



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

**Regulatory Disclosures**

**For the quarter ended**

**31 March 2023**

**(Unaudited)**

# CHINA CONSTRUCTION BANK (ASIA) CORPORATION LIMITED

## Regulatory Disclosures

As at 31 March 2023

(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)
		31 Mar 2023	31 Dec 2022	30 Sep 2022	30 Jun 2022	31 Mar 2022
	<b>Regulatory capital (amount)</b>					
1	Common Equity Tier 1 (CET1)	64,410,242	62,787,383	62,649,374	62,524,402	62,542,615
2	Tier 1	72,187,843	70,564,984	78,238,707	78,113,735	78,131,948
3	Total capital	74,586,173	73,027,802	80,924,693	80,963,632	81,103,009
	<b>RWA (amount)</b>					
4	Total RWA	344,055,468	348,726,726	368,482,530	369,940,529	386,943,407
	<b>Risk-based regulatory capital ratios (as a percentage of RWA)</b>					
5	CET1 ratio (%)	18.72%	18.00%	17.00%	16.90%	16.16%
6	Tier 1 ratio (%)	20.98%	20.24%	21.23%	21.12%	20.19%
7	Total capital ratio (%)	21.68%	20.94%	21.96%	21.89%	20.96%
	<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 (%)	0.86%	0.85%	0.85%	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 (%)	3.36%	3.35%	3.35%	3.35%	3.35%
12	CET1 available after meeting the AI's minimum capital requirements (%)	14.22%	13.50%	12.50%	12.40%	11.66%
	<b>Basel III leverage ratio</b>					
13	Total leverage ratio (LR) exposure measure	488,648,619	494,129,626	519,902,683	504,911,168	530,992,094
14	LR (%)	14.77%	14.28%	15.05%	15.47%	14.71%
	<b>Liquidity Coverage Ratio (LCR)</b>					
15	Total high quality liquid assets (HQLA)	85,335,426	82,554,261	73,634,886	69,987,507	69,942,444
16	Total net cash outflows	66,302,924	63,175,960	56,538,161	49,764,966	48,742,578
17	LCR (%)	128.80%	130.86%	130.39%	141.77%	143.87%
	<b>Net Stable Funding Ratio (NSFR)</b>					
18	Total available stable funding	284,286,611	289,102,419	305,752,988	304,311,246	324,925,931
19	Total required stable funding	221,888,243	216,915,478	230,989,412	238,975,691	254,190,925
20	NSFR (%)	128.12%	133.28%	132.37%	127.34%	127.83%

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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 31 March 2023	As at 31 December 2022	As at 31 March 2023
1	<b>Credit risk for non-securitization exposures</b>	299,293,700	303,407,932	23,943,496
2	Of which STC approach	299,293,700	303,407,932	23,943,496
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>	2,180,542	2,260,181	174,444
7	Of which SA-CCR approach	1,730,073	1,810,348	138,406
7a	Of which CEM	-	-	-
8	Of which IMM(CCR) approach	-	-	-
8a	Of which counterparty default risk to CCPs in respect of derivative contracts	1,000	1,000	80
9	Of which others	449,469	448,833	35,958
10	<b>CVA risk</b>	1,504,875	1,680,900	120,390
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>	25,312,513	25,520,588	2,025,001
21	Of which STM approach	25,312,513	25,520,588	2,025,001
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>	14,488,838	14,582,125	1,159,107
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>344,055,468</b>	<b>348,726,726</b>	<b>27,524,438</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 31 March 2023

(Expressed in thousands of Hong Kong Dollars)

### LR2: Leverage ratio ("LR")

		(a)	(b)
		As at 31 March 2023	As at 31 December 2022
<b>On-balance sheet exposures</b>			
1	On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	452,951,232	462,208,624
2	Less: Asset amounts deducted in determining Tier 1 capital	(1,620,277)	(1,735,654)
3	Total on-balance sheet exposures (excluding derivative contracts and SFTs)	451,330,955	460,472,970
<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)	1,029,321	1,376,388
5	Add-on amounts for PFE associated with all derivative contracts	1,724,955	1,342,306
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	2,754,276	2,718,694
<b>Exposures arising from SFTs</b>			
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	13,026,742	8,992,105
13	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	-	-
14	CCR exposure for SFT assets	857,369	951,521
15	Agent transaction exposures	-	-
16	Total exposures arising from SFTs	13,884,111	9,943,626
<b>Other off-balance sheet exposures</b>			
17	Off-balance sheet exposure at gross notional amount	96,294,617	97,178,501
18	Less: Adjustments for conversion to credit equivalent amounts	(71,842,000)	(72,283,662)
19	Off-balance sheet items	24,452,617	24,894,839
<b>Capital and total exposures</b>			
20	Tier 1 capital	72,187,843	70,564,984
20a	Total exposures before adjustments for specific and collective provisions	492,421,959	498,030,129
20b	Adjustments for specific and collective provisions	(3,773,340)	(3,900,503)
21	Total exposures after adjustments for specific and collective provisions	488,648,619	494,129,626
<b>Leverage ratio</b>			
22	Leverage ratio	14.77%	14.28%

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## Regulatory Disclosures

As at 31 March 2023

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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 first quarter ended 31 March 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 31 March 2023
Level 1 assets	79,714,203
Level 2A assets	1,286,888
Level 2B assets	4,334,335
<b>Total weighted amount of HQLA</b>	<b>85,335,426</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 31 March 2023 (73 data points)	
		(a)	(b)
Basis of disclosure: Hong Kong office		Unweighted value (average)	Weighted value (average)
<b>A. HQLA</b>			
1	Total HQLA		<b>85,335,426</b>
<b>B. CASH OUTFLOWS</b>			
2	Retail deposits and small business funding, of which:	<b>175,666,352</b>	<b>13,434,129</b>
3	Stable retail deposits and stable small business funding	3,255,028	97,651
4	Less stable retail deposits and less stable small business funding	94,318,233	9,431,823
4a	Retail term deposits and small business term funding	78,093,091	3,904,655
5	Unsecured wholesale funding (other than small business funding), and debt securities and prescribed instruments issued by the AI, of which:	<b>123,272,020</b>	<b>79,317,655</b>
6	Operational deposits	-	-
7	Unsecured wholesale funding (other than small business funding) not covered in row 6	123,272,020	79,317,655
8	Debt securities and prescribed instruments issued by the AI and redeemable within the LCR period	-	-
9	Secured funding transactions (including securities swap transactions)		1,125,494
10	Additional requirements, of which:	<b>35,316,192</b>	<b>6,596,935</b>
11	Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements	1,013,556	1,013,556
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)	34,302,636	5,583,379
14	Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows	6,990,846	6,990,846
15	Other contingent funding obligations (whether contractual or non-contractual)	188,527,027	357,803
16	Total Cash Outflows		<b>107,822,862</b>
<b>C. CASH INFLOWS</b>			
17	Secured lending transactions (including securities swap transactions)	1,149,102	1,031,199
18	Secured and unsecured loans (other than secured lending transactions covered in row 17) and operational deposits placed at other financial institutions	111,857,229	36,228,846
19	Other cash inflows	72,204,627	4,259,893
20	Total Cash Inflows	<b>185,210,958</b>	<b>41,519,938</b>
<b>D. LIQUIDITY COVERAGE RATIO (ADJUSTED VALUE)</b>			
21	Total HQLA		<b>85,335,426</b>
22	Total Net Cash Outflows		<b>66,302,924</b>
23	LCR (%)		<b>128.80%</b>