中国建设银行
China Construction Bank
Johannesburg Branch

# China Construction Bank Corporation, Johannesburg Branch

## Pillar 3 Disclosure

(Half Year ended 30 June 2018)

"Builds a better future"

# CONTENTS

# 1. OVERVIEW

The following information is compiled in terms of the requirements of the Banks Act 1990 (as amended) and Regulation 43 of the Regulations relating to Banks (“the Regulations”), whereby banks (including foreign branches) are obliged to publically report certain qualitative and quantitative information with regards to their risk profile and capital adequacy on a regular basis to the public. This disclosure is commonly known as the Pillar 3 of the Basel accord.

China Construction Bank Corporation, Johannesburg Branch (hereafter referred to as CCB-JHB or the Branch) is an overseas branch of China Construction Bank Corporation (incorporated in the People’s Republic of China). The Branch concentrates on offering wholesale products and services to the South African business community. The Branch also promotes bi-lateral trade and investment between China, South Africa and the Southern African Development Community.

### Financial position

As at the end of June 2018 the financial position of the Branch was as follows:

- Total assets R 39.31 billion
- Total liabilities R 34.70 billion
- Total equity R 4.61 billion

Total assets increased by 9% compared to 31 December 2017. This is as a result of a combination of business development and regulatory requirements.

### Financial performance

As at the end of June 2018 the Branch reported a net profit after tax at R 233 million. Operating revenue is in line with expectation and operating expenditure is within the budget set for the first half of the year.

International Financial Reporting Standards (IFRS) 9 has been implemented and did not negatively impact the Branch’s financial performance.

# 2. COMPOSITION OF CAPITAL

## Capital adequacy

In terms of the requirements of the Banks Act and the Regulations, the Branch has met the minimum capital requirements for the period under review.

The minimum capital requirements are defined by the following capital adequacy ratio namely:

- Common Equity tier 1 capital as a percentage of risk-weighted assets;
- Tier 1 capital as a percentage of risk-weighted assets; and
- Total qualifying capital as a percentage of risk-weighted assets.

The Branch assesses the capital adequacy by considering the resources necessary to cover unexpected losses arising from risks, being those which it chooses to accept (such as credit and market risk), and risks which may arise in the operations environment. The capital management framework and related policies of the Branch are defined in the Internal Capital Adequacy Assessment Process (ICAAP).

This ensures that the Branch's level of capital:

- remains sufficient to support the Branch's risk profile and outstanding commitments;
- exceeds the Branch's minimum regulatory capital requirements by an appropriate buffer;
- is capable of withstanding a severe economic downturn stress scenario; and
- remains consistent with the Branch's strategic and operational goals, and CCB Group's expectations.

As at 30 June 2018 the Branch reported a capital adequacy of 25.96%. The change in capital adequacy is mainly as a result of credit risk which constitutes approximately 90% of total risk exposure.

## Template CC1: Composition of regulatory capital

| | | a | b |
|---|---|---|---|
| | | **Amounts** | **Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation** |
| | **Common Equity Tier 1 capital: instruments and reserves** | | |
| 1 | Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus | 3 385 642 | |
| 2 | Retained earnings | 1 219 538 | |
| 3 | Accumulated other comprehensive income (and other reserves) | | |
| 4 | *Directly issued capital subject to phase-out from CET1 (only applicable to non-joint stock companies)* | | |
| 5 | Common share capital issued by third parties (amount allowed in group CET1) | | |
| **6** | **Common Equity Tier 1 capital before regulatory deductions** | **4 605 179** | |
| | **Common Equity Tier 1 capital regulatory adjustments** | | |
| 7 | Prudent valuation adjustments | | |
| 8 | Goodwill (net of related tax liability) | | |
| 9 | Other intangibles other than mortgage servicing rights (net of related tax liability) | 183 | |
| 10 | Deferred tax assets that rely on future profitability, excluding those arising from temporary differences (net of related tax liability) | | |

