



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

**Regulatory Disclosures  
For the six months ended  
30 June 2017  
(Unaudited)**

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**(Expressed in thousands of Hong Kong Dollars)**

**Key capital ratios**

The following disclosures are prepared in a consolidated basis and made in accordance with the Banking (Disclosure) Rules.

**Capital Adequacy Ratios**

The capital adequacy ratios as at 30 June 2017 were compiled in accordance with the Banking (Capital) Rules.

	<u>As at 30 June 2017</u>
Capital	
Common Equity Tier 1	47,284,433
Tier 1	47,284,433
Total	56,344,258
Total risk-weighted assets (RWAs)	334,972,935
Capital Adequacy Ratios	
Common Equity Tier 1	14.12%
Tier 1	14.12%
Total	16.82%

**Leverage Ratio**

The leverage ratio as at 30 June 2017 was compiled in accordance with the Leverage Ratio Framework issued by the Hong Kong Monetary Authority.

	<u>As at 30 June 2017</u>
Capital and Total exposures	
Tier 1 capital	47,284,433
Total exposures	520,315,351
Leverage Ratio	9.09%

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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 2017	As at 31 March 2017	As at 30 June 2017
1	Credit risk for non-securitization exposures	288,593,002	277,952,365	23,087,440
2	Of which STC approach	288,593,002	277,952,365	23,087,440
2a	Of which BSC approach	-	-	-
3	Of which IRB approach	-	-	-
4	Counterparty credit risk	6,371,717	4,964,566	509,737
5	Of which SA-CCR	-	-	-
5a	Of which CEM	4,905,954	3,743,416	392,476
6	Of which IMM(CCR) approach	-	-	-
7	Equity exposures in banking book under the market-based approach	-	-	-
8	CIS exposures – LTA	-	-	-
9	CIS exposures – MBA	-	-	-
10	CIS exposures – FBA	-	-	-
11	Settlement risk	-	-	-
12	Securitization exposures in banking book	-	-	-
13	Of which IRB(S) approach – ratings-based method	-	-	-
14	Of which IRB(S) approach – supervisory formula method	-	-	-
15	Of which STC(S) approach	-	-	-
16	Market risk	26,809,438	27,673,863	2,144,755
17	Of which STM approach	26,809,438	27,673,863	2,144,755
18	Of which IMM approach	-	-	-
19	Operational risk	11,897,750	11,719,050	951,820
20	Of which BIA approach	11,897,750	11,719,050	951,820
21	Of which STO approach	-	-	-
21a	Of which ASA approach	-	-	-
22	Of which AMA approach	N/A	N/A	N/A
23	Amounts below the thresholds for deduction (subject to 250% RW)	1,301,028	1,301,028	104,082
24	Capital floor adjustment	-	-	-
24a	Deduction to RWA	-	-	-
24b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	-	-	-
24c	Of which portion of cumulative fair value gains arising from the revaluation of land and buildings which is not included in Tier 2 Capital	-	-	-
<b>25</b>	<b>Total</b>	<b>334,972,935</b>	<b>323,610,872</b>	<b>26,797,834</b>

During the quarter ended 30 June 2017, total RWAs increased by HK\$11,362 million mainly due to increase in RWA for non-securitization credit exposures.

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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 2017:

		(a)	(b)	(c)	(d)
		Gross carrying amounts of		Allowances / impairments	Net values
		Defaulted exposures	Non-defaulted exposures		
1	Loans	294,131	368,383,558	(1,145,075)	367,532,614
2	Debt securities	-	115,733,650	(10,686)	115,722,964
3	Off-balance sheet exposures	-	27,259,946	-	27,259,946
4	<b>Total</b>	<b>294,131</b>	<b>511,377,154</b>	<b>(1,155,761)</b>	<b>510,515,524</b>

**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 2017 and 31 December 2016 respectively:

		(a)
		Amount
1	<b>Defaulted loans and debt securities at end of the previous reporting period</b>	316,132
2	Loans and debt securities that have defaulted since the last reporting period	3,867
3	Returned to non-defaulted status	(13,771)
4	Amounts written off	(12,097)
5	Other changes	-
6	<b>Defaulted loans and debt securities at end of the current reporting period</b>	<b>294,131</b>

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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 2017:

