



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

**Regulatory Disclosures**

**For the quarter ended**

**30 September 2021**

**(Unaudited)**

# CHINA CONSTRUCTION BANK (ASIA) CORPORATION LIMITED

## Regulatory Disclosures

As at 30 September 2021

(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)
		30 Sep 2021	30 Jun 2021	31 Mar 2021	31 Dec 2020	30 Sep 2020
	<b>Regulatory capital (amount)</b>					
1	Common Equity Tier 1 (CET1)	62,375,868	61,244,598	61,047,698	60,424,343	59,327,097
2	Tier 1	77,965,201	76,833,931	76,637,031	76,013,676	74,916,430
3	Total capital	81,068,534	79,856,497	79,584,550	78,781,662	77,885,764
	<b>RWA (amount)</b>					
4	Total RWA	396,437,954	392,193,332	382,405,184	367,422,557	387,137,371
	<b>Risk-based regulatory capital ratios (as a percentage of RWA)</b>					
5	CET1 ratio (%)	15.73%	15.62%	15.96%	16.45%	15.32%
6	Tier 1 ratio (%)	19.67%	19.59%	20.04%	20.69%	19.35%
7	Total capital ratio (%)	20.45%	20.36%	20.81%	21.44%	20.12%
	<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 (%)	0.85%	0.86%	0.85%	0.83%	0.83%
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 (%)	3.35%	3.36%	3.35%	3.33%	3.33%
12	CET1 available after meeting the AI's minimum capital requirements (%)	11.23%	11.12%	11.46%	11.95%	10.82%
	<b>Basel III leverage ratio</b>					
13	Total leverage ratio (LR) exposure measure	543,298,340	542,536,979	503,382,011	504,155,929	526,037,339
14	LR (%)	14.35%	14.16%	15.22%	15.08%	14.24%
	<b>Liquidity Coverage Ratio (LCR)</b>					
15	Total high quality liquid assets (HQLA)	68,337,945	69,264,343	65,096,130	76,613,022	57,167,631
16	Total net cash outflows	45,601,269	50,408,462	45,803,530	48,313,939	38,928,385
17	LCR (%)	150.74%	138.27%	143.75%	163.62%	148.90%
	<b>Net Stable Funding Ratio (NSFR)</b>					
18	Total available stable funding	335,407,011	340,543,248	335,509,000	341,302,646	352,696,619
19	Total required stable funding	267,870,881	262,697,284	251,946,838	239,512,506	260,616,527
20	NSFR (%)	125.21%	129.63%	133.17%	142.50%	135.33%

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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%.

In HK \$thousands		(a)	(b)	(c)
		RWA		Minimum capital requirements
		As at 30 September 2021	As at 30 June 2021	As at 30 September 2021
1	<b>Credit risk for non-securitization exposures</b>	354,836,853	350,020,360	28,386,948
2	Of which STC approach	354,836,853	350,020,360	28,386,948
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	<b>Counterparty default risk and default fund contributions</b>	1,208,101	1,372,684	96,648
7	Of which SA-CCR approach	1,095,451	1,274,523	87,636
7a	Of which CEM	-	-	-
8	Of which IMM(CCR) approach	-	-	-
9	Of which others	112,650	98,161	9,012
10	<b>CVA risk</b>	548,800	570,325	43,904
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	<b>Market risk</b>	23,604,975	23,926,950	1,888,398
21	Of which STM approach	23,604,975	23,926,950	1,888,398
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	<b>Operational risk</b>	14,964,225	15,028,013	1,197,138
24a	Sovereign concentration risk	-	-	-
25	<b>Amounts below the thresholds for deduction (subject to 250% RW)</b>	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>396,437,954</b>	<b>392,193,332</b>	<b>31,715,036</b>

1. Items marked with an asterisk (\*) will be applicable only after their respective policy frameworks take effect.
2. For the quarter ended 30 September 2021, total RWAs increased by HK\$4.2 billion mainly due to increase in RWA for non-securitization credit exposures.