| | | a | b |
|---|---|---|---|
| | | Amounts | Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation |
| 11 | Cash flow hedge reserve | | |
| 12 | Shortfall of provisions to expected losses | | |
| 13 | Securitisation gain on sale (as set out in paragraph 36 of Basel III securitisation framework) | | |
| 14 | Gains and losses due to changes in own credit risk on fair valued liabilities | | |
| 15 | Defined benefit pension fund net assets | | |
| 16 | Investments in own shares (if not already subtracted from paid-in capital on reported balance sheet) | | |
| 17 | Reciprocal cross-holdings in common equity | | |
| 18 | Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold) | | |
| 19 | Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold) | | |
| 20 | Mortgage servicing rights (amount above 10% threshold) | | |
| 21 | Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability) | | |
| 22 | Amount exceeding 15% threshold | | |
| 23 | Of which: significant investments in the common stock of financials | | |

| | | a | b |
|---|---|---|---|
| | | **Amounts** | **Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation** |
| 24 | Of which: mortgage servicing rights | | |
| 25 | Of which: deferred tax assets arising from temporary differences | | |
| 26 | National specific regulatory adjustments | | |
| 27 | Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions | | |
| 28 | **Total regulatory adjustments to Common Equity Tier 1** | 183.30 | |
| 29 | **Common Equity Tier 1 capital (CET1)** | 4 604 996 | |
| | **Additional Tier 1 capital: instruments** | | |
| 30 | Directly issued qualifying Additional Tier 1 instruments plus related stock surplus | | |
| 31 | OF which: classified as equity under applicable accounting standards | | |
| 32 | Of which: classified as liabilities under applicable accounting standards | | |
| 33 | *Directly issued capital instruments subject to phase-out from additional Tier 1* | | |
| 34 | Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in AT1) | | |
| 35 | *Of which: instruments issued by subsidiaries subject to phase-out* | | |
| 36 | Additional Tier 1 capital before regulatory adjustments | - | |
| | **Additional Tier 1 capital: regulatory adjustments** | | |

| | | a | b |
|---|---|---|---|
| | | **Amounts** | **Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation** |
| 37 | Investments in own additional Tier 1 instruments | | |
| 38 | Reciprocal cross-holdings in additional Tier 1 instruments | | |
| 39 | Investments in capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation | | |
| 40 | Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation | | |
| 41 | National specific regulatory adjustments | | |
| 42 | Regulatory adjustments applied to additional Tier 1 due to insufficient Tier 2 to cover deductions | | |
| 43 | Total regulatory adjustments to additional Tier 1 capital | - | |
| **44** | **Additional Tier 1 capital (AT1)** | **-** | |
| **45** | **Tier 1 capital (T1= CET1 + AT1)** | **4 604 996** | |
| | **Tier 2 capital: instruments and provisions** | | |
| 46 | Directly issued qualifying Tier 2 instruments plus related stock surplus | | |
| 47 | *Directly issued capital instruments subject to phase-out from Tier 2* | | |
| 48 | Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2) | | |
| 49 | *Of which: instruments issued by subsidiaries subject to phase-out* | | |
| 50 | Provisions | 61 133 | |
| 51 | **Tier 2 capital before regulatory adjustments** | **61 133** | |

| | | a | b |
|---|---|---|---|
| | | **Amounts** | **Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation** |
| | **Tier 2 capital: regulatory adjustments** | | |
| 52 | Investments in own Tier 2 instruments | | |
| 53 | Reciprocal cross-holdings in Tier 2 instruments and other TLAC liabilities | | |
| 54 | Investments in capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold) | | |
| 54a | Investments in the other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation and where the bank does not own more than 10% of the issued common share capital of the entity: amount previously designated for the 5% threshold but that no longer meets the conditions (for G-SIBs only) | | |
| 55 | Significant investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions) | | |
| 56 | National specific regulatory adjustments | | |
| 57 | **Total regulatory adjustments to Tier 2 capital** | - | |
| 58 | **Tier 2 capital (T2)** | 61 133 | |
| 59 | **Total regulatory capital (TC = T1 + T2)** | 4 666 128 | |
| 60 | **Total risk-weighted assets** | 17 977 155 | |

