



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

Regulatory Disclosures

For the quarter ended

31 March 2021

(Unaudited)

CHINA CONSTRUCTION BANK (ASIA) CORPORATION LIMITED

Regulatory Disclosures

As at 31 March 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)
		31 Mar 2021	31 Dec 2020	30 Sep 2020	30 Jun 2020	31 Mar 2020
	Regulatory capital (amount)					
1	Common Equity Tier 1 (CET1)	61,047,698	60,424,343	59,327,097	58,556,533	58,460,277
2	Tier 1	76,637,031	76,013,676	74,916,430	74,145,866	74,049,767
3	Total capital	79,584,550	78,781,662	77,885,764	77,240,808	77,478,885
	RWA (amount)					
4	Total RWA	382,405,184	367,422,557	387,137,371	404,494,230	404,456,109
	Risk-based regulatory capital ratios (as a percentage of RWA)					
5	CET1 ratio (%)	15.96%	16.45%	15.32%	14.48%	14.45%
6	Tier 1 ratio (%)	20.04%	20.69%	19.35%	18.33%	18.31%
7	Total capital ratio (%)	20.81%	21.44%	20.12%	19.10%	19.16%
	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 (%)	0.85%	0.83%	0.83%	0.83%	0.81%
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%	3.33%	3.33%	3.33%	3.31%
12	CET1 available after meeting the AI's minimum capital requirements (%)	11.46%	11.95%	10.82%	9.98%	9.95%
	Basel III leverage ratio					
13	Total leverage ratio (LR) exposure measure	503,382,011	504,155,929	526,037,339	523,560,595	538,711,165
14	LR (%)	15.22%	15.08%	14.24%	14.16%	13.75%
	Liquidity Coverage Ratio (LCR) / Liquidity Maintenance Ratio (LMR)					
	Applicable to category 1 institution only:					
15	Total high quality liquid assets (HQLA)	65,096,130	76,613,022	57,167,631	56,253,958	62,644,510
16	Total net cash outflows	45,803,530	48,313,939	38,928,385	33,322,547	41,746,929
17	LCR (%)	143.75%	163.62%	148.90%	172.24%	150.83%
	Applicable to category 2 institution only:					
17a	LMR (%)	N/A	N/A	N/A	N/A	N/A
	Net Stable Funding Ratio (NSFR) / Core Funding Ratio (CFR)					
	Applicable to category 1 institution only:					
18	Total available stable funding	335,509,000	341,302,646	352,696,619	353,494,446	356,343,666
19	Total required stable funding	251,862,316	239,512,506	260,506,881	262,447,756	270,766,415
20	NSFR (%)	133.21%	142.50%	135.39%	134.69%	131.61%
	Applicable to category 2A institution only:					
20a	CFR (%)	N/A	N/A	N/A	N/A	N/A

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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 2021	As at 31 December 2020	As at 31 March 2021
1	Credit risk for non-securitization exposures	341,843,563	326,396,670	27,347,485
2	Of which STC approach	341,843,563	326,396,670	27,347,485
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	808,058	771,974	64,644
7	Of which SA-CCR	N/A	N/A	N/A
7a	Of which CEM	808,056	771,972	64,644
8	Of which IMM(CCR) approach	-	-	-
9	Of which others	2	2	-
10	CVA risk	424,863	334,238	33,989
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	23,016,175	23,477,350	1,841,294
21	Of which STM approach	23,016,175	23,477,350	1,841,294
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	15,037,525	15,167,325	1,203,002
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	382,405,184	367,422,557	30,592,414

During the quarter ended 31 March 2021, total RWAs increased by HK\$15 billion mainly due to increase in RWAs for non-securitization credit exposures.

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LR2: Leverage ratio ("LR")

		(a)	(b)
		As at 31 March 2021	As at 31 December 2020
On-balance sheet exposures			
1	On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	477,230,320	475,694,593
2	Less: Asset amounts deducted in determining Tier 1 capital	(1,013,247)	(424,473)
3	Total on-balance sheet exposures (excluding derivative contracts and SFTs)	476,217,073	475,270,120
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)	816,135	954,837
5	Add-on amounts for PFE associated with all derivative contracts	1,731,904	1,135,370
6	Gross-up for derivatives collateral provided 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	(216,725)	(220,849)
8	Less: Exempted CCP leg of client-cleared trade exposures	-	-
9	Adjusted effective notional amount of written credit derivative contracts	-	-
10	Less: Adjusted effective notional offsets and add-on deductions for written credit derivative contracts	-	-
11	Total exposures arising from derivative contracts	2,331,314	1,869,358
Exposures arising from SFTs			
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	388,483	346,009
13	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	-	-
14	CCR exposure for SFT assets	-	-
15	Agent transaction exposures	-	-
16	Total exposures arising from SFTs	388,483	346,009
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	107,014,016	106,052,960
18	Less: Adjustments for conversion to credit equivalent amounts	(79,035,276)	(76,099,201)
19	Off-balance sheet items	27,978,740	29,953,759
Capital and total exposures			
20	Tier 1 capital	76,637,031	76,013,676
20a	Total exposures before adjustments for specific and collective provisions	506,915,610	507,439,246
20b	Adjustments for specific and collective provisions	(3,533,599)	(3,283,317)
21	Total exposures after adjustments for specific and collective provisions	503,382,011	504,155,929
Leverage ratio			
22	Leverage ratio	15.22%	15.08%

The decrease in total leverage ratio exposure measures by HK\$774 million is mainly attributed to decreases in unused commitment, offset by increase in investment securities and derivative contracts.

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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 quarter ended 31 March 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. 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 March 31, 2021
Level 1 assets	59,190,024
Level 2A assets	2,906,716
Level 2B assets	2,999,390
Total weighted amount of HQLA	65,096,130

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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 March 31 2021 (73 data points)	
		(a)	(b)
Basis of disclosure: Hong Kong office		Unweighted value (average)	Weighted value (average)
A. HQLA			
1	Total HQLA		65,096,130
B. CASH OUTFLOWS			
2	Retail deposits and small business funding, of which:	221,019,089	16,730,378
3	Stable retail deposits and stable small business funding	3,763,846	112,915
4	Less stable retail deposits and less stable small business funding	115,094,019	11,509,402
4a	Retail term deposits and small business term funding	102,161,224	5,108,061
5	Unsecured wholesale funding (other than small business funding), and debt securities and prescribed instruments issued by the AI, of which:	119,402,516	66,509,797
6	Operational deposits	-	-
7	Unsecured wholesale funding (other than small business funding) not covered in row 6	119,402,516	66,509,797
8	Debt securities and prescribed instruments issued by the AI and redeemable within the LCR period	-	-
9	Secured funding transactions (including securities swap transactions)		-
10	Additional requirements, of which:	44,365,175	8,221,806
11	Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements	1,454,418	1,454,418
12	Cash outflows arising from obligations under structured financing transactions and repayment of funding obtained from such transactions	40,387	40,387
13	Potential drawdown of undrawn committed facilities (including committed credit facilities and committed liquidity facilities)	42,870,370	6,727,001
14	Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows	2,645,299	2,645,299
15	Other contingent funding obligations (whether contractual or non-contractual)	184,631,603	622,269
16	Total Cash Outflows		94,729,549
C. CASH INFLOWS			
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	103,800,250	44,810,026
19	Other cash inflows	64,124,666	4,115,993
20	Total Cash Inflows	167,924,916	48,926,019
D. LIQUIDITY COVERAGE RATIO (ADJUSTED VALUE)			
21	Total HQLA		65,096,130
22	Total Net Cash Outflows		45,803,530
23	LCR (%)		143.75%