

**China Construction Bank Corporation,
Johannesburg Branch**

Basel Pillar III
Quarter 3 Disclosure Report
30 September 2024

OV1: Overview of RWA

R' 000		Notes	a	b	c
			Risk –weighted assets		Minimum capital requirements N1
			30-Sep-24	30-Jun-24	30-Sep-24
1	Credit risk (excluding counterparty credit risk)		20,075,571	22,352,673	2,308,691
2	Of which: standardised approach (SA)		20,075,571	22,352,673	2,308,691
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)	N2	722,300	285,378	83,065
7	Of which: standardised approach for counterparty credit risk		722,300	285,378	83,065
8	Of which: Internal Model Method (IMM)		-	-	-
9	Of which: other CCR		-	-	-
10	Credit valuation adjustment (CVA)		412,700	161,571	47,461
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		6,054	8,533	696
21	Of which: standardised approach (SA)		6,054	8,533	696
22	Of which: internal model approaches (IMA)		-	-	-
23	Capital charge for switch between trading book and banking book		-	-	-
24	Operational risk		1,706,182	1,682,503	196,211
25	Amounts below thresholds for deduction (subject to 250% risk weight)		124,563	229,993	14,325
26	Floor adjustment		-	-	-
27	Total (1+6+10+11+12+13+14+15+16+20+23+24+25+26)		23,047,370	24,720,651	2,650,447

Notes

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

N2: The increase in Counterparty credit risk (CCR) is mainly attributed to two components:
 - In June 2024, more derivatives were contracted with intergroup entities which are ultimately risk-weighted at 0%; and
 - From the beginning of September 2024, CCB-JHB no longer exchanges cash variation margin with selected banking counterparts (FX derivatives are therefore excluded from CVA).

KM1: Key Metrics

R'000		a	b	c	d	e
Notes		30-Sep-24	30-Jun-24	31-Mar-24	31-Dec-23	30-Sep-23
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	7,172,750	6,989,627	6,817,820	6,673,353	6,518,723
1a	Fully loaded ECL accounting model	7,172,750	6,989,627	6,817,820	6,673,353	6,518,723
2	Tier 1	7,172,750	6,989,627	6,817,820	6,673,353	6,518,723
2a	Fully loaded accounting model Tier 1	7,172,750	6,989,627	6,817,820	6,673,353	6,518,723
3	Total capital	7,306,568	7,136,133	6,968,612	6,819,701	6,649,502
3a	Fully loaded ECL accounting model total capital	7,306,568	7,136,133	6,968,612	6,819,701	6,649,502
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	23,047,370	24,720,651	24,555,764	22,828,716	22,318,998
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 ratio (%)	31.12%	28.27%	27.76%	29.23%	29.21%
5a	Fully loaded ECL accounting model CET1 (%)	31.12%	28.27%	27.76%	29.23%	29.21%
6	Tier 1 ratio (%)	31.12%	28.27%	27.76%	29.23%	29.21%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	31.12%	28.27%	27.76%	29.23%	29.21%
7	Total capital ratio (%)	31.70%	28.87%	28.38%	29.87%	29.79%
7a	Fully loaded ECL accounting model total capital ratio (%)	31.70%	28.87%	28.38%	29.87%	29.79%
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 (%)	0.33%	0.32%	0.21%	0.31%	0.20%
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)	2.83%	2.82%	2.71%	2.81%	2.70%
12	CET1 available after meeting the bank's minimum capital requirements (%)	22.92%	20.08%	19.68%	21.05%	21.13%
Basel III Leverage Ratio						
13	Total Basel III leverage ratio measure	50,148,626	49,694,956	46,882,539	46,905,400	47,278,494
14	Basel III leverage ratio (%) (row 2/row 13)	14.30%	14.07%	14.54%	14.23%	13.79%
14a	Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2a/row 13)	14.30%	14.07%	14.54%	14.23%	13.79%
Liquidity Coverage Ratio						
15	Total HQLA	N1				
16	Total net cash outflow	N2	14,921,392	10,596,676	8,990,889	18,774,699
17	LCR ratio (%)	N3	2,988,474	2,139,326	4,308,301	6,245,987
			499.30%	495.33%	208.69%	300.59%
			252.75%			
Net Stable Funding Ratio						
18	Total available stable funding		23,199,097	22,457,842	22,912,015	22,507,195
19	Total required stable funding	N4	15,945,530	19,075,582	19,795,817	17,337,517
20	NSFR ratio (%)	N5	145.49%	117.73%	115.74%	129.82%
						114.57%

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 increase in HQLA is mainly as a result of the increase in qualifying bank reserves from June 2024 to September 2024.

N3: Total net cash outflow: Net cash outflow increase is as a result of a decrease in cash inflows due to a net decrease in intergroup bank placements.

N4: Total required stable funding: The decrease in Total required stable funding is due to a decrease in Unsecured loans to financial institutions, with the remaining balance moving closer to maturity

N5: NSFR ratio (%): The increase in the NSFR ratio (%) is mainly driven by the movement noted in N4 above.

**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*	47,775,224
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	239,329
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)	2,134,079
7	Other adjustments	-6
8	Leverage ratio exposure measure	50,148,626

**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
			30-Sep-24	30-Jun-24
On-balance sheet exposures				
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)		46,992,232	46,580,928
2	(Asset amounts deducted in determining Basel III Tier 1 capital)		-6	-19
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of row 1 and 2)		46,992,226	46,580,909
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)		767,030	643,287
5	Add-on amounts for PFE associated with <i>all</i> derivatives transactions		255,291	305,568
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	-31,723
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	1,022,321	917,132
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		4,268,159	4,393,831
18	(Adjustments for conversion to credit equivalent amounts)		-2,134,080	-2,196,916
19	Off-balance sheet items (sum of rows 17 and 18)		2,134,079	2,196,915
Capital and total exposures				
20	Tier 1 capital		7,172,750	6,989,627
21	Total exposures (sum of rows 3, 11, 16 and 19)		50,148,626	49,694,956
Leverage ratio				
22	Basel III leverage ratio		14.30%	14.07%

Notes

N1: The decrease in total derivative exposures - From the beginning of September 2024, CCB-JHB no longer exchanges cash variation margin with selected banking counterparts (FX derivatives are excluded from CVA).

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			14,020,057
Cash outflows				
2	Retail deposits and deposits from small business		20,380	1,976
3	Stable deposits		-	-
4	Less stable deposits		20,380	1,976
5	Unsecured wholesale funding, of which:		10,544,243	8,072,796
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks		-	-
7	Non-operational deposits (all counterparties)		10,544,243	8,072,796
8	Unsecured debt		-	-
9	Secured wholesale funding			-
10	Additional requirements, of which:		4,572,141	635,651
11	Outflows related to derivative exposures and other collateral requirements		67,240	66,467
12	Outflows related to loss of funding of debt products		-	-
13	Credit and liquidity facilities		4,504,901	569,186
14	Other contractual funding obligations		10,199	510
15	Other contingent funding obligations		-	-
16	TOTAL CASH OUTFLOWS			8,710,933
Cash inflows				
17	Secured lending (e.g. reverse repo)		-	-
18	Inflows from fully performing exposures		5,233,266	5,179,547
19	Other cash inflows		671,641	672,299
20	TOTAL CASH INFLOWS		5,904,907	5,851,846
				Total adjusted value
21	Total HQLA			14,020,057
22	Total net cash outflows			3,068,950
23	Liquidity coverage ratio			492%

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 30 September 2024 is 499%.

The number of data points used in the daily calculation is 92 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