities

The table below 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 30 June 2019 and 31 December 2018 respectively:

		(a)
		Amount
1	Defaulted loans and debt securities at end of the previous reporting period	381,910
2	Loans and debt securities that have defaulted since the last reporting period	74,263
3	Returned to non-defaulted status	(169,581)
4	Amounts written off	(11,334)
5	Other changes	-
6	Defaulted loans and debt securities at end of the current reporting period	275,258

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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 30 June 2019:

		(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	323,369,228	42,559,219	1,604,055	40,955,164	-
2	Debt securities	99,042,828	2,851,885	-	2,851,885	-
3	Total	422,412,056	45,411,104	1,604,055	43,807,049	-
4	Of which defaulted	32,134	90,567	89,003	1,564	-

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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 credit risk capital requirements under STC approach as at 30 June 2019:

	Exposure classes	(a)	(b)	(c)	(d)	(e)	(f)
		Exposures pre-CCF and pre-CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Sovereign exposures	42,699,479	-	42,888,028	-	1,892,436	4%
2	PSE exposures	127,246	1,000,000	232,185	501,782	146,794	20%
2a	Of which: domestic PSEs	127,246	1,000,000	232,185	501,782	146,794	20%
2b	Of which: foreign PSEs	-	-	-	-	-	0%
3	Multilateral development bank exposures	-	-	-	-	-	0%
4	Bank exposures	122,470,104	104,546	155,989,266	117,633	64,262,205	41%
5	Securities firm exposures	651,776	-	1,672,406	-	836,203	50%
6	Corporate exposures	256,571,995	38,087,792	221,202,402	17,286,002	220,454,618	92%
7	CIS exposures	-	-	-	-	-	0%
8	Cash items	253,437	-	253,437	-	-	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	14,930,915	50,748,049	14,620,335	4,895	10,968,922	75%
11	Residential mortgage loans	21,416,716	-	21,268,396	-	9,073,949	43%
12	Other exposures which are not past due exposures	17,565,139	579,345	17,045,301	7,450	17,052,751	100%
13	Past due exposures	122,701	-	122,701	-	137,517	112%
14	Significant exposures to commercial entities	-	-	-	-	-	0%
15	Total	476,809,508	90,519,732	475,294,457	17,917,762	324,825,395	66%

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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 STC approach by asset classes and by risk weights as at 30 June 2019:

	Exposure class	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(ha)	(i)	(j)
		0%	10%	20%	35%	50%	75%	100%	150%	250%	Others	Total credit risk exposures amount (post CCF and post CRM)
1	Sovereign exposures	33,425,847	-	9,462,181	-	-	-	-	-	-	-	42,888,028
2	PSE exposures	-	-	733,967	-	-	-	-	-	-	-	733,967
2a	Of which: domestic PSEs	-	-	733,967	-	-	-	-	-	-	-	733,967
2b	Of which: foreign PSEs	-	-	-	-	-	-	-	-	-	-	-
3	Multilateral development bank exposures	-	-	-	-	-	-	-	-	-	-	-
4	Bank exposures	4,100	-	48,574,443	-	106,744,932	-	574	782,850	-	-	156,106,899
5	Securities firm exposures	-	-	-	-	1,672,406	-	-	-	-	-	1,672,406
6	Corporate exposures	-	-	-	-	36,304,020	-	201,947,939	236,445	-	-	238,488,404
7	CIS exposures	-	-	-	-	-	-	-	-	-	-	-
8	Cash items	253,437	-	-	-	-	-	-	-	-	-	253,437
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	-	-	-	-	-	14,625,230	-	-	-	-	14,625,230
11	Residential mortgage loans	-	-	-	18,338,917	-	1,096,603	1,832,876	-	-	-	21,268,396
12	Other exposures which are not past due exposures	-	-	-	-	-	-	17,052,751	-	-	-	17,052,751
13	Past due exposures	-	-	1,564	-	-	-	89,003	32,134	-	-	122,701
14	Significant exposures to commercial entities	-	-	-	-	-	-	-	-	-	-	-
15	Total	33,683,384	-	58,772,155	18,338,917	144,721,358	15,721,833	220,923,143	1,051,429	-	-	493,212,219

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CCR1: Analysis of counterparty default risk exposures (other than those to CCPs) by approaches

The following table presents a comprehensive breakdown of counterparty default risk exposures (other than those to CCPs), RWAs, and, where applicable, main parameters under the approaches used to calculate default risk exposures in respect of derivative contracts and SFTs as at 30 June 2019:

		(a)	(b)	(c)	(d)	(e)	(f)
		Replacement cost (RC)	PFE	Effective EPE	Alpha (α) used for computing default risk exposure	Default risk exposure after CRM	RWA
1	SA-CCR (for derivative contracts)	-	-		1.4	-	-
1a	CEM	2,207,992	2,657,350		N/A	3,962,079	1,523,376
2	IMM(CCR) approach			-	-	-	-
3	Simple Approach (for SFTs)					-	-
4	Comprehensive Approach (for SFTs)					16,323	3,265
5	VaR (for SFTs)					-	-
6	Total						1,526,641

CCR2: CVA capital charge

The following table presents information on portfolios subject to the CVA capital charge and the CVA calculations based on standardized CVA method and advanced CVA method as at 30 June 2019:

		(a)	(b)
		EAD post CRM	RWA
	Netting sets for which CVA capital charge is calculated by the advanced CVA method	-	-
1	(i) VaR (after application of multiplication factor if applicable)		-
2	(ii) Stressed VaR (after application of multiplication factor if applicable)		-
3	Netting sets for which CVA capital charge is calculated by the standardized CVA method	3,962,079	615,563
4	Total	3,962,079	615,563

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CCR3: Counterparty default risk exposures (other than those to CCPs) by asset classes and by risk weights – for STC approach

The following table presents a breakdown of default risk exposures as at 30 June 2019, other than those to CCPs, in respect of derivative contracts and SFTs that are subject to the STC approach, by asset classes and risk-weights, irrespective of the approach used to determine the amount of default risk exposures:

Exposure class	Risk Weight	(a)	(b)	(c)	(ca)	(d)	(e)	(f)	(g)	(ga)	(h)	(i)
		0%	10%	20%	35%	50%	75%	100%	150%	250%	Others	Total default risk exposure after 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	-	-	1,769,078	-	2,016,591	-	-	-	-	-	3,785,669
5	Securities firm exposures	-	-	-	-	56,407	-	-	-	-	-	56,407
6	Corporate exposures	-	-	-	-	-	-	92,594	-	-	-	92,594
7	CIS exposures	-	-	-	-	-	-	-	-	-	-	-
8	Regulatory retail exposures	-	-	-	-	-	-	-	-	-	-	-
9	Residential mortgage loans	-	-	-	-	-	-	-	-	-	-	-
10	Other exposures which are not past due exposures	-	-	-	-	-	-	43,732	-	-	-	43,732
11	Significant exposures to commercial entities	-	-	-	-	-	-	-	-	-	-	-
12	Total	-	-	1,769,078	-	2,072,998	-	136,326	-	-	-	3,978,402

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CCR5: Composition of collateral for counterparty default risk exposures (including those for contracts or transactions cleared through CCPs)

The following table presents a breakdown of all types of collateral posted or recognized collateral received to support or reduce the exposures to counterparty default risk exposures as at 30 June 2019 in respect of derivative contracts or SFTs entered into, including contracts or transactions cleared through a CCP:

	(a)	(b)	(c)	(d)	(e)	(f)
	Derivative contracts				SFTs	
	Fair value of recognized collateral received		Fair value of posted collateral		Fair value of recognized collateral received	Fair value of posted collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash - domestic currency	-	-	-	-	-	-
Cash - other currencies	-	577,745	314,750	63,442	-	1,564,920
Domestic sovereign debt	-	-	-	-	-	-
Other sovereign debt	-	-	-	-	-	-
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Equity securities	-	-	-	-	1,553,162	-
Other collateral	-	-	-	-	-	-
Total	-	577,745	314,750	63,442	1,553,162	1,564,920

MR1: Market risk under STM approach

The table below provides the components of the market risk capital requirements calculated using the STM approach as at 30 June 2019:

	(a)
	RWA
Outright product exposures	
1 Interest rate exposures (general and specific risk)	3,767,750
2 Equity exposures (general and specific risk)	-
3 Foreign exchange (including gold) exposures	22,327,413
4 Commodity exposures	-
Option exposures	
5 Simplified approach	-
6 Delta-plus approach	-
7 Other approach	-
8 Securitization exposures	-
9 Total	26,095,163

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Off-balance sheet exposures other than derivative transactions

The following is a summary of the contractual amounts of each significant class of contingent liabilities and commitments to extend credit:

	As at 30 June 2019	As at 31 December 2018
Direct credit substitutes	602,948	628,195
Transaction-related contingencies	6,363,719	8,365,482
Trade-related contingencies	1,849,214	1,606,537
Other commitments:		
which are unconditionally cancellable or automatically cancellable due to the deterioration in the credit worthiness of the borrower	52,569,480	53,713,318
with an original maturity up to one year	2,334,982	836,818
with an original maturity over one year	26,799,389	24,025,892
Total	90,519,732	89,176,242
Total RWAs for credit risk of its off-balance sheet exposures	15,514,658	16,236,300

Contingent liabilities and commitments are credit-related instruments which include letters of credits, guarantees and commitments to extend credit. The risk involved is essentially the same as the credit risk involved in extending loan facilities to customers. These transactions are, therefore, subject to the same credit application, portfolio maintenance and collateral requirements as for customers applying for the loans. The contractual amounts represent the amounts at risk should the contract be fully drawn upon and the client defaults. As the facilities may expire without being drawn upon, the contractual amounts do not represent expected future cash flows.

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International claims

International claims are exposures recorded on the statement of financial position based on the location of the counterparties after taking into account the transfer of risk. For a claim guaranteed by a party situated in a country different from the counterparty, risk will be transferred to the country of the guarantor. For a claim on the branch of a bank, the risk will be transferred to the country where its head office is situated. Claims on individual countries or areas, after risk transfer, amounting to 10% or more of the aggregate international claims are shown as follows:

As at 30 June 2019					
	Banks	Official sector	Non-bank private sector		Total
			Non-bank financial institutions	Non-financial private sector	
Developing Asia and Pacific	109,982,705	5,840,445	6,150,139	40,884,189	162,857,478
- of which China	109,435,104	5,840,445	6,150,139	40,177,851	161,603,539
Offshore centres	10,466,688	-	18,504,298	92,315,586	121,286,572

As at 31 December 2018					
	Banks	Official sector	Non-bank private sector		Total
			Non-bank financial institutions	Non-financial private sector	
Developing Asia and Pacific	132,742,881	5,800,276	7,246,598	44,655,246	190,445,001
- of which China	132,036,610	5,800,276	7,246,598	43,873,207	188,956,691
Offshore centres	3,527,350	-	18,596,651	74,871,697	96,995,698

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Loans and advances to customers by geographical areas

The following table breaks down the Group's loans and advances exposure by geographical region as of 30 June 2019. The geographical analysis is based on location of the customers and has taken into account of transfer of risk.

As of 30 June 2019

	Gross advances	Impaired advances	Overdue advances	Specific provisions	Collective provisions
Hong Kong	206,721,940	297,818	458,219	180,447	1,056,509
China	16,253,813	38,481	76,574	38,521	250,490
Macau	268,378	-	-	-	1,062
Others	44,694,924	-	-	-	557,683
	267,939,055	336,299	534,793	218,968	1,865,744

As of 31 December 2018

	Gross advances	Impaired advances	Overdue advances	Specific provisions	Collective provisions
Hong Kong	211,985,474	753,580	199,925	132,080	1,449,414
China	28,033,558	37,802	9,188	37,605	56,340
Macau	317,590	-	-	-	1,047
Others	16,277,165	-	-	-	393,496
	256,613,787	791,382	209,113	169,685	1,900,297

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Gross loans and advances to customers by industry sectors

	As at 30 June 2019		As at 31 December 2018	
	Outstanding balance	% of gross advances covered by collateral	Outstanding balance	% of gross advances covered by collateral
Loans and advances for use in Hong Kong				
Industrial, commercial and financial				
Property development	18,029,989	89.09	18,744,581	94.75
Property investment	29,714,025	93.31	32,567,682	83.04
Financial concerns	36,747,055	48.21	33,809,319	72.73
Stockbrokers	957,774	0.02	1,070,347	93.46
Wholesale and retail trade	5,583,695	89.18	5,549,307	67.52
Manufacturing	5,722,192	80.65	4,767,472	43.62
Transport and transport equipment	7,032,990	86.29	8,326,221	76.18
Recreational activities	32,810	100.00	354,518	8.84
Information technology	5,714,110	56.79	3,190,770	98.41
Others	20,163,005	49.19	13,545,491	51.81
	<u>129,697,645</u>		<u>121,925,708</u>	
Individuals				
Loans for the purchase of flats in the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	3,339	100.00	3,699	100.00
Loans for the purchase of other residential properties	16,368,755	100.00	16,633,839	99.29
Credit card advances	4,159,132	0.00	4,324,556	0.00
Others	16,105,713	16.22	17,982,997	26.64
	<u>36,636,939</u>		<u>38,945,091</u>	
Trade finance	<u>3,442,985</u>	83.91	<u>3,722,133</u>	46.77
Loans and advances for use outside Hong Kong	<u>98,161,486</u>	65.58	<u>92,020,855</u>	47.53
Gross loans and advances to customers	<u>267,939,055</u>	65.92	<u>256,613,787</u>	51.32

