

OVERVIEW OF RISK MANAGEMENT, KEY PRUDENTIAL METRICS AND RWA

Name of bank/ controlling company :	China Construction Bank Corporation Johannesburg Branch
Quarter ended	30 September 2018

Template KM1: Key metrics (at consolidated group level)

		a	b	c	d	e
		T	T-1	T-2	T-3	T-4
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	4 684 611	4 604 996	4 519 868	4 407 735	4 286 022
1a	Fully loaded ECL accounting model	4 684 611	4 604 996	4 519 868		
2	Tier 1	4 684 611	4 604 996	4 519 868	4 407 735	4 286 022
2a	Fully loaded accounting model Tier 1	4 684 611	4 604 996	4 519 868		
3	Total capital	4 743 690	4 666 128	4 579 034	4 493 977	4 383 127
3a	Fully loaded ECL accounting model total capital	4 743 690	4 666 128	4 579 034		
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	15 988 917	17 977 155	17 012 256	20 734 678	19 354 211
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 ratio (%)	29.30%	25.62%	26.57%	21.26%	22.15%
5a	Fully loaded ECL accounting model CET1 (%)	29.30%	25.62%	26.57%		
6	Tier 1 ratio (%)	29.30%	25.62%	26.57%	21.26%	22.15%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	29.30%	25.62%	26.57%		
7	Total capital ratio (%)	29.67%	25.96%	26.92%	21.67%	22.65%
7a	Fully loaded ECL accounting model total capital ratio (%)	29.67%	25.96%	26.92%		
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (2.5% from 2019) (%)	1.88%	1.88%	1.88%	1.25%	1.25%
9	Countercyclical buffer requirement (%)					
10	Bank D-SIB additional requirements (%)					
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9+ row 10)	1.88%	1.88%	1.88%	1.25%	1.25%
12	CET1 available after meeting the bank's minimum capital requirements (%)	21.55%	17.87%	18.82%	13.63%	14.52%
Basel III Leverage Ratio						
13	Total Basel III leverage ratio measure	35 159 335	40 252 449	37 924 072	38 450 230	41 250 357
14	Basel III leverage ratio (%) (row 2/row 13)	13.32%	11.44%	11.92%	11.46%	10.39%
14a	Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2A/row 13)	13.32%	11.44%	11.92%	0.00%	0.00%
Liquidity Coverage Ratio						
15	Total HQLA	9 418 731	7 577 179	7 752 572	7 756 158	10 404 592
16	Total net cash outflow	8 232 182	4 059 531	3 415 465	6 563 072	9 249 150
17	LCR ratio (%)	113.16%	186.65%	226.98%	118.18%	112.49%
Net Stable Funding Ratio						
18	Total available stable funding	19 349 124	18 891 697	16 108 141		
19	Total required stable funding	13 026 493	14 676 883	13 190 116		
20	NSFR ratio (%)	148.54%	128.72%	122.12%		

Template OV1: Overview of RWA

	a	b	c	
	T	T-1	T	
RWA				
Minimum capital requirements				
1	Credit risk (excluding counterparty credit risk)	14 303 065	16 372 512	1 698 489
2	Of which: standardised approach (SA)	14 303 065	16 372 512	1 698 490
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)	457 760	370 091	54 359
7	Of which: standardised approach for counterparty credit risk	457 760	370 091	54 360
8	Of which: Internal Model Method (IMM)			
9	Of which: other CCR			
10	Credit valuation adjustment (CVA)			
11	Equity positions under the simple risk weight approach	0	0	0
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	18	25	2
21	Of which: standardised approach (SA)	18	25	2
22	Of which: internal model approaches (IMA)			
23	Capital charge for switch between trading book and banking book			
24	Operational risk	985 448	985 448	117 022
25	Amounts below thresholds for deduction (subject to 250% risk weight)			
26	Floor adjustment	242 626	249 078	28 812
27	Total (1+6+10+11+12+13+14+15+16+20+23+24+25+26)	15 988 917	17 977 155	1 898 684

Template LR1: Summary comparison of accounting assets vs leverage ratio exposure (January 2014 standard)

	a
1	Total consolidated assets as per published financial statements
2	Adjustments for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation
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

599 143

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)		679 422
7	Other adjustments		-383 072
8	Leverage ratio exposure measure		35 159 335
Template LR2: Summary comparison of accounting assets vs leverage ratio exposure measure (January 2014 standard)			
		a	b
		T	T-1
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	33 905 613	39 091 952
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	-24 843	-24 875
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of row 1 and 2)	33 880 770	39 067 077
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)	416 494	275 112
5	Add-on amounts for PFE associated with <i>all</i> derivatives transactions	182 649	212 871
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)	599 143	487 983
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	0
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	1 715 211	1 766 637
18	(Adjustments for conversion to credit equivalent amounts)	-1 035 789	-1 069 249
19	Off-balance sheet items (sum of rows 17 and 18)	679 422	697 389
Capital and total exposures			
20	Tier 1 capital	4 684 611	4 604 996
21	Total exposures (sum of rows 3, 11, 16 and 19)	35 159 335	40 252 449
Leverage ratio			
22	Basel III leverage ratio	13.32%	11.44%
Template LIQ1: Liquidity Coverage Ratio (LCR)			
		a	b
		Total unweighted value (average)	Total weighted value (average)
High-quality liquid assets			
1	Total HQLA		9 418 731
Cash outflows			
2	Retail deposits and deposits from small business customers, of which:	16 154	1 615
3	Stable deposits	-	-
4	Less stable deposits	16 154	1 615
5	Unsecured wholesale funding, of which:	11 727 414	8 691 819
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks		
7	Non-operational deposits (all counterparties)		
8	Unsecured debt	11 727 414	8 691 819
9	Secured wholesale funding		1 042 750
10	Additional requirements, of which:	1 867 991	1 042 751
11	Outflows related to derivative exposures and other collateral requirements	205 513	205 513
12	Outflows related to loss of funding of debt products		
13	Credit and liquidity facilities	1 662 478	837 237
14	Other contractual funding obligations	50 278	1 769
15	Other contingent funding obligations		
16	TOTAL CASH OUTFLOWS		9 737 953
Cash inflows			
17	Secured lending (e.g. reverse repo)		
18	Inflows from fully performing exposures	1 420 175	1 414 771
19	Other cash inflows		
20	TOTAL CASH INFLOWS	1 420 175	1 414 771
			Total adjusted value
21	Total HQLA		9 418 731
22	Total net cash outflows		8 323 182
23	Liquidity coverage ratio (%)		113%