| | | a | b |
|---|---|---|---|
| | | **Amounts** | **Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation** |
| | **Capital ratios and buffers** | | |
| 61 | **Common Equity Tier 1 (as a percentage of risk-weighted assets)** | 25.62% | |
| 62 | **Tier 1 (as a percentage of risk-weighted assets)** | 25.62% | |
| 63 | **Total capital (as a percentage of risk-weighted assets)** | 25.96% | |
| 64 | **Institution specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk-weighted assets)** | 1.88% | |
| 65 | **Of which: capital conservation buffer requirement** | 1.88% | |
| 66 | **Of which: bank-specific countercyclical buffer requirement** | 0.00% | |
| 67 | **Of which: higher loss absorbency requirement** | | |
| 68 | **Common Equity Tier 1 (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirement.** | 17.87% | |
| | **National minima (if different from Basel III)** | | |
| 69 | National Common Equity Tier 1 minimum ratio (if different from Basel III minimum) | 7.75% | |
| 70 | National Tier 1 minimum ratio (if different from Basel III minimum) | 9.44% | |
| 71 | National total capital minimum (if different from Basel III minimum) | 11.88% | |
| | **Amounts below the thresholds for deduction (before risk weighting)** | | |
| 72 | Non-significant investments in the capital and other TLAC liabilities of other financial entities | | |
| 73 | Significant investments in common stock of financial entities | | |
| 74 | Mortgage servicing rights (net of related tax liability) | | |

| | | a | b |
|---|---|---|---|
| | | **Amounts** | **Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation** |
| 75 | Deferred tax assets arising from temporary differences (net of related tax liability) | | |
| | **Applicable caps on the inclusion of provisions in Tier 2** | | |
| 76 | Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap) | | |
| 77 | Cap on inclusion of provisions in Tier 2 under standardised approach | | |
| 78 | Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap) | | |
| 79 | Cap for inclusion of provisions in Tier 2 under internal ratings-based approach | | |
| | **Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)** | | |
| 80 | *Current cap on CET1 instruments subject to phase-out arrangements* | | |
| 81 | *Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)* | | |
| 82 | *Current cap on AT1 instruments subject to phase-out arrangements* | | |
| 83 | *Amount excluded from AT1 due to cap (excess after redemptions and maturities)* | | |
| 84 | *Current cap on T2 instruments subject to phase-out arrangements* | | |
| 85 | *Amount excluded from T2 due to cap (excess after redemptions and maturities)* | | |

# 3. LIQUIDITY

The net stable funding ratio has been met throughout 2018 and remains stable. As at 30 June 2018 the net stable funding ratio was reported at 128.72%.

## Template LIQ2: Net Stable Funding Ratio (NSFR)

| | | a | b | c | d | e |
|---|---|---|---|---|---|---|
| | | Unweighted value by residual maturity | | | | |
| | | No maturity* | <6 months | 6 months to <1 year | ≥1 year | Weighted value |
| **Available stable funding (ASF) item** | | | | | | |
| 1 | Capital: | 4 605 179 | - | - | - | 4 605 179 |
| 2 | *Regulatory capital* | 4 605 179 | | | | 4 605 179 |
| 3 | *Other capital instruments* | | | | | |
| 4 | Retail deposits and deposits from small business customers: | - | 33 804 | 6 700 | 390 | 36 844 |
| 5 | *Stable deposits* | | 33 804 | 6 700 | 390 | 36 844 |
| 6 | *Less stable deposits* | | | | | |
| 7 | Wholesale funding: | - | 22 940 451 | 2 834 423 | 5 766 463 | 14 234 763 |
| 8 | *Operational deposits* | | | | | |
| 9 | *Other wholesale funding* | | 22 940 451 | 2 834 423 | 5 766 463 | 14 234 763 |
| 10 | Liabilities with matching interdependent assets | | | | | |
| 11 | Other liabilities: | | | | | |
| 12 | *NSFR derivative liabilities* | | 1 469 921 | | | |

| | | a | b | c | d | e |
|---|---|---|---|---|---|---|
| | | Unweighted value by residual maturity | | | | |
| | | No maturity* | <6 months | 6 months to <1 year | ≥1 year | Weighted value |
| 13 | *All other liabilities and equity not included in the above categories* | | 1 619 632 | 29 821 | | 14 911 |
| **14** | **Total ASF** | | | | | 18 891 697 |
| **Required stable funding (RSF) item** | | | | | | |
| 15 | Total NSFR high-quality liquid assets (HQLA) | | | | | 752 136 |
| 16 | Deposits held at other financial institutions for operational purposes | | | | | |
| 17 | Performing loans and securities: | - | 10 292 605 | 1 682 701 | 11 332 392 | 13 668 950 |
| 18 | *Performing loans to financial institutions secured by Level 1 HQLA* | | | | | |
| 19 | *Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions* | | 8 404 692 | 517 586 | 6 602 704 | 8 122 201 |
| 20 | *Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:* | | 1 887 912 | 1 165 115 | 4 067 722 | 4 984 077 |
| 21 | *With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk* | | | | | |
| 22 | *Performing residential mortgages, of which:* | | | | | |
| 23 | *With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk* | | | | | |

