China Construction Bank Corporation, Johannesburg Branch

Basel Pillar III
Quarter 4 Disclosure Report
31 December 2022

OV1: Overview of RWA

R' 000			a	b	c
			Risk –weighted assets		Minimum capital requirements N1
		Notes	31-Dec-22	30-Sep-22	31-Dec-22
1	**Credit risk (excluding counterparty credit risk)**	N2	**12,618,826**	**8,552,057**	**1,451,165**
2	Of which: standardised approach (SA)		12,618,826	8,552,057	1,451,165
3	Of which: foundation internal ratings-based (F-IRB) approach		-	-	-
4	Of which: supervisory slotting approach		-	-	-
5	Of which: advanced internal ratings-based (A-IRB) approach		-	-	-
6	**Counterparty credit risk (CCR)**	N3	**919,350**	**11,835**	**105,725**
7	Of which: standardised approach for counterparty credit risk		919,350	11,835	105,725
8	Of which: Internal Model Method (IMM)		-	-	-
9	Of which: other CCR		-	-	-
10	**Credit valuation adjustment (CVA)**		**522,354**	**6,725**	**60,071**
11	**Equity positions under the simple risk weight approach**		**8,400**	**-**	**966**
12	**Equity investments in funds - look-through approach**		-	-	-
13	**Equity investments in funds - mandate-based approach**		-	-	-
14	**Equity investments in funds - fall-back approach**		-	-	-
15	**Settlement risk**		-	-	-
16	**Securitisation exposures in the banking book**		-	-	-
17	Of which: securitisation internal ratings-based approach (SEC-IRBA)		-	-	-
18	Of which: securitisation external ratings-based approach (SEC-ERBA), including internal assessment approach		-	-	-
19	Of which: securitisation standardised approach (SEC-SA)		-	-	-
20	**Market risk**		**12,101**	**6,375**	**1,392**
21	Of which: standardised approach (SA)		12,101	6,375	1,392
22	Of which: internal model approaches (IMA)		-	-	-
23	Capital charge for switch between trading book and banking book		-	-	-
24	**Operational risk**		**1,473,988**	**1,437,759**	**169,509**
25	**Amounts below thresholds for deduction (subject to 250% risk weight)**		**181,463**	**313,705**	**20,868**
26	**Floor adjustment**		-	-	-
27	**Total (1+6+10+11+12+13+14+15+16+20+23+24+25+26)**	N4	**15,736,482**	**10,328,456**	**1,809,696**

Notes

N1: *Minimum capital requirements: South African base minima (9%) + conservation buffer (2.5%).*

N2: *Credit risk: The increase in credit risk is as a result of new bilateral and syndicated term loans granted to clients.*

N3: *Counterparty credit risk: The increase is a result of the ZAR appreciation against the USD, resulting in an increased replacement cost of USD/ZAR derivatives. This contributes to an increase in total counterparty credit risk.*

N4: *Total: The increase in total risk weighted assets is mainly as a result of an increase in credit risk and counterparty credit risk.*

