

**China Construction Bank Corporation,
Johannesburg Branch**

Basel Pillar III
Quarter 1 Disclosure Report
31 March 2024

OV1: Overview of RWA

R' 000		Notes	a	b	c
			Risk –weighted assets		Minimum capital requirements N1
			31-Mar-24	31-Dec-23	31-Mar-24
1	Credit risk (excluding counterparty credit risk)		22,250,339	19,752,915	2,558,789
2	Of which: standardised approach (SA)	N2	22,250,339	19,752,915	2,558,789
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)		268,798	827,822	30,912
7	Of which: standardised approach for counterparty credit risk		268,798	827,822	30,912
8	Of which: Internal Model Method (IMM)		-	-	-
9	Of which: other CCR		-	-	-
10	Credit valuation adjustment (CVA)		153,415	470,349	17,643
11	Equity positions under the simple risk weight approach		-	-	-
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		14,936	7,566	1,718
21	Of which: standardised approach (SA)		14,936	7,566	1,718
22	Of which: internal model approaches (IMA)		-	-	-
23	Capital charge for switch between trading book and banking book		-	-	-
24	Operational risk		1,634,068	1,603,806	187,918
25	Amounts below thresholds for deduction (subject to 250% risk weight)		234,208	166,258	26,934
26	Floor adjustment		-	-	-
27	Total (1+6+10+11+12+13+14+15+16+20+23+24+25+26)		24,555,764	22,828,716	2,823,913

Notes

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

N2: Credit risk: Increase in credit risk is mainly as a result of the extension in bilateral and syndicated loans

KM1: Key Metrics

R'000 Notes	a	b	c	d	e	
	31-Mar-24	31-Dec-23	30-Sep-23	30-Jun-23	31-Mar-23	
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	6,817,820	6,673,353	6,518,723	6,519,599	6,346,188
1a	Fully loaded ECL accounting model	6,817,820	6,673,353	6,518,723	6,519,599	6,346,188
2	Tier 1	6,817,820	6,673,353	6,518,723	6,519,599	6,346,188
2a	Fully loaded accounting model Tier 1	6,817,820	6,673,353	6,518,723	6,519,599	6,346,188
3	Total capital	6,968,612	6,819,701	6,649,502	6,650,980	6,468,821
3a	Fully loaded ECL accounting model total capital	6,968,612	6,819,701	6,649,502	6,650,980	6,468,821
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	24,555,764	22,828,716	22,318,998	20,839,745	18,743,645
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 ratio (%)	27.76%	29.23%	29.21%	31.28%	33.86%
5a	Fully loaded ECL accounting model CET1 (%)	27.76%	29.23%	29.21%	31.28%	33.86%
6	Tier 1 ratio (%)	27.76%	29.23%	29.21%	31.28%	33.86%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	27.76%	29.23%	29.21%	31.28%	33.86%
7	Total capital ratio (%)	28.38%	29.87%	29.79%	31.91%	34.51%
7a	Fully loaded ECL accounting model total capital ratio (%)	28.38%	29.87%	29.79%	31.91%	34.51%
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.50%	2.50%	2.50%	2.50%	2.50%
9	Countercyclical buffer requirement (%)	0.21%	0.31%	0.20%	0.22%	0.05%
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)	2.71%	2.81%	2.70%	2.72%	2.55%
12	CET1 available after meeting the bank's minimum capital requirements (%)	19.68%	21.05%	21.13%	23.19%	25.94%
Basel III Leverage Ratio						
13	Total Basel III leverage ratio measure	46,882,539	46,905,400	47,278,494	43,418,913	44,241,796
14	Basel III leverage ratio (%) (row 2/row 13)	14.54%	14.23%	13.79%	15.02%	14.34%
14a	Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2a/row 13)	14.54%	14.23%	13.79%	15.02%	14.34%
Liquidity Coverage Ratio						
15	Total HQLA	N1				
16	Total net cash outflow	N2	8,990,889	18,774,699	19,765,156	19,396,167
17	LCR ratio (%)	N3	4,308,301	6,245,987	7,819,912	6,265,688
17	LCR ratio (%)		208.69%	300.59%	252.75%	309.56%
17	LCR ratio (%)		208.69%	300.59%	252.75%	309.56%
Net Stable Funding Ratio						
18	Total available stable funding		22,912,015	22,507,195	20,745,757	21,711,199
19	Total required stable funding		19,795,817	17,337,517	18,107,615	16,607,069
20	NSFR ratio (%)		115.74%	129.82%	114.57%	130.73%
20	NSFR ratio (%)		115.74%	129.82%	114.57%	130.73%
20	NSFR ratio (%)		115.74%	129.82%	114.57%	130.73%

