



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

**Regulatory Disclosures**

**For the quarter ended**

**30 September 2022**

**(Unaudited)**

# CHINA CONSTRUCTION BANK (ASIA) CORPORATION LIMITED

## Regulatory Disclosures

As at 30 September 2022

(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 2022	30 Jun 2022	31 Mar 2022	31 Dec 2021	30 Sep 2021
	<b>Regulatory capital (amount)</b>					
1	Common Equity Tier 1 (CET1)	62,649,374	62,524,402	62,542,615	62,915,093	62,375,868
2	Tier 1	78,238,707	78,113,735	78,131,948	78,504,426	77,965,201
3	Total capital	80,924,693	80,963,632	81,103,009	81,409,319	81,068,534
	<b>RWA (amount)</b>					
4	Total RWA	368,482,530	369,940,529	386,943,407	383,383,864	396,437,954
	<b>Risk-based regulatory capital ratios (as a percentage of RWA)</b>					
5	CET1 ratio (%)	17.00%	16.90%	16.16%	16.41%	15.73%
6	Tier 1 ratio (%)	21.23%	21.12%	20.19%	20.48%	19.67%
7	Total capital ratio (%)	21.96%	21.89%	20.96%	21.23%	20.45%
	<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%	0.85%	0.85%	0.86%	0.85%
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%	3.35%	3.35%	3.36%	3.35%
12	CET1 available after meeting the AI's minimum capital requirements (%)	12.50%	12.40%	11.66%	11.91%	11.23%
	<b>Basel III leverage ratio</b>					
13	Total leverage ratio (LR) exposure measure	519,902,683	504,911,168	530,992,094	534,585,235	543,298,340
14	LR (%)	15.05%	15.47%	14.71%	14.69%	14.35%
	<b>Liquidity Coverage Ratio (LCR)</b>					
15	Total high quality liquid assets (HQLA)	73,634,886	69,987,507	69,942,444	72,650,012	68,337,945
16	Total net cash outflows	56,538,161	49,764,966	48,742,578	49,692,804	45,601,269
17	LCR (%)	130.39%	141.77%	143.87%	146.80%	150.74%
	<b>Net Stable Funding Ratio (NSFR)</b>					
18	Total available stable funding	305,752,988	304,311,246	324,925,931	329,379,452	335,407,011
19	Total required stable funding	230,989,412	238,975,691	254,190,925	253,411,393	267,870,881
20	NSFR (%)	132.37%	127.34%	127.83%	129.98%	125.21%

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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 September 2022	As at 30 June 2022	As at 30 September 2022
1	<b>Credit risk for non-securitization exposures</b>	322,536,112	327,131,264	25,802,889
2	Of which STC approach	322,536,112	327,131,264	25,802,889
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>	2,274,818	1,784,802	181,986
7	Of which SA-CCR approach	1,944,869	1,491,601	155,590
7a	Of which CEM	-	-	-
8	Of which IMM(CCR) approach	-	-	-
9	Of which others	329,949	293,201	26,396
10	<b>CVA risk</b>	1,798,450	1,371,925	143,876
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>	25,817,050	23,591,938	2,065,364
21	Of which STM approach	25,817,050	23,591,938	2,065,364
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>	14,781,100	14,785,600	1,182,488
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>368,482,530</b>	<b>369,940,529</b>	<b>29,478,603</b>

1. Items marked with an asterisk (\*) will be applicable only after their respective policy frameworks take effect.

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## Regulatory Disclosures

As at 30 September 2022

(Expressed in thousands of Hong Kong Dollars)