KM1: Key Metrics

R'000 Notes			a	b	c	d	e
			31-Dec-22	30-Sept-22	30-June-22	31-Mar-22	31-Dec-21
	Available capital (amounts)						
1	Common Equity Tier 1 (CET1)		6,248,228	5,999,366	5,955,698	5,838,782	5,775,317
1a	Fully loaded ECL accounting model		6,248,228	5,999,366	5,955,698	5,838,782	5,775,317
2	Tier 1		6,248,228	5,999,366	5,955,698	5,838,782	5,775,317
2a	Fully loaded accounting model Tier 1		6,248,228	5,999,366	5,955,698	5,838,782	5,775,317
3	Total capital		6,357,329	6,104,222	6,042,562	5,916,681	5,907,066
3a	Fully loaded ECL accounting model total capital		6,357,329	6,104,222	6,042,562	5,916,681	5,907,066
	Risk-weighted assets (amounts)	N1					
4	Total risk-weighted assets (RWA)		15,736,482	10,328,456	8,773,690	7,991,333	12,237,874
	Risk-based capital ratios as a percentage of RWA	N2					
5	Common Equity Tier 1 ratio (%)		39.71%	58.09%	67.88%	73.06%	47.19%
5a	Fully loaded ECL accounting model CET1 (%)		39.71%	58.09%	67.88%	73.06%	47.19%
6	Tier 1 ratio (%)		39.71%	58.09%	67.88%	73.06%	47.19%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)		39.71%	58.09%	67.88%	73.06%	47.19%
7	Total capital ratio (%)		40.40%	59.10%	68.87%	74.04%	48.27%
7a	Fully loaded ECL accounting model total capital ratio (%)		40.40%	59.10%	68.87%	74.04%	48.27%
	Additional CET1 buffer requirements as a percentage of RWA	N3					
8	Capital conservation buffer requirement (2.5% from 2019) (%)		2.50%	2.50%	2.50%	2.50%	2.50%
9	Countercyclical buffer requirement (%)		0.05%	0.00%	0.00%	0.00%	0.00%
10	Bank D-SIB additional requirements (%)		0.00%	0.00%	0.00%	0.00%	0.00%
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9+ row 10)		2.55%	2.50%	2.50%	2.50%	2.50%
12	CET1 available after meeting the bank's minimum capital requirements (%)		31.78%	50.21%	60.01%	65.19%	39.82%
	Basel III Leverage Ratio	N4					
13	Total Basel III leverage ratio measure		44,999,495	39,590,652	35,042,040	33,905,165	42,402,675
14	Basel III leverage ratio (%) (row 2/row 13)		13.89%	15.15%	17.00%	17.22%	13.62%
14a	Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2a/row 13)		13.89%	15.15%	17.00%	17.22%	13.62%
	Liquidity Coverage Ratio	N5					
15	Total HQLA	N6	19,193,896	8,113,665	6,239,281	6,224,075	10,346,577
16	Total net cash outflow	N7	10,107,118	2,369,719	2,309,841	2,005,275	3,093,104
17	LCR ratio (%)	N8	189.90%	342.39%	270.12%	310.39%	334.50%
	Net Stable Funding Ratio						
18	Total available stable funding		18,917,824	21,497,824	19,149,426	18,379,656	19,417,674
19	Total required stable funding	N9	13,652,698	9,933,979	7,998,861	7,885,067	9,232,563
20	NSFR ratio (%)	N10	138.56%	216.41%	239.40%	233.09%	210.32%

Notes

N1: *Risk weighted assets: Please refer to OV1.*

N2: *Risk-based capital ratios as a percentage of RWA: The decrease is as a result of increases in credit risk and counterparty credit risk (please refer to OV1).*

N3: *Additional CET1 buffer requirements as a percentage of RWA: The decrease is as a result of increases in credit risk and counterparty credit risk.*

N4: *Basel III Leverage ratio: Please refer to LR1.*

N5: *The LCR reported in KM1 is the quarter-end LCR as indicated below in the LIQ1 this is prepared on different basis and therefore will not agree.*

N6: *Total HQLA: The increase is as a result of an increase in qualifying central bank reserves, and the change in limitations on foreign currency denominated HQLA as per Banks Act Directive 7/2014 and Circular 5/2016 as well as the implementation of Banks Act Directive 11/2022.*

N7: *Total net cash outflow: The increase is as a result of an increase in deposits and placements from banks as well as the restriction on cash inflows (limited to 75% of the total cash outflows).*

N8: *LCR ratio: The percentage increase in total net cash outflow is greater than the percentage increase in total HQLA thus resulting in a decrease in LCR.*

N9: *Total required stable funding: The increase is mainly as a result of new bilateral and syndicated term loans granted to clients.*

N10: *NSFR ratio: : The decrease is mainly as result of an increase in required stable funding resulting from loan drawdowns.*

LR1: Summary comparison of accounting assets vs leverage ratio exposure method

R'000		*Notes*	a [N1]
1	Total consolidated assets as per published financial statements*		43,584,843
2	Adjustments for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory		-
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure		-
4	Adjustments for derivative financial instruments		-499,460
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)		-
6	Adjustments for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)		1,914,470
7	Other adjustments		-358
8	**Leverage ratio exposure measure**	N2	**44,999,495**

**consolidated assets as per submitted BA returns*

Notes

N1: *Please note that KM1 above contains the comparatives of the Leverage Ratio Exposure measure in aggregate, reference should be made to that disclosure.*

N2: *Leverage ratio exposure measure: The increase is mainly attributable to an increase in total assets resulting from new loans granted to clients.*