Notes

N1: 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.

N2: HQLA: The decrease in HQLA is as a result of the restriction in qualifying foreign currency HQLA

N3: Total net cash outflow: Net cash outflow decrease is as a result of decrease in utilised committed facilities.

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

R'000	<i>Notes</i>	a ^{N1}
1	Total consolidated assets as per published financial statements*	44,724,677
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	157,875
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)	2,000,039
7	Other adjustments	-52
8	Leverage ratio exposure measure	46,882,539

*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.

LR2: Summary comparison of accounting assets vs leverage

R'000		Notes	a	b
			31-Mar-24	31-Dec-23
On-balance sheet exposures				
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)		43,908,311	43,376,624
2	(Asset amounts deducted in determining Basel III Tier 1 capital)		-52	-89
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of row 1 and 2)		43,908,259	43,376,535
Derivative exposures				
4	Replacement cost associated with <i>all</i> derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)		723,808	254,017
5	Add-on amounts for PFE associated with <i>all</i> derivatives transactions		250,433	346,692
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)		0	0
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)	N1	974,241	600,709
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)		-	0
Other off-balance sheet exposures				
17	Off-balance sheet exposure at gross notional amount	N2	4,000,079	5,856,312
18	(Adjustments for conversion to credit equivalent amounts)	N2	-2,000,040	-2,928,156
19	Off-balance sheet items (sum of rows 17 and 18)	N2	2,000,039	2,928,156
Capital and total exposures				
20	Tier 1 capital		6,817,820	6,673,353
21	Total exposures (sum of rows 3, 11, 16 and 19)		46,882,539	46,905,400
Leverage ratio				
22	Basel III leverage ratio		14.54%	14.23%

Notes

N1: Derivative exposures: The increase is as a result of fair value movements in currency swaps resulting from exchange rate fluctuations.

N2: Off-balance sheet items: The decrease in off-balance sheet items is as a result of decreases in unutilised committed facilities.

LIQ1: LIQUIDITY COVERAGE RATIO (LCR)

R'000		Notes	a	b
			Total unweighted value (average)	Total weighted value (average)
High-Quality Liquid Assets				
1	Total HQLA			9,133,999
Cash outflows				
2	Retail deposits and deposits from small business		37,583	3,758
3	Stable deposits		-	-
4	Less stable deposits		37,583	3,758
5	Unsecured wholesale funding, of which:		10,799,419	8,131,702
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks		-	-
7	Non-operational deposits (all counterparties)		10,799,419	8,131,702
8	Unsecured debt		-	-
9	Secured wholesale funding			-
10	Additional requirements, of which:		5,663,456	754,269
11	Outflows related to derivative exposures and other collateral requirements		142,794	142,794
12	Outflows related to loss of funding of debt products		-	-
13	Credit and liquidity facilities		5,520,662	611,476
14	Other contractual funding obligations		26,682	1,334
15	Other contingent funding obligations		-	-
16	TOTAL CASH OUTFLOWS			8,891,064
Cash inflows				
17	Secured lending (e.g. reverse repo)		-	-
18	Inflows from fully performing exposures		6,505,437	6,501,651
19	Other cash inflows		734,655	735,021
20	TOTAL CASH INFLOWS		7,240,092	7,236,671
				Total adjusted value
21	Total HQLA			9,133,999
22	Total net cash outflows			2,835,386
23	Liquidity coverage ratio			351%

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 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 March 2024 is 209%.

The number of data points used in the daily calculation is 91 days.

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