| | | a | b | c | d | e |
|---|---|---|---|---|---|---|
| | | Unweighted value by residual maturity | | | | |
| | | No maturity* | <6 months | 6 months to <1 year | ≥1 year | Weighted value |
| 24 | *Securities that are not in default and do not qualify as HQLA, including exchange-traded equities* | | | | 661 967 | 562 672 |
| 25 | Assets with matching interdependent liabilities | | | | | |
| 26 | Other liabilities: | - | 540 634 | - | 415 724 | 167 589 |
| 27 | *Physical traded commodities, including gold* | | | | | |
| 28 | *Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs* | | | | | |
| 29 | *NSFR derivative assets* | | | | 275 112 | - |
| 30 | *NSFR derivative liabilities before deduction of variation margin posted* | | | | | |
| 31 | *All other assets not included in the above categories* | | 540 634 | | 140 612 | 167 589 |
| 32 | Off-balance sheet items | | | | 1 764 171 | 88 209 |
| **33** | ***Total RSF*** | | | | | 14 676 883 |
| **34** | ***Net Stable Funding Ratio (%)*** | | | | | **129%** |

# 4. CREDIT RISK

The Branch considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Branch in full, without recourse by the Branch to actions such as realizing security (if any is held); or
- the borrower is more than 90 days past due on any material credit obligation to the Branch. Overdrafts are considered past due once the customer has breached an advised limit or been advised of a limit that is smaller than the current amount outstanding.

There has been no material movement between defaulted and non-defaulted exposure during the period. During the period there was no material change in credit risk as seen in the tables below.

## Template CR1: Credit quality of assets

| | | a | b | c | d |
|---|---|---|---|---|---|
| | | Gross carrying values of | | | |
| | | Defaulted exposures | Non-defaulted exposures | Allowances/impairments | Net values (a+b-c) |
| 1 | Loans | 44 035 | 22 645 731 | 58 143 | 22 631 623 |
| 2 | Debt Securities | - | 15 704 695 | 25 545 | 15 679 151 |
| 3 | Off-balance sheet exposures | - | 1 766 637 | 2 136 | 1 764 501 |
| 4 | **Total** | **44 035** | **40 117 064** | **85 824** | **40 075 275** |

## Template CR2: Changes in stock of defaulted loans and debt securities

| | | a |
|---|---|---|
| 1 | **Defaulted loans and debt securities at end of the previous reporting period** | 44 035 |
| 2 | Loans and debt securities that have defaulted since the last reporting period | - |
| 3 | Returned to non-defaulted status | - |
| 4 | Amounts written off | - |
| 5 | Other changes | - |
| 6 | **Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5)** | 44 035 |

## Template CR3: Credit risk mitigation techniques – overview

| | | a | b | c | d | e | f | g |
|---|---|---|---|---|---|---|---|---|
| | | Exposures unsecured: carrying amount | Exposures secured by collateral | Exposures secured by collateral, of which: secured amount | Exposures secured by financial guarantees | Exposures secured by financial guarantees, of which: secured amount | Exposures secured by credit derivatives | Exposures secured by credit derivatives, of which: secured amount |
| 1 | Loans | 22 631 623 | | | | | | |
| 2 | Debt securities | 15 679 151 | | | | | | |
| 3 | **Total** | **38 310 774** | **-** | **-** | **-** | **-** | **-** | **-** |
| 4 | Of which defaulted | 44 035 | | | | | | |