# CHINA CONSTRUCTION BANK (ASIA) CORPORATION LIMITED

## Regulatory Disclosures

As at 30 September 2021

(Expressed in thousands of Hong Kong Dollars)

### LR2: Leverage ratio (“LR”)

		(a)	(b)
		As at 30 September 2021	As at 30 June 2021
<b>On-balance sheet exposures</b>			
1	On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	514,910,695	514,036,756
2	Less: Asset amounts deducted in determining Tier 1 capital	(1,114,798)	(1,124,160)
3	Total on-balance sheet exposures (excluding derivative contracts and SFTs)	513,795,897	512,912,596
<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)	414,338	488,257
5	Add-on amounts for PFE associated with all derivative contracts	1,501,428	1,871,253
6	Gross-up for collateral provided in respect of derivative contracts where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
7	Less: Deductions of receivables assets for cash variation margin provided under derivative contracts	(90,334)	(94,575)
8	Less: Exempted CCP leg of client-cleared trade exposures	-	-
9	Adjusted effective notional amount of written credit-related derivative contracts	-	-
10	Less: Adjusted effective notional offsets and add-on deductions for written credit-related derivative contracts	-	-
11	Total exposures arising from derivative contracts	1,825,432	2,264,935
<b>Exposures arising from SFTs</b>			
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	3,335,487	4,668,504
13	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	-	-
14	CCR exposure for SFT assets	194,402	205,867
15	Agent transaction exposures	-	-
16	Total exposures arising from SFTs	3,529,889	4,874,371
<b>Other off-balance sheet exposures</b>			
17	Off-balance sheet exposure at gross notional amount	103,058,006	98,160,855
18	Less: Adjustments for conversion to credit equivalent amounts	(75,221,962)	(71,863,778)
19	Off-balance sheet items	27,836,044	26,297,077
<b>Capital and total exposures</b>			
20	Tier 1 capital	77,965,201	76,833,931
20a	Total exposures before adjustments for specific and collective provisions	546,987,262	546,348,979
20b	Adjustments for specific and collective provisions	(3,688,922)	(3,812,000)
21	Total exposures after adjustments for specific and collective provisions	543,298,340	542,536,979
<b>Leverage ratio</b>			
22	<b>Leverage ratio</b>	<b>14.35%</b>	<b>14.16%</b>

The increase in total leverage ratio 0.19% is mainly attributed to increases in Tier 1 Capital.

# CHINA CONSTRUCTION BANK (ASIA) CORPORATION LIMITED

## Regulatory Disclosures

As at 30 September 2021

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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 third quarter ended 30 September 2021.

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 and USD. 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 30 September 2021
Level 1 assets	62,392,879
Level 2A assets	1,290,954
Level 2B assets	4,654,112
<b>Total weighted amount of HQLA</b>	<b>68,337,945</b>

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## Regulatory Disclosures

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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 30 September 2021 (77 data points)	
		(a)	(b)
Basis of disclosure: Hong Kong office		Unweighted value (average)	Weighted value (average)
<b>A. HQLA</b>			
1	Total HQLA		<b>68,337,945</b>
<b>B. CASH OUTFLOWS</b>			
2	Retail deposits and small business funding, of which:	<b>214,314,277</b>	<b>15,891,042</b>
3	Stable retail deposits and stable small business funding	4,128,013	123,840
4	Less stable retail deposits and less stable small business funding	105,157,763	10,515,777
4a	Retail term deposits and small business term funding	105,028,501	5,251,425
5	Unsecured wholesale funding (other than small business funding), and debt securities and prescribed instruments issued by the AI, of which:	<b>141,168,933</b>	<b>83,636,345</b>
6	Operational deposits	-	-
7	Unsecured wholesale funding (other than small business funding) not covered in row 6	141,167,331	83,634,743
8	Debt securities and prescribed instruments issued by the AI and redeemable within the LCR period	1,602	1,602
9	Secured funding transactions (including securities swap transactions)		1,163,360
10	Additional requirements, of which:	<b>41,164,097</b>	<b>7,668,966</b>
11	Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements	902,243	902,243
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)	40,261,854	6,766,723
14	Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows	4,295,701	4,295,701
15	Other contingent funding obligations (whether contractual or non-contractual)	168,268,948	559,983
16	Total Cash Outflows		<b>113,215,397</b>
<b>C. CASH INFLOWS</b>			
17	Secured lending transactions (including securities swap transactions)	12,410	-
18	Secured and unsecured loans (other than secured lending transactions covered in row 17) and operational deposits placed at other financial institutions	134,625,835	64,290,509
19	Other cash inflows	63,302,080	3,323,619
20	Total Cash Inflows	<b>197,940,325</b>	<b>67,614,128</b>
<b>D. LIQUIDITY COVERAGE RATIO (ADJUSTED VALUE)</b>			
21	Total HQLA		<b>68,337,945</b>
22	Total Net Cash Outflows		<b>45,601,269</b>
23	LCR (%)		<b>150.74%</b>