



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

Regulatory Disclosures

For the quarter ended

30 September 2023

(Unaudited)

CHINA CONSTRUCTION BANK (ASIA) CORPORATION LIMITED

Regulatory Disclosures

As at 30 September 2023

(Expressed in thousands of Hong Kong Dollars Unless Other Specified)

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 2023	30 Jun 2023	31 Mar 2023	31 Dec 2022	30 Sep 2022
	Regulatory capital (amount)					
1	Common Equity Tier 1 (CET1)	66,332,482	65,283,775	64,410,242	62,787,383	62,649,374
2	Tier 1	74,110,083	73,061,376	72,187,843	70,564,984	78,238,707
3	Total capital	76,549,894	75,524,389	74,586,173	73,027,802	80,924,693
	RWA (amount)					
4	Total RWA	350,981,407	353,281,949	344,055,468	348,726,726	368,482,530
	Risk-based regulatory capital ratios (as a percentage of RWA)					
5	CET1 ratio (%)	18.90%	18.48%	18.72%	18.00%	17.00%
6	Tier 1 ratio (%)	21.12%	20.68%	20.98%	20.24%	21.23%
7	Total capital ratio (%)	21.81%	21.38%	21.68%	20.94%	21.96%
	Additional CET1 buffer requirements (as a percentage of RWA)					
8	Capital conservation buffer requirement (%)	2.50%	2.50%	2.50%	2.50%	2.50%
9	Countercyclical capital buffer requirement (%)	0.89%	0.89%	0.86%	0.85%	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 (%)	3.39%	3.39%	3.36%	3.35%	3.35%
12	CET1 available after meeting the AI's minimum capital requirements (%)	14.40%	13.98%	14.22%	13.50%	12.50%
	Basel III leverage ratio					
13	Total leverage ratio (LR) exposure measure	512,467,950	508,345,477	488,648,619	494,129,626	519,902,683
14	LR (%)	14.46%	14.37%	14.77%	14.28%	15.05%
	Liquidity Coverage Ratio (LCR)					
15	Total high quality liquid assets (HQLA)	90,359,063	86,648,398	85,335,426	82,554,261	73,634,886
16	Total net cash outflows	68,292,015	66,323,450	66,302,924	63,175,960	56,538,161
17	LCR (%)	132.66%	130.80%	128.80%	130.86%	130.39%
	Net Stable Funding Ratio (NSFR)					
18	Total available stable funding	309,478,766	292,234,358	284,286,611	289,102,419	305,752,988
19	Total required stable funding	217,048,871	220,425,834	221,888,243	216,915,478	230,989,412
20	NSFR (%)	142.58%	132.58%	128.12%	133.28%	132.37%

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KM2(A): Key Metrics – LAC Requirements for the Group (at LAC Consolidation Group Level)

		(a)	(b)	(c)	(d)	(e)
		30 Sep 2023	30 Jun 2023	31 Mar 2023	31 Dec 2022	30 Sep 2022
Of the material entity at LAC consolidation group level						
1	Internal loss-absorbing capacity available	76,549,894	75,524,389	74,586,173	73,027,802	80,924,693
2	Risk-weighted amount under the LAC Rules	350,981,407	353,281,949	344,055,468	348,726,726	368,482,530
3	Internal LAC risk-weighted ratio	21.81%	21.38%	21.68%	20.94%	21.96%
4	Exposure measure under the LAC Rules	512,467,950	508,345,477	488,648,619	494,129,626	519,902,683
5	Internal LAC leverage ratio	14.94%	14.86%	15.26%	14.78%	15.57%
6a	Does the subordination exemption in the antepenultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply? ¹	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
6b	Does the subordination exemption in the penultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply? ¹	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
6c	If the capped subordination exemption applies, the amount of funding issued that ranks pari passu with excluded liabilities and that is recognised as external loss-absorbing capacity, divided by funding issued that ranks pari passu with excluded liabilities and that would be recognised as external loss-absorbing capacity if no cap was applied ¹	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

Note 1: The subordination exemptions under Section 11 of the Financial Stability Board (“FSB”) Total Loss-absorbing Capacity Term Sheet (“TLAC Term Sheet”) do not apply in Hong Kong under the LAC Rules.

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KM2(B): Key Metrics – TLAC Requirements for Non-HK Resolution Entity (at Resolution Group Level)

		(HK\$ million)				
		(a)	(b)	(c)	(d)	(e)
		30 Sep 2023	30 Jun 2023	31 Mar 2023	31 Dec 2022	30 Sep 2022
Of the non-HK resolution entity at resolution group level (Note 1)						
1	External loss-absorbing capacity available ¹	4,195,643	4,095,080	4,319,197	4,106,098	3,935,482
2	Total risk-weighted amount under the relevant non-HK LAC regime ¹	23,874,896	23,540,650	24,157,906	22,296,401	21,081,200
3	External loss-absorbing capacity as a percentage of risk-weighted amount ¹	17.57%	17.40%	17.88%	18.42%	18.67%
4	Leverage ratio exposure measure under the relevant non-HK LAC regime ¹	42,657,311	43,169,417	44,220,967	40,909,750	39,672,475
5	External loss-absorbing capacity as a percentage of leverage ratio exposure measure ¹	9.84%	9.49%	9.77%	10.04%	9.92%
6a	Does the subordination exemption in the antepenultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
6b	Does the subordination exemption in the penultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
6c	If the capped subordination exemption applies, the amount of funding issued that ranks pari passu with excluded liabilities and that is recognised as external loss-absorbing capacity, divided by funding issued that ranks pari passu with excluded liabilities and that would be recognised as external loss-absorbing capacity if no cap was applied	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

Note 1: As LAC requirements under a regulatory regime in Mainland China are not yet implemented, so the values for rows 1 to 5 are reported using the values of total regulatory capital, risk-weighted amount and leverage ratio exposure measure of the non-HK resolution entity.