## Template CR4: Standardised approach - credit risk exposure and Credit Risk Mitigation (CRM) effects

| | | a | b | c | d | e | f |
|---|---|---|---|---|---|---|---|
| | | **Exposures before CCF and CRM** | | **Exposures post-CCF and CRM** | | **RWA and RWA density** | |
| | Asset classes | On-balance sheet amount | Off-balance sheet amount | On-balance sheet amount | Off-balance sheet amount | RWA | RWA density |
| 1 | Sovereigns and their central banks | 15 042 728 | 0 | 15 042 728 | - | 0 | 0% |
| 2 | Non-central government public sector entities | 2 909 551 | 0 | 2 909 551 | - | 1 695 401 | 58% |
| 3 | Multilateral development banks | | | | | | |
| 4 | Banks | 13 504 800 | 1 173 412 | 13 504 800 | 828 278 | 6 650 057 | 46% |
| 5 | Securities firms | | | | | | |
| 6 | Corporates | 7 714 903 | 1 078 741 | 7 714 903 | 280 565 | 7 985 796 | 100% |
| 7 | Regulatory retail portfolios | | | | | | |
| 8 | Secured by residential property | | | | | | |
| 9 | Secured by commercial real estate | 300 000 | | | | | |
| 10 | Equity | 0 | 0 | 0 | 0 | 0 | 0% |
| 11 | Past-due loans | | | | | | |
| 12 | Higher-risk categories | | | | | | |
| 13 | Other assets | 677 799 | 0 | 677 799 | 0 | 137 644 | 20% |
| 14 | **Total** | **40 149 781** | **2 252 153** | **40 149 781** | **1 108 843** | **16 768 898** | |

## Template CR5: Standardised approach - exposures by asset classes and risk weights

| | | a | b | c | d | e | f | g | h | i | j |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Risk weight* / Asset classes | 0% | 10% | 20% | 35% | 50% | 75% | 100% | 150% | Others | Total credit exposures amount (post CCF and post-CRM) |
| 1 | Sovereigns and their central banks | 15 042 728 | | | | - | | | | | 15 042 728 |
| 2 | Non-central government public sector entities (PSEs) | | | | | 2 428 301 | | 481 250 | | | 2 909 551 |
| 3 | Multilateral development banks (MDBs) | | | | | | | | | | |
| 4 | Banks | 6 081 522 | | 1 588 144 | | 661 967 | | 6 001 445 | | | 14 333 078 |
| 5 | Securities firms | | | | | | | | | | |
| 6 | Corporates | - | | - | | - | | 7 951 433 | | | 7 951 433 |
| 7 | Regulatory retail portfolios | | | | | | | | | | |
| 8 | Secured by residential property | | | | | | | | | | |
| 9 | Secured by commercial real estate | | | | | | | 300 000 | | | 300 000 |
| 10 | Equity | | | | | | | - | | | - |

| | | a | b | c | d | e | f | g | h | i | j |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Risk weight*** <br> **Asset classes** | **0%** | **10%** | **20%** | **35%** | **50%** | **75%** | **100%** | **150%** | **Others** | **Total credit exposures amount (post CCF and post-CRM)** |
| 11 | Past-due loans | | | | | 44 035 | | | | | 44 035 |
| 12 | Higher-risk categories | | | | | | | | | | |
| 13 | Other assets | 540 155 | | | | | | 137 644 | | | 677 799 |
| **14** | **Total** | **21 664 406** | **0** | **1 588 144** | **0** | **3 134 303** | **0** | **14 871 772** | **0** | **0** | **41 258 624** |

## 5. COUNTERPARTY CREDIT RISK

Counterparty credit risk is the risk arising from the possibility that the counterparty may default on amounts owed on a derivative transaction.

The Branch enters into a variety of derivative financial instruments to promote banking activities and for risk management purposes. Derivative financial instruments used by the Branch include Interest Rate Swaps, Foreign Exchange Swaps, Forward Exchange Contracts and Foreign Exchange Spot transactions. All derivative financial instruments are fair valued and counterparty credit risk is calculated on the Standardised Approach as per the Regulations. The Branch does not conduct any proprietary trading.

The Branch has reported a fair value movement in derivative instruments of R 2.9 billion as a result of exchange rate fluctuations during the period.

### Template CCR1: Analysis of counterparty credit risk (CCR) exposure by approach

| | | a | b | c | d | e | f |
|---|---|---|---|---|---|---|---|
| | | Replacement cost | Potential future exposure | EEPE | Alpha used for computing regulatory EAD | EAD post-CRM | RWA |
| 1 | SA-CCR (for derivatives) | 275 112 | 212 871 | | 1.4 | 487 983 | 258 742 |
| 2 | Internal Model Method (for derivatives and SFTs) | | | | | | |
| 3 | Simple Approach for credit risk mitigation (for SFTs) | | | | | | |
| 4 | Comprehensive Approach for credit risk mitigation (for SFTs) | | | | | | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 5 | VaR for SFTs | | | | | | |
| **6** | **Total** | | | | | | **258 742** |