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Gross loans and advances to customers by industry sectors (Continued)

Analysis of gross loans and advances to customers which constitute not less than 10% of gross loans and advances to customers are as follows:

As of 30 June 2019

	Gross advances	Impaired advances	Overdue advances	Specific provisions	Collective provisions
Property investment	29,714,025	42,103	247,417	7,699	112,393
Financial concerns	36,747,055	-	-	-	44,458

As of 31 December 2018

	Gross advances	Impaired advances	Overdue advances	Specific provisions	Collective provisions
Property investment	32,567,682	293,885	47,959	1,468	128,200
Financial concerns	33,809,319	-	-	-	39,236

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Overdue and rescheduled assets

Gross loans and advances to customers overdue for more than three months:

	As at 30 June 2019		As at 31 December 2018	
		% on total advances to customers		% on total advances to customers
Six months or less but over three months	39,480	0.01	78,691	0.03
One year or less but over six months	75,145	0.03	16,323	0.01
Over one year	146,562	0.05	111,048	0.04
Total gross amount of loans and advances to customers overdue for more than three months	<u>261,187</u>	<u>0.09</u>	<u>206,062</u>	<u>0.08</u>
Expected credit losses made in respect of the above overdue loans and advances to customers	<u>175,520</u>		<u>142,613</u>	
Net realisable value of collateral held against the overdue loans and advances to customers	<u>104,183</u>		<u>132,400</u>	
Covered portion of overdue loans and advances to customers	104,183		132,400	
Uncovered portion of overdue loans and advances to customers	<u>157,004</u>		<u>73,662</u>	
	<u>261,187</u>		<u>206,062</u>	

As at 30 June 2019 and 31 December 2018, collaterals held with respect of overdue advances to customers were mainly residential properties.

Gross trade bills overdue for more than three months:

	As at 30 June 2019		As at 31 December 2018	
		% on total trade bills		% on total trade bills
Six months or less but over three months	-	-	-	-
One year or less but over six months	-	-	-	-
Over one year	3,045	0.23	3,052	1.45
Total gross amount of trade bills overdue for more than three months	<u>3,045</u>	<u>0.23</u>	<u>3,052</u>	<u>1.45</u>
Expected credit losses made in respect of the above overdue trade bills	<u>3,045</u>		<u>3,052</u>	
Net realisable value of collateral held against the overdue trade bills	<u>-</u>		<u>-</u>	
Covered portion of trade bills	-		-	
Uncovered portion of overdue trade bills	<u>3,045</u>		<u>3,052</u>	
	<u>3,045</u>		<u>3,052</u>	

As at 30 June 2019 and 31 December 2018, there were no overdue advances to banks and other assets.

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Overdue and rescheduled assets (Continued)

Rescheduled loans and advances to customers:

	As at 30 June 2019		As at 31 December 2018	
		% on total advances to customers		% on total advances to customers
Rescheduled loans and advances to customers	<u>57,353</u>	<u>0.02</u>	<u>56,346</u>	<u>0.02</u>

Rescheduled loans and advances are those loans and advances which have been restructured or renegotiated because of deterioration in the financial position of the borrower, or the inability of the borrower to meet the original repayment schedule and for which the revised payment terms are non-commercial to the Bank. The rescheduled advances are stated net of any advances that have subsequently become overdue for over three months and reported as overdue advances as above.

As at 30 June 2019 and 31 December 2018, there were no rescheduled or impaired advances to banks.

As at 30 June 2019 and 31 December 2018, there were repossessed assets of HKD6.57 million and HKD0.49 million respectively.

Mainland activities exposures

The table below summarises the Mainland activities exposure of the Bank, categorised by types of non-bank counterparties:

As at 30 June 2019

Types of Counterparties	On-balance sheet exposure	Off-balance sheet exposure	Total
(a) Central government, central government-owned entities and their subsidiaries and joint ventures ("JVs")	76,983,592	9,207,947	86,191,539
(b) Local governments, local government-owned entities and their subsidiaries and JVs	17,455,885	557,825	18,013,710
(c) PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	59,527,373	5,079,610	64,606,983
(d) Other entities of central government not reported in part (a) above	7,180,319	755,563	7,935,882
(e) Other entities of local governments not reported in part (b) above	430,118	234,000	664,118
(f) PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	12,461,086	1,843,274	14,304,360
(g) Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	4,419,690	45,606	4,465,296
Total	<u>178,458,063</u>	<u>17,723,825</u>	<u>196,181,888</u>
Total assets after provision	<u>476,996,399</u>		
On-balance sheet exposures as percentage of total assets	<u>37.41%</u>		