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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 2023	As at 30 June 2023	As at 30 September 2023
1	Credit risk for non-securitization exposures	305,900,846	308,481,461	24,472,068
2	Of which STC approach	305,900,846	308,481,461	24,472,068
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	2,489,098	2,456,200	199,128
7	Of which SA-CCR approach	2,003,034	1,954,643	160,243
7a	Of which CEM	-	-	-
8	Of which IMM(CCR) approach	-	-	-
8a	Of which counterparty default risk to CCPs in respect of derivative contracts	1,290	1,413	103
9	Of which others	484,774	500,144	38,782
10	CVA risk	1,699,838	1,613,950	135,987
11	Equity positions in banking book under the simple risk-weight method and internal models method	-	-	-
12	Collective investment scheme ("CIS") exposures – LTA*	N/A	N/A	N/A
13	CIS exposures – MBA*	N/A	N/A	N/A
14	CIS exposures – FBA*	N/A	N/A	N/A
14a	CIS exposures – combination of approaches*	N/A	N/A	N/A
15	Settlement risk	-	-	-
16	Securitization exposures in banking book	-	-	-
17	Of which SEC-IRBA	-	-	-
18	Of which SEC-ERBA	-	-	-
19	Of which SEC-SA	-	-	-
19a	Of which SEC-FBA	-	-	-
20	Market risk	24,635,650	24,810,125	1,970,852
21	Of which STM approach	24,635,650	24,810,125	1,970,852
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	14,980,975	14,645,213	1,198,478
24a	Sovereign concentration risk	-	-	-
25	Amounts below the thresholds for deduction (subject to 250% RW)	1,275,000	1,275,000	102,000
26	Capital floor adjustment	-	-	-
26a	Deduction to RWA	-	-	-
26b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	-	-	-
26c	Of which portion of cumulative fair value gains arising from the revaluation of land and buildings which is not included in Tier 2 Capital	-	-	-
27	Total	350,981,407	353,281,949	28,078,513

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

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LR2: Leverage ratio

		(a)	(b)
		As at 30 September 2023	As at 30 June 2023
On-balance sheet exposures			
1	On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	476,884,024	471,120,632
2	Less: Asset amounts deducted in determining Tier 1 capital	(1,402,937)	(1,493,829)
3	Total on-balance sheet exposures (excluding derivative contracts and SFTs)	475,481,087	469,626,803
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)	1,502,172	1,560,538
5	Add-on amounts for PFE associated with all derivative contracts	1,608,435	1,478,349
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	3,110,607	3,038,887
Exposures arising from SFTs			
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	11,449,407	14,571,386
13	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	-	-
14	CCR exposure for SFT assets	784,573	1,164,864
15	Agent transaction exposures	-	-
16	Total exposures arising from SFTs	12,233,980	15,736,250
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	97,991,293	93,004,150
18	Less: Adjustments for conversion to credit equivalent amounts	(72,081,279)	(69,099,771)
19	Off-balance sheet items	25,910,014	23,904,379
Capital and total exposures			
20	Tier 1 capital	74,110,083	73,061,376
20a	Total exposures before adjustments for specific and collective provisions	516,735,688	512,306,319
20b	Adjustments for specific and collective provisions	(4,267,738)	(3,960,842)
21	Total exposures after adjustments for specific and collective provisions	512,467,950	508,345,477
Leverage ratio			
22	Leverage ratio	14.46%	14.37%

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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 2023.

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 2023
Level 1 assets	82,069,368
Level 2A assets	3,517,607
Level 2B assets	4,772,088
Total weighted amount of HQLA	90,359,063

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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 2023 (73 data points)	
		(a)	(b)
Basis of disclosure: Hong Kong office		Unweighted value (average)	Weighted value (average)
A. HQLA			
1	Total HQLA		90,359,063
B. CASH OUTFLOWS			
2	Retail deposits and small business funding, of which:	178,392,399	12,831,081
3	Stable retail deposits and stable small business funding	2,952,091	88,563
4	Less stable retail deposits and less stable small business funding	79,410,054	7,941,005
4a	Retail term deposits and small business term funding	96,030,254	4,801,513
5	Unsecured wholesale funding (other than small business funding), and debt securities and prescribed instruments issued by the AI, of which:	143,343,563	89,394,707
6	Operational deposits	-	-
7	Unsecured wholesale funding (other than small business funding) not covered in row 6	143,293,528	89,344,672
8	Debt securities and prescribed instruments issued by the AI and redeemable within the LCR period	50,035	50,035
9	Secured funding transactions (including securities swap transactions)		2,118,297
10	Additional requirements, of which:	37,923,254	8,542,551
11	Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements	1,230,140	1,230,140
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)	36,693,114	7,312,411
14	Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows	8,072,426	8,072,426
15	Other contingent funding obligations (whether contractual or non-contractual)	182,344,020	366,197
16	Total Cash Outflows		121,325,259
C. CASH INFLOWS			
17	Secured lending transactions (including securities swap transactions)	3,261,451	1,153,805
18	Secured and unsecured loans (other than secured lending transactions covered in row 17) and operational deposits placed at other financial institutions	118,366,541	48,401,249
19	Other cash inflows	67,752,593	3,478,190
20	Total Cash Inflows	189,380,585	53,033,244
D. LIQUIDITY COVERAGE RATIO (ADJUSTED VALUE)			
21	Total HQLA		90,359,063
22	Total Net Cash Outflows		68,292,015
23	LCR (%)		132.66%