## Template CCR2: Credit valuation adjustment (CVA) capital charge

| | | a | b |
|---|---|---|---|
| | | **EAD post-CRM** | **RWA** |
| | Total portfolios subject to the Advanced CVA capital charge | | |
| 1 | (i) VaR component (including the 3x multiplier) | | |
| 2 | (ii) Stressed VaR component (including the 3x multiplier) | | |
| 3 | All portfolios subject to the Standardised CVA capital charge | 252 380 | 111 349 |
| 4 | Total subject to the CVA capital charge | 252 380 | 111 349 |

## Template CCR3: Standardized approach - CCR exposures by regulatory portfolio and risk weights

| | a | b | c | d | e | f | g | h | i |
|---|---|---|---|---|---|---|---|---|---|
| **Risk weight****<br>**Regulatory portfolio*** | **0%** | **10%** | **20%** | **50%** | **75%** | **100%** | **150%** | **Others** | **Total credit exposure** |
| Sovereigns | | | | | | - | | | - |

| | a | b | c | d | e | f | g | h | i |
|---|---|---|---|---|---|---|---|---|---|
| **Risk weight**** <br> **Regulatory portfolio*** | **0%** | **10%** | **20%** | **50%** | **75%** | **100%** | **150%** | **Others** | **Total credit exposure** |
| | - | | - | - | | | | | |
| Non-central government public sector entities (PSEs) | - | | - | - | | - | | | - |
| Multilateral development banks (MDBs) | | | | | | | | | - |
| Banks | 229 241 | | - | - | | 253 903 | | | 483 144 |
| Securities firms | | | | | | | | | - |
| Corporates | - | | - | - | | 4 839 | | | 4 839 |
| Regulatory retail portfolios | | | | | | | | | - |
| Other assets | **229 241** | **-** | **-** | **-** | **-** | **258 742** | **-** | **-** | **487 983** |
| **Total** | | | | | | | | | |

## Template CCR5: Composition of collateral for CCR exposure

| | a | b | c | d | e | f |
|---|---|---|---|---|---|---|
| | **Collateral used in derivative transactions** | | | | **Collateral used in SFTs** | |
| | **Fair value of collateral received** | | **Fair value of posted collateral** | | **Fair value of collateral received** | **Fair value of posted collateral** |
| | **Segregated** | **Unsegregated** | **Segregated** | **Unsegregated** | | |
| Cash - domestic currency | - | - | - | - | - | - |
| Cash - other currencies | - | - | 25 932 | - | - | - |
| Domestic sovereign debt | - | - | - | - | - | - |
| Government agency debt | - | - | - | - | - | - |
| Corporate bonds | - | - | - | - | - | - |
| Equity securities | - | - | - | - | - | - |
| Other collateral | - | - | - | - | - | - |
| **Total** | - | - | **25 932** | - | - | - |

## Template CCR6: Credit derivative exposures

| | a | b |
|---|---|---|
| | **Protection bought** | **Protection sold** |
| **Notionals** | - | - |
| Single-name credit default swaps | - | - |
| Index credit default swaps | - | - |
| Total return swaps | - | - |
| Credit options | - | - |
| Other credit derivatives | - | - |
| **Total notionals** | - | - |
| **Fair values** | - | - |
| Positive fair value (asset) | - | - |
| Negative fair value (liability) | - | - |

# 6. MARKET RISK

The Branch defines market risk as the risk of a potential impact on earnings as a result of unfavourable changes in foreign exchange rates, interest rates, prices, market volatilities and trading liquidity.

The Branch’s exposure to market risk primarily relates to foreign currency exchange rate risk in the banking book and is considered to be immaterial in relation to the total regulatory capital requirements of CCB-JHB as the Branch has a restricted open position limit.

## Table MR1: Market risk under the standardised approach (SA)

| | | a |
|---|---|---|
| | | RWA |
| | Outright products | |
| 1 | Interest rate risk (general and specific) | |
| 2 | Equity risk (general and specific) | |
| 3 | Foreign exchange risk | 25 |
| 4 | Commodity risk | |
| | Options | |
| 5 | Simplified approach | |
| 6 | Delta-plus method | |
| 7 | Scenario approach | |
| 8 | Securitisation | |
| 9 | **Total** | 25 |