### LR2: Leverage ratio (“LR”)

		(a)	(b)
		As at 30 September 2022	As at 30 June 2022
<b>On-balance sheet exposures</b>			
1	On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	489,012,031	476,462,722
2	Less: Asset amounts deducted in determining Tier 1 capital	(1,368,672)	(1,293,666)
3	Total on-balance sheet exposures (excluding derivative contracts and SFTs)	487,643,359	475,169,056
<b>Derivative contracts</b>			
4	Replacement cost associated with all derivative contracts (where applicable net of eligible cash variation margin and/or with bilateral netting)	1,664,254	950,787
5	Add-on amounts for PFE associated with all derivative contracts	1,470,977	1,434,857
6	Gross-up for collateral provided in respect of derivative contracts where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
7	Less: Deductions of receivables assets for cash variation margin provided under derivative contracts	-	-
8	Less: Exempted CCP leg of client-cleared trade exposures	-	-
9	Adjusted effective notional amount of written credit-related derivative contracts	-	-
10	Less: Adjusted effective notional offsets and add-on deductions for written credit-related derivative contracts	-	-
11	Total exposures arising from derivative contracts	3,135,231	2,385,644
<b>Exposures arising from SFTs</b>			
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	9,303,528	7,201,880
13	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	-	-
14	CCR exposure for SFT assets	638,274	513,872
15	Agent transaction exposures	-	-
16	Total exposures arising from SFTs	9,941,802	7,715,752
<b>Other off-balance sheet exposures</b>			
17	Off-balance sheet exposure at gross notional amount	90,732,989	92,915,036
18	Less: Adjustments for conversion to credit equivalent amounts	(68,189,737)	(70,086,627)
19	Off-balance sheet items	22,543,252	22,828,409
<b>Capital and total exposures</b>			
20	Tier 1 capital	78,238,707	78,113,735
20a	Total exposures before adjustments for specific and collective provisions	523,263,644	508,098,861
20b	Adjustments for specific and collective provisions	(3,360,961)	(3,187,693)
21	Total exposures after adjustments for specific and collective provisions	519,902,683	504,911,168
<b>Leverage ratio</b>			
22	<b>Leverage ratio</b>	<b>15.05%</b>	<b>15.47%</b>

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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 stable level for the third quarter ended 30 September 2022.

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 2022
Level 1 assets	67,935,285
Level 2A assets	617,732
Level 2B assets	5,081,869
<b>Total weighted amount of HQLA</b>	<b>73,634,886</b>

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

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

		Quarter ended 30 September 2022 ( 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>73,634,886</b>
<b>B. CASH OUTFLOWS</b>			
2	Retail deposits and small business funding, of which:	<b>174,208,026</b>	<b>13,536,166</b>
3	Stable retail deposits and stable small business funding	4,298,409	128,952
4	Less stable retail deposits and less stable small business funding	98,234,663	9,823,466
4a	Retail term deposits and small business term funding	71,674,954	3,583,748
5	Unsecured wholesale funding (other than small business funding), and debt securities and prescribed instruments issued by the AI, of which:	<b>137,280,938</b>	<b>85,423,961</b>
6	Operational deposits	-	-
7	Unsecured wholesale funding (other than small business funding) not covered in row 6	137,280,938	85,423,961
8	Debt securities and prescribed instruments issued by the AI and redeemable within the LCR period	-	-
9	Secured funding transactions (including securities swap transactions)		1,007,066
10	Additional requirements, of which:	<b>32,951,834</b>	<b>6,666,731</b>
11	Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements	764,294	764,294
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)	32,187,540	5,902,437
14	Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows	9,318,401	9,318,401
15	Other contingent funding obligations (whether contractual or non-contractual)	183,886,309	342,849
16	Total Cash Outflows		<b>116,295,174</b>
<b>C. CASH INFLOWS</b>			
17	Secured lending transactions (including securities swap transactions)	-	-
18	Secured and unsecured loans (other than secured lending transactions covered in row 17) and operational deposits placed at other financial institutions	135,298,016	55,072,912
19	Other cash inflows	65,132,713	4,684,101
20	Total Cash Inflows	<b>200,430,729</b>	<b>59,757,013</b>
<b>D. LIQUIDITY COVERAGE RATIO (ADJUSTED VALUE)</b>			
21	Total HQLA		<b>73,634,886</b>
22	Total Net Cash Outflows		<b>56,538,161</b>
23	LCR (%)		<b>130.39%</b>