LR2: Summary comparison of accounting assets vs leverage

R'000		Notes	a	b
			31-Dec-22	30-Sep-22
On-balance sheet exposures				
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)		42,226,419	37,739,282
2	(Asset amounts deducted in determining Basel III Tier 1 capital)		-358	-455
3	**Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of row 1 and 2)**	N1	**42,226,061**	**37,738,827**
Derivative exposures				
4	Replacement cost associated with *all* derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)		474,242	940
5	Add-on amounts for PFE associated with *all* derivatives transactions		384,722	177,076
6	Gross-up for derivatives collateral provide where deducted from the balance sheet assets pursuant to the operative accounting framework		-	-
7	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)		-	-
8	(Exempted CCP leg of client-cleared trade exposures)		-	-
9	Adjusted effective notional amount of written credit derivatives		-	-
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)		-	-
11	**Total derivative exposures (sum of rows 4 to 10)**	N2	**858,964**	**178,016**
Securities financing transactions				
12	Gross SFT *assets* (with no recognition of netting), after adjusting for sale accounting transactions		-	-
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)		-	-
14	CCR exposure for SFT assets		-	-
15	Agent transaction exposures		-	-
16	**Total securities financing transaction exposures (sum of rows 12 to 15)**		**-**	**-**
Other off-balance sheet exposures				
17	Off-balance sheet exposure at gross notional amount		3,828,940	3,347,619
18	(Adjustments for conversion to credit equivalent amounts)		-1,914,470	-1,673,810
19	**Off-balance sheet items (sum of rows 17 and 18)**	N3	**1,914,470**	**1,673,809**
Capital and total exposures				
20	Tier 1 capital		6,248,228	5,999,366
21	**Total exposures (sum of rows 3, 11, 16 and 19)**	N4	**44,999,495**	**39,590,652**
Leverage ratio				
22	**Basel III leverage ratio**		**13.89%**	**15.15%**

Notes

N1: On balance sheet exposure: The increase is as a result of new bilateral and syndicated term loans granted to clients.

N2: Derivative exposures: The increase is as a result of fair value movements in currency swaps resulting from exchange rate fluctuations.

N3: Off-balance sheet items: The increase is as a result of new committed facilities granted to clients and not yet drawndown.

N4: Total exposures: Please refer to LR1.

LIQ1: LIQUIDITY COVERAGE RATIO (LCR)

R'000		Notes	a Total unweighted value (average)	b Total weighted value (average)
High-Quality Liquid Assets				
1	Total HQLA			17,984,491
Cash outflows				
2	**Retail deposits and deposits from small business**		**50,162**	**2,858**
3	Stable deposits		-	-
4	Less stable deposits		50,162	2,858
5	**Unsecured wholesale funding, of which:**		**13,333,510**	**10,327,549**
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks		-	-
7	Non-operational deposits (all counterparties)		13,333,510	10,327,549
8	Unsecured debt		-	-
9	**Secured wholesale funding**			**-**
10	**Additional requirements, of which:**		**3,792,563**	**752,264**
11	Outflows related to derivative exposures and other collateral requirements		122,802	122,802
12	Outflows related to loss of funding of debt products		-	-
13	Credit and liquidity facilities		3,669,760	629,462
14	**Other contractual funding obligations**		**10,199**	**510**
15	**Other contingent funding obligations**		**-**	**-**
16	**TOTAL CASH OUTFLOWS**			**11,083,181**
Cash inflows				
17	Secured lending (e.g. reverse repo)		-	-
18	Inflows from fully performing exposures		10,098,808	10,091,881
19	Other cash inflows		962,110	962,110
20	**TOTAL CASH INFLOWS**		**11,060,918**	**11,053,991**
				Total adjusted value
21	**Total HQLA**			**17,984,491**
22	**Total net cash outflows**			**3,621,910**
23	**Liquidity coverage ratio**			**604%**

Notes

N1: CCB-JHB has completed LIQ1 based on the requirements of BCBS 400 - "Pillar 3 disclosure requirements - consolidated and enhanced framework", which prescribes that this return must be presented on a simple daily average over the quarter. The daily calculation of LCR performed by the Bank does not include the limitations on HQLA as per Banks Act Directive 7/2014 and Circular 5/2016 whereas the monthly calculation for October 2022 and November 2022 does take into account the limitations per Directive 7/2014 and Circular 5/2016.
The Banks Act Directive 11/2022, which replaces Directive 7/2014, has been implemented and applied to the daily and monthly calculation from the effective date.
For reference the LCR ratio as at 31 December 2022 (based on the Banks Act Directive 11/2022) is 190%.
The number of data points used in the daily calculation is 92 days.

N2: Total net cash outflows does not equal total cash outflows less total cash inflows is due to the restriction on the cash inflows where it is limited to 75% of cash outflows for certain days in this quarter.

Note: the following tables as per Directive 1 of 2019 have not been included in the present disclosure due to the reasons as stated below.

Explanation	Directive 1 of 2019: Quarterly Disclosure required tables per Annex 1
CCB-JHB does not make use of the IMA and VaR estimates	MR2, MR3
CCB-JHB does not make use of the IRB approach for measuring Credit Risk	CR8 ,CR7
CCB-JHB does not make use of the IMM for measuring Counterparty Credit Risk	CCR7