		(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	301,195,948	66,336,666	3,762,538	62,574,130	-
2	Debt securities	114,247,378	1,475,586	-	1,475,586	-
<b>3</b>	<b>Total</b>	<b>415,443,326</b>	<b>67,812,252</b>	<b>3,762,538</b>	<b>64,049,716</b>	-
4	Of which defaulted	292,374	1,757	1,757	-	-

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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 2017:

	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	30,269,398	-	30,460,858	-	1,213,941	4%
2	PSE exposures	-	-	196,516	11	39,305	20%
2a	Of which: domestic PSEs	-	-	196,516	11	39,305	20%
2b	Of which: foreign PSEs	-	-	-	-	-	0%
3	Multilateral development bank exposures	-	-	-	-	-	0%
4	Bank exposures	175,389,793	1,395,998	231,703,054	743,184	86,467,671	37%
5	Securities firm exposures	868,852	8,000	989,882	-	494,941	50%
6	Corporate exposures	224,490,521	27,222,080	164,720,016	11,183,940	159,263,485	91%
7	CIS exposures	-	-	-	-	-	0%
8	Cash items	239,238	-	239,238	-	-	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	20,997,183	51,050,697	20,748,146	11,574	15,569,790	75%
11	Residential mortgage loans	19,820,192	5,800	19,741,020	2,900	8,154,525	41%
12	Other exposures which are not past due exposures	17,643,455	813,595	17,159,121	11,390	17,170,511	100%
13	Past due exposures	146,474	-	146,474	-	218,833	149%
14	Significant exposures to commercial entities	-	-	-	-	-	0%
15	<b>Total</b>	<b>489,865,106</b>	<b>80,496,170</b>	<b>486,104,325</b>	<b>11,952,999</b>	<b>288,593,002</b>	<b>58%</b>

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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 2017:

	Exposure class	Risk Weight										Total credit risk exposures amount (post CCF and post CRM)
		(a) 0%	(b) 10%	(c) 20%	(d) 35%	(e) 50%	(f) 75%	(g) 100%	(h) 150%	(ha) 250%	(i) Others	
1	Sovereign exposures	24,391,154	-	6,069,704	-	-	-	-	-	-	-	30,460,858
2	PSE exposures	-	-	196,527	-	-	-	-	-	-	-	196,527
2a	Of which: domestic PSEs	-	-	196,527	-	-	-	-	-	-	-	196,527
2b	Of which: foreign PSEs	-	-	-	-	-	-	-	-	-	-	-
3	Multilateral development bank exposures	-	-	-	-	-	-	-	-	-	-	-
4	Bank exposures	4,000	-	100,674,001	-	131,133,021	-	372,929	262,287	-	-	232,446,238
5	Securities firm exposures	-	-	-	-	989,882	-	-	-	-	-	989,882
6	Corporate exposures	-	-	1,204,275	-	31,649,463	2,765	142,750,714	296,739	-	-	175,903,956
7	CIS exposures	-	-	-	-	-	-	-	-	-	-	-
8	Cash items	239,238	-	-	-	-	-	-	-	-	-	239,238
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	-	-	-	-	-	20,759,720	-	-	-	-	20,759,720
11	Residential mortgage loans	-	-	-	17,712,091	-	306,144	1,725,685	-	-	-	19,743,920
12	Other exposures which are not past due exposures	-	-	-	-	-	-	17,170,511	-	-	-	17,170,511
13	Past due exposures	-	-	-	-	-	-	1,757	144,717	-	-	146,474
14	Significant exposures to commercial entities	-	-	-	-	-	-	-	-	-	-	-
15	<b>Total</b>	<b>24,634,392</b>	<b>-</b>	<b>108,144,507</b>	<b>17,712,091</b>	<b>163,772,366</b>	<b>21,068,629</b>	<b>162,021,596</b>	<b>703,743</b>	<b>-</b>	<b>-</b>	<b>498,057,324</b>



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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 2017:

		(a)	(b)	(c)	(d)	(e)	(f)
		Replacement cost (RC)	PFE	Effective EPE	Alpha ( $\alpha$ ) used for computing default risk exposure	Default risk exposure after CRM	RWA
1	SA-CCR (for derivative contracts)	-	-		1.4	-	-
1a	CEM	6,622,903	5,941,036		N/A	11,480,790	4,905,954
2	IMM(CCR) approach			-	-	-	-
3	Simple Approach (for SFTs)					-	-
4	Comprehensive Approach (for SFTs)					-	-
5	VaR (for SFTs)					-	-
<b>6</b>	<b>Total</b>						<b>4,905,954</b>

**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 2017:

		(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	11,480,790	1,465,763
<b>4</b>	<b>Total</b>	<b>11,480,790</b>	<b>1,465,763</b>

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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 2017, 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) 0%	(b) 10%	(c) 20%	(ca) 35%	(d) 50%	(e) 75%	(f) 100%	(g) 150%	(ga) 250%	(h) Others	(i) 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	-	-	2,923,439	-	8,462,375	-	25,447	-	-	-	11,411,261
5	Securities firm exposures	-	-	-	-	9,795	-	-	-	-	-	9,795
6	Corporate exposures	-	-	-	-	-	-	14,599	-	-	-	14,599
7	CIS exposures	-	-	-	-	-	-	-	-	-	-	-
8	Regulatory retail exposures	-	-	-	-	-	-	-	-	-	-	-
9	Residential mortgage loans	-	-	-	-	-	-	-	-	-	-	-
10	Other exposures which are not past due exposures	-	-	-	-	-	-	45,135	-	-	-	45,135
11	Significant exposures to commercial entities	-	-	-	-	-	-	-	-	-	-	-
12	<b>Total</b>	-	-	<b>2,923,439</b>	-	<b>8,472,170</b>	-	<b>85,181</b>	-	-	-	<b>11,480,790</b>

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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 2017 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	-	238,809	19,267	825,073	-	-
Domestic sovereign debt	-	-	-	-	-	-
Other sovereign debt	-	-	-	-	-	-
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
<b>Total</b>	-	<b>238,809</b>	<b>19,267</b>	<b>825,073</b>	-	-

**CCR6: Credit-related derivatives contracts**

The following table presents the amount of credit-related derivative contracts as at 30 June 2017, broken down into credit protection bought and credit protection sold:

	(a)	(b)
	Protection bought	Protection sold
<b>Notional amounts</b>		
Single-name credit default swaps	-	-
Index credit default swaps	-	-
Total return swaps	-	-
Credit-related options	-	-
Other credit-related derivative contracts	-	-
<b>Total notional amounts</b>	-	-
<b>Fair values</b>		
Positive fair value (asset)	-	-
Negative fair value (liability)	-	-

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**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 2017:

		(a)
		RWA
	Outright product exposures	
1	Interest rate exposures (general and specific risk)	4,360,138
2	Equity exposures (general and specific risk)	-
3	Foreign exchange (including gold) exposures	22,449,300
4	Commodity exposures	-
	Option exposures	
5	Simplified approach	-
6	Delta-plus approach	-
7	Other approach	-
8	Securitization exposures	-
<b>9</b>	<b>Total</b>	<b>26,809,438</b>

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**Glossary**

<u>Abbreviations</u>	<u>Descriptions</u>
AMA	Advanced measurement approach
ASA	Alternative standardized approach
BIA	Basic indicator approach
BSC	Basic approach
CCF	Credit conversion factor
CCP	Central counterparty
CCR	Counterparty credit risk
CEM	Current exposure method
CIS	Collective investment scheme
CRM	Credit risk mitigation
CVA	Credit valuation adjustment
EAD	Exposure at default
EPE	Expected positive exposure
FBA	Fall-back approach
IMM	Internal models approach
IMM (CCR)	Internal models (counterparty credit risk) approach
IRB	Internal ratings-based approach
IRB (S)	Internal ratings-based (securitization) approach
LTA	Look through approach
MBA	Mandate-based approach
PFE	Potential future exposure
PSE	Public sector entity
RC	Replacement cost
RW	Risk-weight
RWA	Risk-weighted asset/risk-weighted amount
S	Securitization
SA-CCR	Standardized approach for counterparty credit risk
SFT	Securities financing transaction
STC	Standardized (credit risk) approach
STC (S)	Standardized (securitization) approach
STM	Standardized (market risk) approach
STO	Standardized (operational risk) approach
VaR	Value at risk