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Mainland activities exposures (Continued)

As at 31 December 2018

Types of Counterparties	On-balance sheet exposure	Off-balance sheet exposure	Total
(a) Central government, central government-owned entities and their subsidiaries and joint ventures (“JVs”)	66,946,642	8,262,251	75,208,893
(b) Local governments, local government-owned entities and their subsidiaries and JVs	16,490,084	842,766	17,332,850
(c) PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	60,817,424	2,698,101	63,515,525
(d) Other entities of central government not reported in part (a) above	6,846,817	2,823,409	9,670,226
(e) Other entities of local governments not reported in part (b) above	195,504	-	195,504
(f) PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	13,339,798	2,077,639	15,417,437
(g) Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	4,688,157	21,230	4,709,387
Total	169,324,426	16,725,396	186,049,822
Total assets after provision	478,359,114		
On-balance sheet exposures as percentage of total assets	35.39%		

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Currency concentrations

The Group had the following net foreign currency exposures which exceeded 10% of the net foreign currency exposure in all currencies:

As at 30 June 2019

HKD equivalent	RMB	USD	Others	Total
Spot assets	36,679,286	194,228,126	30,437,342	261,344,754
Spot liabilities	(68,133,228)	(132,579,837)	(30,875,550)	(231,588,615)
Forward purchases (note 1)	60,280,196	87,908,911	20,458,737	168,647,844
Forward sales (note 1)	(50,908,611)	(149,140,115)	(20,025,810)	(220,074,536)
Net (short) / long position (note 2)	<u>(22,082,357)</u>	<u>417,085</u>	<u>(5,281)</u>	<u>(21,670,553)</u>

As at 31 December 2018

HKD equivalent	RMB	USD	Others	Total
Spot assets	42,615,647	201,135,992	27,423,435	271,175,074
Spot liabilities	(77,642,509)	(137,142,128)	(24,660,150)	(239,444,787)
Forward purchases (note 1)	68,618,968	110,857,199	21,939,066	201,415,233
Forward sales (note 1)	(55,640,316)	(174,934,084)	(24,697,849)	(255,272,249)
Net (short) / long position (note 2)	<u>(22,048,210)</u>	<u>(83,021)</u>	<u>4,502</u>	<u>(22,126,729)</u>

The net option position was calculated using the Simplified Approach and there was no net option position as at 30 June 2019.

The Group did not have any structural positions as at 30 June 2019 and 31 December 2018.

Note 1: The derivative financial instruments included in “Spot assets” and “Spot liabilities” are also represented under “Forward purchases” and “Forward sales” in the table above.

Note 2: The RMB spot liabilities include the RMB17.6 billion share capital (HKD22.3 billion). The net short RMB position was mainly stemmed from the conversion of RMB capital related assets into Hong Kong dollars in 2015.

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Glossary

<u>Abbreviations</u>	<u>Descriptions</u>	<u>Abbreviations</u>	<u>Descriptions</u>
ASF	Available stable funding	SEC-SA	securitization standardized approach
AT1	Additional Tier 1	SFT	Securities financing transaction
BSC	Basic approach	STC	Standardized (credit risk) approach
CCF	Credit conversion factor	STM	Standardized (market risk) approach
CCP	Central counterparty	VaR	Value at risk
CCR	Counterparty credit risk		
CCyB	Countercyclical capital buffer		
CEM	Current exposure method		
CIS	Collective investment scheme		
CRM	Credit risk mitigation		
CVA	Credit valuation adjustment		
D-SIB	Domestic systemically important authorized institution		
EAD	Exposure at default		
EPE	Expected positive exposure		
FBA	Fall-back approach		
G-SIB	Global systemically important banks		
IMM	Internal models approach		
IMM (CCR)	Internal models (counterparty credit risk) approach		
IRB	Internal ratings-based approach		
LTA	Look through approach		
MBA	Mandate-based approach		
PFE	Potential future exposure		
PSE	Public sector entity		
RC	Replacement cost		
RSF	Required stable funding		
RW	Risk-weight		
RWA	Risk-weighted asset/risk-weighted amount		
SA-CCR	Standardized approach for counterparty credit risk		
SEC-ERBA	securitization external ratings based approach		
SEC-FBA	securitization fall-back approach		
SEC-IRBA	securitization internal ratings-based approach		